

Item 18 a) – Proposal by the Board of Directors of Elekta AB (publ) for a resolution on a Performance Share Plan 2017

Performance Share Plan 2017 (“PSP 2017”) including the Board of Directors’ proposal for resolutions on implementation of a performance share plan and transfer of treasury shares.

Background

Long-term variable compensation is an integral part of Elekta’s remuneration strategy and 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 within the Group.

The Board of Directors proposes that the Annual General Meeting resolves on PSP 2017 pursuant to the main principles set forth below. The terms and conditions for the PSP 2017 are in essence the same as the terms and conditions of the Performance Share Plan 2016. The purpose of the PSP 2017 is to encourage and improve long-term value creation in alignment with shareholders’ interests, the Company’s business strategy and financial targets as well as to focus on restoring lost shareholder value.

Proposal for a Performance Share Plan 2017

The Board of Directors proposes that the Annual General Meeting resolves on the implementation of the PSP 2017. In order to implement the PSP 2017, the Board of Directors proposes that no more than in total 420,000 series B shares in Elekta may be used in the PSP 2017 to be transferred to employees in the Group and, that up to 30 percent of these shares may be sold on Nasdaq Stockholm in order to cover, *inter alia*, social contribution costs.

The Board of Directors proposes that the Annual General Meeting resolves in accordance with the proposals set out below.

Implementation of the Performance Share Plan 2017

The PSP 2017 shall be offered to individuals with most impact on long-term company performance; i.e. the President and CEO, Executive Management and no more than one Key Contributor, all in all 11 employees.

The Board of Directors will determine a maximum value for the PSP 2017 per individual. The maximum value will be 75 per cent of all the participants' annual base salary at the beginning of the fiscal year 2017/2018. The total sum of the maximum value for all participants in the PSP 2017 will not exceed SEK 24,275,674 excluding social contribution costs.

Each participant's maximum value shall be converted into a number of shares, based on the average closing share price of the Elekta series B share on Nasdaq Stockholm during a period of ten trading days before the day the participants are offered to participate in the program.

Participants in the PSP 2017 will be granted a conditional award over performance shares, which is a right to receive a specific number of such shares at a future date, provided the relevant conditions are met. The total number of shares that can be received is dependent on the degree of fulfilment of one financial target, EPS Growth over the 3-year Performance Period. The Board of Directors establishes the minimum and maximum level for the performance target. For the PSP 2017, the 2017 PSP award will vest if the compound annual growth rate of EPS is between 109 and 154 percent comparing 2019 financial results to 2016. The performance target shall be adjusted at the occurrence of events affecting the number of outstanding shares in the Company, or unforeseen material events affecting the Group's operations or otherwise affecting the performance targets and deemed relevant by the Board of Directors. Should the Company decide on changes to the Company's accounting principles or decide on restructuring costs, the Board of Directors may decide on changes to the PSP 2017 performance targets.

The receipt of shares normally requires that the persons covered by the PSP 2017 are employed in the Group.

If all conditions included in the PSP 2017 are met, receipt of shares shall be made free of charge three years after an agreement has been entered into and following approval by the Board of Directors. Before the number of shares to be received are finally determined, the Board of Directors 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 of Directors, reduce the number of

shares to be allotted to the lower number of shares deemed appropriate by the Board of Directors.

The participants shall not provide any consideration for their rights under the program.

The participants shall at receipt of shares receive cash compensation for any cash dividend paid out for the three financial years 2017-2019.

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

The Board of Directors, or a committee established by the Board of Directors for this purpose, will be responsible for the detailed drafting and management of the PSP 2017, within the scope of the principal conditions and guidelines as specified. The Board of Directors shall thereupon be entitled to make adjustments to meet specific rules or market conditions abroad. The Board of Directors shall also be entitled to make other adjustments provided that there are substantial changes in the Group or its business environment which would signify that conditions for allocation in accordance with the PSP 2017 are no longer appropriate.

Participation in the PSP 2017 assumes that such participation is legally possible and suitable and that the administrative costs and financial efforts are reasonable in the opinion of the Board of Directors.

In order to reduce the economic risk upon the increase of the share price during the term of the performance shares and in order to secure the ability to deliver shares, Elekta intends to acquire and transfer own shares in accordance with points 20 a) and 18 b).

Costs of Performance Share Plan 2017

Assuming maximum allotment under the PSP 2017 and a share price of SEK 85, a maximum of 371,275 series B shares are required to fulfil commitments under the program (including social security costs), corresponding to approximately 0.10 percent of the total number of outstanding shares. The number of shares covered by existing and outstanding

incentive programs amounts to 545,563 shares, corresponding to approximately 0.15 percent of the total number of outstanding shares.

Assuming maximum allotment of shares under the PSP 2017 and a share price of SEK 85, the costs, including social security costs and the financing cost for repurchased own shares, are estimated at approximately SEK 31,560,000.

Hedging actions

In order to secure delivery under the PSP 2017, the Board of Directors proposes under point 18 b), that no more than 420,000 series B shares may be transferred to employees in the Group and, moreover that a portion of the shares also may be transferred on Nasdaq Stockholm in order to cover, *inter alia*, social contribution costs. If the proposal to transfer repurchased shares to program participants would not be approved by the Annual General Meeting, the Board of Directors will consider other means to meet the delivery undertakings under the PSP 2017.

Preparation of the proposal

The proposal has been prepared by the Company's Executive Compensation & Capability Committee in consultation with the Board of Directors. The resolution to propose the PSP 2017 to the Annual General Meeting has been taken by the Board of Directors.

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 2016/2017.

Majority requirement

The resolution of the Annual General Meeting in accordance with the Board of Directors' proposal pursuant to this item 18 a) must be supported by shareholders representing more than half of the votes cast, or, in the event of a tied vote, through the chairman exercising his casting vote.

Item 18 b) – Resolution regarding transfer of own shares in conjunction with the Performance Share Plan 2017

The Board of Directors proposes that the Annual General Meeting resolves on transfer of own shares in the Company and authorization for the Board of Directors as a result of the PSP 2017 on the following terms.

- i) No more than 420,000 shares of series B can be transferred with deviation from the shareholders' preferential rights.
- ii) Right to acquire shares shall be granted to such individuals within the Group covered by the terms and conditions for the PSP 2017. Further, subsidiaries within the Group shall have the right to acquire shares free of consideration and such subsidiaries shall be obligated to immediately transfer free of consideration shares to their employees covered by the terms of the PSP 2017.
- iii) The employee shall have the right to receive shares during the period when the employee is entitled to receive shares in accordance with the terms of the PSP 2017.
- iv) Employees covered by the terms of the PSP 2017 shall, subject to certain conditions, receive shares of series B free of consideration.
- v) The Board of Directors is authorized, during the period until the next Annual General Meeting to decide, on one or more occasions, to transfer no more than 126,000 shares on Nasdaq Stockholm, in order to cover certain payment, mainly social security payment. The transfer may be executed by waiving the shareholders' preferential rights and at a price that is within the registered price interval (spread) at any given time, meaning the interval between the highest bid price and the lowest ask price at the time of the decision regarding the transfer and in accordance with the rules of Nasdaq Stockholm at any given time.

The reasons for deviation from the shareholders' preferential rights and the base for determination of the transfer price are as follows.

The transfer of own shares forms part of the implementation of the PSP 2017. The Board of Directors considers it an advantage for the Company and its shareholders that the employees are shareholders in the Company. The base for determination of the transfer prices is evident from the Board of Directors' proposal under item 18 a) above.

The resolution of the Annual General Meeting in accordance with the Board of Directors' proposal pursuant to this item 18 b) must be supported by shareholders representing at least nine-tenths of the votes cast and the shares represented at the Annual General Meeting.

Stockholm in July, 2017

The Board of Directors of Elekta AB (publ)