

Point 18 – Resolution on a Performance Share Plan 2014

Calculations of dilution are based on the number of shares issued at the time of issuing the notice to the Annual General Meeting.

Background

The Annual General Meeting in Elekta AB (“Elekta”) has, for a number of years, resolved on a long-term incentive program in the form of a performance-based share program for key employees in the Elekta Group.

The Board of Directors proposes the Annual General Meeting resolves on a Performance Share Plan 2014 in pursuant to the main principles set forth below. The proposal entails certain changes relative to previous program to better reflect Elekta’s remuneration strategy to attract and retain competence on competitive terms as well as Elekta’s business strategy and financial targets.

The purpose of the incentive program is to create involvement by key personnel regarding possibilities and risk in the Company’s development and to ensure that they share the objective to generate profitable growth. It is also intended to motivate key personnel to continued employment in the Group. The need for an equity based incentive program should be viewed with the perspective that the Group is active in a global market and that a majority of the eligible employees are active in markets where equity based incentives are an important component in the total compensation package.

The Board of Directors’ proposed decision on Performance Share Plan 2014

The Board proposes that a decision be taken at the Annual General Meeting on Performance Share Plan 2014. Performance Share Plan 2014 is proposed to cover approximately 180 key employees in the Elekta Group with an opportunity to be allotted, free of charge, class B shares in Elekta, in accordance with the following principal terms and guidelines.

The participants of the Performance Share Plan 2014 shall be divided into five groups; the President and CEO, other members of the Group Management and three additional

groups for other senior managers and key employees. For each group, the Board will determine a maximum value for the Performance Share Plan 2014 per individual denominated in SEK. The maximum value for the President and CEO amounts to SEK 2,700,000, for other members of the Group Management to SEK 1,350,000 and for other senior managers and key employees not less than SEK 118,000 and not more than SEK 800,000 respectively. The total sum of the maximum values for all participants will not exceed SEK 93,500,000 excluding social costs.

Each participant's maximum value shall be converted into a number of shares, based on the average closing share price of the Elekta class B share on the exchange NASDAQ OMX Stockholm during a period of ten trading days before the day the participants are offered to participate in the program. The total number of shares that are covered by the Performance Share Plan 2014 and outstanding incentive programs can in total however correspond to no more than five per cent of the total number of outstanding shares.

The total number of shares that can be allotted is dependent on the degree of fulfillment of two financial targets, which are independent of each other, for the Group's (i) earnings before interest, taxes and amortizations (EBITA) with 50 per cent weight and (ii) business volume in local currency (sales and orders) with 50 per cent weight. The performance targets are measured and earned by one-third each financial year during the period financial year 2014/2015 until financial year 2016/2017. The financial targets for being allotted shares under the Performance Share Plan 2014 include a minimum level that must be exceeded in order for any allotment to occur at all, as well as a maximum level in excess of which no additional allotment will occur. Allotment between the minimum level and maximum level is linear. The Board establishes, based on inter alia budget, the minimum and maximum level for the respective performance target. The levels that are established and to what extent they have been achieved will be presented at latest when the program ends. The performance targets shall be adjusted at the occurrence of events affecting the Elekta Group's operations or the number of outstanding shares in the Company or otherwise affecting the performance targets and deemed relevant by the Board.

The allotment of shares normally inter alia requires that the persons covered by the program are employed in the Elekta Group.

The value that the employee could receive at allotment of shares in the program is maximized at 400 per cent of the share price at the time of offer to participate in the program.

If all conditions included in the Performance Share Plan 2014 are met, allotment of shares shall be made free of charge three years after an agreement has been entered into and following approval of the results by the Board. Before the number of shares to be allotted are finally determined, the Board shall examine whether the allotment is reasonable considering the Company's financial results and position, conditions on the stock market and other circumstances, and if not, as determined by the Board, reduce the number of shares to be allotted to the lower number of shares deemed appropriate by the Board.

The participants shall not provide any consideration for their rights under the program. Participants shall at allotment of shares receive compensation for cash dividend during the three financial years 2014/2015, 2015/2016 and 2016/2017.

The number of shares included in the proposal may be recalculated by the Board due to changes in the capital structure, such as bonus issue, consolidation or split of shares, new issue or reduction of the share capital or similar measures.

The Board, or a committee established by the Board for this purpose, will be responsible for the detailed drafting and management of Performance Share Plan 2014, within the scope of the principal conditions and guidelines as specified. The Board shall thereupon be entitled to make adjustments to meet specific rules or market conditions abroad. The Board shall also be entitled to make other adjustments provided that there are substantial changes in the Elekta Group or its surroundings which would signify that conditions for allocation in accordance with Performance Share Plan 2014 are no longer appropriate.

Participation in Performance Share Plan 2014 assumes that such participation is legally and suitably possible and that the administrative costs and financial efforts are reasonable in the opinion of the Board.

The Board is entitled to introduce an alternative incentive solution for employees in countries where participation in Performance Share Plan 2014 is not appropriate. Such alternative incentive solution shall, as far as practicably possible, correspond to the terms for the Performance Share Plan 2014.

Preparation of the proposal

The following proposal has been prepared by the Executive Compensation Committee in consultation with the Board. The resolution to propose the Performance Share Plan 2014 to the shareholders' meeting has been taken by the Board.

Costs of Performance Share Plan 2014

Assuming maximum allotment under the Performance Share Plan 2014 and a share price of SEK 95, a maximum of 1,139,600 class B shares are required to fulfill commitments under the program (including social security costs), corresponding to approximately 0.30 per cent of the total number of issued shares. The number of shares covered by existing and outstanding incentive programs amounts to 1,779,339 shares, corresponding to approximately 0.46 per cent of the total number of issued shares and approximately 0.35 per cent of the number of votes.

Assuming maximum allotment of shares under Performance Share Plan 2014 and a share price of SEK 95, the cost, including social security cost and financing cost for repurchased own shares is estimated at approximately SEK 108,262,000.

Hedging actions

In order to secure delivery under Performance Share Plan 2014, the board proposes under point 19 c), that no more than 1,139,600 class B shares may be transferred to employees in the Elekta Group and, moreover that a portion of the shares also may be transferred at the NASDAQ OMX Stockholm in order to cover inter alia social security payments.

Outstanding incentive programs in Elekta

For a description of Elekta's on-going share related incentive programs reference is made to note 5 in Elekta's annual report for 2013/2014.

Majority requirement

A valid resolution in respect of the Board's proposal at a general meeting requires that the resolution be supported by shareholders with more than half of the votes cast or, in the event of a tied vote, through the chairman exercising his casting vote.