

Hansa Medical

- NOTICE -
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Notice to Annual General Meeting in Hansa Medical AB (publ)

Hansa Medical AB (publ) summons to Annual General Meeting on May 29, 2018 at 17.00 CEST at the auditorium next to the company's premises, Scheelevägen 22, Lund, Sweden.

The shareholders of Hansa Medical AB (publ) are hereby summoned to the Annual General Meeting on May 29, 2018, at 17.00 CEST at the auditorium next to the company's premises, Scheelevägen 22, Lund, Sweden. Registration will begin at 16.30 CEST and will end when the meeting starts.

Right to participate

To have the right to participate in the Annual General Meeting, the shareholder must be included in the shareholders' register kept by Euroclear Sweden AB as of May 23, 2018, and notify the company of his or her participation at the Annual General Meeting no later than May 23, 2018. Notice to participate shall be given in writing to Hansa Medical AB, Hansa Medical AB (publ), Box 785, 220 07 Lund or by e-mail to hansamedical@vinge.se. The notification shall state the shareholder's name, personal identity number or registration number, daytime telephone number and, where applicable, the number of advisors (maximum two).

A shareholder, whose shares have been registered in the name of a bank or other trust department or with a private securities broker, must temporarily re-register his or her shares in his or her own name with Euroclear Sweden AB to be entitled to participate in the Annual General Meeting. Such re-registration must have been completed no later than May 23, 2018 and should be requested with the nominee well in advance.

Proxy

Shareholders who intend to be represented by proxy shall issue dated and signed power of attorney for the proxy. The proxy is valid for one year from the issuance, or the longer period of validity stated in the proxy, however not more than five years from the issuance. If the proxy is issued by a legal entity, attested copies of the certificate of registration or equivalent authorisation documents evidencing the authority to issue the proxy shall be included with the notification. The power of attorney shall confirm the right of the signee to appoint a representative for the legal entity. To facilitate the registration at the Annual General Meeting, the proxy form as well as registration certificate and other authorisation documents shall be available to the company on the address presented above no later than May 23, 2018. If the proxy form and other authorisation documents have not been submitted in advance, the power of attorney in original and other authorisation documents must be able to be presented at the Annual General Meeting. Proxy forms are available at the company, on the company's website, www.hansamedical.com, and will be sent upon request to any shareholder who states their postal address.

Proposed agenda

1. Opening of the meeting.
2. Election of chairman of the meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to attest the minutes.

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6. Determination as to whether the meeting has been duly convened.
7. Statement by the CEO.
8. Presentation of the annual report and the auditors' report and the consolidated financial statements and the auditors' report for the group.
9. Resolution:
 - 9.1 regarding the adoption of the income statement and the balance sheet, and of the consolidated income statement and the consolidated balance sheet;
 - 9.2 regarding allocation of the company's result according to the adopted balance sheet;
 - 9.3 regarding discharge from liability for the members of the Board of Directors and the CEO .
10. Determination of the number of members of the Board of Directors and the number of auditors.
11. Determination of fees for members of the Board of Directors and auditors.
12. Election of the members of the Board of Directors and chairman of the Board of Directors.
13. Election of auditors.
14. Proposal regarding principles for appointing the Nomination Committee.
15. Proposal regarding guidelines for remuneration to the Executive Management.
16. Proposal to adopt a long term incentive programme based on warrants and/or performance based share awards for employees in Hansa Medical.
17. Closing of the meeting.

The Nomination Committee's proposals

The Nomination Committee's proposals for election of chairman to the meeting, members of the Board of Directors, chairman of the Board of Directors, auditor and determination of fees (item 2, 10-13)

The Nomination Committee, composed of Erika Kjellberg Eriksson (Nexttobe AB), chairman, Max Mitteregger (Gladiator), Sven Sandberg (Tomas Olausson) and the former chairman of the Board of Directors, Birgit Stattin Norinder, as well as the current chairman of the Board of Directors, Ulf Wiinberg, as convener, has submitted the following proposals for resolution.

- Dain Hård Nevenon, member of the Swedish Bar Association, from Advokatfirman Vinge is proposed to be elected chairman of the Annual General Meeting (item 2).
- The Board of Directors is proposed to consist of six (6) directors and no deputy directors (item 10).
- One registered accounting firm is proposed to be appointed auditor and no deputy auditors (item 10).
- Remuneration to the Board of Directors is proposed to be SEK 900,000 to the chairman of the board and SEK 300,000 each to the other board members except Angelica Loskog. The remuneration to the chairman of the Audit Committee should be SEK 40,000 and SEK 30,000 to each other member in the Audit Committee, SEK 40,000 to the chairman of the Remuneration Committee and SEK 25,000 to each other member in the Remuneration Committee, and SEK 25,000 to each board member in the Scientific Committee (item 11).
- Auditors' fee is proposed to be on approved account (item 11).
- Re-election of the board members Ulf Wiinberg, Stina Gestrelus, Birgit Stattin Norinder and Angelica Loskog and election of Anders Gersel Pedersen and Andreas Eggert as new members of the board, all for the time until the end of the next Annual General Meeting. Hans Schikan and Per-Olof Wallström have declined re-election. Ulf Wiinberg is proposed to be elected chairman of the Board of Directors for the time until the end of the next Annual General Meeting (item 12).

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- Re-election of the auditor KPMG AB. If re-elected, KPMG AB has informed that Dan Kjellqvist will be the principal auditor for the period until the end of the next Annual General Meeting. The proposal is in accordance with the Audit Committee's recommendation (item 13).

For information about the board members proposed for election, please see below and the company's website.

Anders Gersel Pedersen

Anders has a long experience from the international pharmaceutical industry. Following his degree in medicine and research fellow positions at Copenhagen hospitals, he worked for Eli Lilly for 11 years. In January 2000 he joined H. Lundbeck A/S in Denmark and is currently Executive Vice President of the Research & Development organization, hence responsible for the discovery and development of the product pipeline from pre-clinical activities to post-launch marketing studies. He is a member of Danish Society of Internal Medicine and serves on the supervisory boards of ALK-Abelló A/S, Bavarian Nordic A/S, and Genmab A/S. Anders received his medical degree and a doctoral degree in neuro-oncology from the University of Copenhagen and a B.Sc. in Business Administration from Copenhagen Business School. Born in 1951.

Andreas Eggert

Andreas has more than 20 years of cross-functional leadership experience including commercial operations, launch and portfolio management, brand strategy, market access, and strategic consulting. He served as Senior Group Vice President, Global Product Strategy & Portfolio Development, and Member of the Corporate Management Committee at H. Lundbeck A/S in Denmark, where he was responsible for multiple new product launches and the commercial leadership for shaping the product portfolio and development pipeline. Previously, Andreas served as Vice President & Global Business Manager at Wyeth/Pfizer in the US. He held several senior commercial positions for Wyeth in the US, Japan and in Germany. Andreas also was a Management Consultant at A.T. Kearney. He holds an MBA from Azusa Pacific University. Born in 1967.

The Nomination Committee's proposal for resolution regarding the principles for the appointment of the Nomination Committee (item 14)

The Nomination Committee shall consist of representatives for the three largest, in terms of votes, registered shareholders per August 31, 2018. Should such shareholder not wish to appoint a member, the largest shareholder, in terms of votes, thereafter shall be invited to appoint a member in the Nomination Committee until three members have been appointed. The names of the members of the Nomination Committee shall be made public no later than six months prior to the Annual General Meeting of 2019. The Nomination Committee shall appoint the member representing the largest shareholder as chairman, unless the Nomination Committee decides otherwise. Should any of the members of the Nomination Committee, before the assignment of the Nomination Committee has been fulfilled, resign or no longer represent the shareholder who appointed that member, such a member be replaced by a new member appointed by that shareholder. Should any shareholder not represented in the Nomination Committee be larger, in terms of votes, than another shareholder represented in the Nomination Committee, the larger shareholder in terms of votes shall be entitled to appoint a member to the Nomination Committee, whereby the member representing the smallest, in terms of votes, shareholder shall leave the Nomination Committee. The term of office for the Nomination Committee shall be until a new Nomination Committee has taken office. The Nomination Committee shall be entitled to charge the company for costs of e.g. recruitment consultants and other consultants that are necessary for the Nomination Committee to be able to fulfill its assignment. Further, the Nomination Committee is authorised to co-opt additional members, if deemed appropriate, however, any such co-opted member shall not be entitled to vote. The members of the

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Nomination Committee shall not be entitled to any remuneration from the company for their work. The Nomination Committee shall present proposals for the chairman of the meeting, board members, chairman of the Board of Directors, remuneration to the board, auditors, remuneration to the auditors and the principles for the Nomination Committee before the Annual General Meeting 2019.

The Nomination Committee shall follow the assignments set out in the Swedish Corporate Governance Code.

The Board of Directors' proposals

Resolution regarding allocation of the company's result (item 9b)

The Board of Directors proposes that the distributable assets available at the Annual General Meeting's disposal shall be carried forward and that no dividend shall be made.

Proposal for resolution regarding guidelines for remuneration to the Executive Management (item 15)

The guidelines proposed by the Board of Directors entail that Executive Management will be offered remuneration which is competitive and on market terms. The level of the remuneration for the individual manager shall be based on factors such as position, expertise, experience and performance. The remuneration consists of a fixed salary and pension benefits and, in addition, may consist of variable salary, share based long term incentive programmes, severance remuneration, non-monetary benefits. The variable salary shall be based on the achievement of quantitative and qualitative targets and should not exceed 50 per cent of the annual fixed salary. Salary during the notice of termination period and severance remuneration shall be possible in a total maximum amount of 24 monthly salaries.

Share and share based long term incentive programmes shall, if applicable, be decided by the Annual General Meeting.

It is proposed that the Board of Directors be authorised to deviate from the guidelines where special cause exists in an individual case.

Previously decided remuneration to Executive Management which is not yet due for payment

In addition to two incentive programmes decided in accordance with Chapter 16 of the Companies Act, see page 45 in the annual report 2017, and ongoing commitments to pay remuneration such as salary, pension and other benefits, there are no previously decided remuneration to any Executive Manager which has not accrued for payment. The CEO is entitled to severance pay after termination of employment corresponding to six monthly wages. In addition, three of the Executive Managers are entitled to severance pay after termination of employment corresponding to six monthly wages.

Estimated costs for variable remuneration

According to the Companies Act, the company must report what the variable remuneration to Executive Management may cost at various possible outcomes. The cost of variable remuneration can amount to a maximum of approximately SEK 7 million (equivalent to 50 per cent of the total fixed annual salary for Executive Management). The number is based on the fact that there are seven Executives in the company.

Deviation from the guidelines decided in 2017

The Company has not made any deviations from the guidelines decided at the Annual General Meeting on May 23, 2017.

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The Board of Directors' proposal to adopt a long term incentive programme based on warrants and/or performance based share rights for employees in Hansa Medical (item 16)

The Board of Directors proposes that the Annual General Meeting resolves to adopt a long term incentive programme based on warrants and/or performance based share awards ("**Share Awards**") for employees in the Hansa Medical-group in accordance with item 16 (a) below ("**LTIP 2018**"). The Annual General Meeting's decision to adopt LTIP 2018 in accordance with item 16 (a) shall, as a basis, be conditioned upon the Annual General Meeting's decision to adopt the Board of Directors' proposal in accordance with item 16 (b)-(c) below. However, if required majority for item 16 (b)(i) and 16 (c) cannot be achieved at the Annual General Meeting, the programme shall only consist of Share Awards in accordance with item 16 (b)(ii) and may instead be hedged through a decision in accordance with the Board of Directors' proposal under item 16 (d) below. LTIP 2018 is proposed to be directed to a maximum of 52 employees.

Adoption of an incentive programme (item 16 (a))

Within the framework of LTIP 2018, participants will be given the opportunity to acquire warrants at market value and/or receive Share Awards free of charge in accordance with the terms set out below. Each participant will be entitled to choose whether to invest in warrants and/or to receive Share Awards. The value per participant for investment in warrants (calculated based on the market value of the warrants at the time of the allocation) and the allocation of Share Awards (calculated based on the market value of the Share Awards at the time of the allocation) may amount to a maximum value ("**Participant Value**") and a maximum number of warrants or Share Awards which is determined by the category of which the participant belongs to (see the table below).

If the participant decides not to acquire any warrants, the participant will be allocated Share Awards corresponding to the entire Participant Value. If the participant chooses to acquire 50 per cent of the Participant Value in warrants, the remaining 50 per cent of the Participant Value will be allocated in Share Awards. If the participant chooses to acquire 100 percent of the Participant Value in warrants, no Share Awards will be allocated to the participant. As a result of the participants' right to choose to acquire warrants and to receive the remaining Participant Value in the form of Share Awards, the outcome of LTIP 2018 will vary, for example, in terms of costs and dilution.

Category	Maximum no. employees	Maximum Participant Value per employee (mSEK)	Maximum Participant Value per category (mSEK)	Maximum no. of warrants	Maximum no. of Share Awards
CEO	1	5.1	5.1	84,769	51,385
Executive Management (management team)	8	1.5	9.4	154,915	93,907
Middle management	11	0.7	7.7	127,787	77,462
Other employees	32	0.3	7.5	123,948	75,148
Total	52	n.a.	29.8	491,419	297,902

Warrants and/or Share Awards may also be acquired by and allocated to new employees who have not yet joined the Hansa Medical-group. For such acquisitions and allocations, the terms shall be equivalent to those stated in this proposal, however, such acquisitions and allocations may not occur later than the day before the Annual General Meeting 2019.

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The rationale for the proposal

The purpose of LTIP 2018 is to create the conditions for motivating and retaining competent employees in the Hansa Medical-group, as well as increase the coherence between employee's, shareholder's and the company's goals, as well as raising the motivation to reach, and exceed, the company's financial targets. In the preparation of LTIP 2018, the principles decided in connection with the warrant programme 2015 and the LTIP 2016 have been taken into account. LTIP 2018 has been designed to include up to 52 participants and offers the opportunity for future employees to participate in the programme. The Board welcomes the fact that all employees in the Hansa Medical-group are shareholders in the company. The background to the programme's structure is to generate a high participation (since an investment is optional) while at the same time allowing for a potentially high leverage for those willing to invest in warrants.

By offering an incentive based on the development of the share price, participants are premised for increased shareholder value. LTIP 2018 also rewards employees' continued loyalty and thus the long term value growth in the company. After these considerations, the Board of Directors believes that LTIP 2018 will have a positive effect on the future development of the Hansa Medical-group and will therefore be beneficial to both the company and its shareholders.

Preparation of the proposal, design and administration

LTIP 2018 has been prepared by the Board of Directors and the Remuneration Committee in consultation with external advisors. LTIP 2018 has been discussed by the Board of Directors at Board meetings during January to April 2018.

The warrants shall be subject to marketable conditions, including a right for the company to repurchase the options to the current market value if the employee's employment within the company ceases. The Board of Directors proposes that the Annual General Meeting instructs to the Board of Directors to execute the decision presented above and to ensure that the Board of Directors of Cartela R&D AB (the "**Subsidiary**"), a wholly owned subsidiary of the company, executes the transfer of the warrants as described below. The Board of Directors of the company shall be able to cancel warrants that have not been transferred to employees or warrants that have been repurchased from employees.

The Board of Directors, or a special committee set up by the board, shall be responsible for preparing the detailed terms and conditions of the Share Awards, in accordance with the presented terms and guidelines including provisions on recalculation in the event of an in-between bonus issue, share split, rights issue or similar measures. To this end, the Board of Directors shall be entitled to make adjustments to meet foreign regulations or market conditions, including resolving on cash or other settlement if deemed favourable for Hansa Medical based on foreign tax regulations. The board shall also be entitled to take other adjustments if significant changes occur in the Hansa Medical-group or its outside world that would result in the adopted terms for the Share Awards no longer fulfilling their objectives.

Previous incentive programme in Hansa Medical

For a description of the company's other long term incentive programmes, please see the company's annual report 2017, page 45, and the company's website, www.hansamedical.com. In addition to the described programmes, there are no other long term incentive programmes in Hansa Medical.

Proposal to adopt a long term incentive programme based on warrants (item 16 (b)(i))

The Board of Directors proposes that the company issues and transfers warrants to participants to a price corresponding to market value of the warrants. The company shall issue not more than 491,419 warrants. The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emption rights, rest with the Subsidiary. Subscription must take place no later than June 12, 2018.

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The warrants are issued free of charge. The Subsidiary shall transfer the warrants in accordance with the below.

Terms

Each warrant entitles the holder to subscribe for one new ordinary share in Hansa Medical. Subscription of shares in accordance with the terms of the warrants may take place from June 12, 2021 through June 12, 2022. The subscription price shall be the market value of the share at the offer for subscription of the warrants with an annual enumeration of 7 per cent. This means that the subscription price after three years will amount to approximately 122.5 per cent of the current market value of one ordinary share, and after four years amount to approximately 131.1 per cent. The calculation of the volume-weighted share price shall be made based on the ten trading days immediately prior to the offer for subscription of the warrants.

Except for the CEO, all participants will be offered a subsidy to partially finance the acquisition of warrants. The subsidy will be equal to 25 per cent of the warrant investment (after tax).

Full recalculation for any dividends paid to existing shareholders will be made by adjusting the strike price for and number of shares per warrant in accordance with standard market practice and the general terms for the warrants.

Allocation of warrants

Allocation requires that the acquisition of warrants can legally be done and, at the board's assessment, can be done with reasonable administrative and financial efforts. The last day for allocation of warrants shall be the day prior to the Annual General Meeting 2019.

For participants who have not yet joined the Hansa Medical-group, acquisitions must be made at the current market value on the day of allocation.

Dilution, costs and effects on key ratios

The number of warrants and Share Awards allocated to the participants will vary depending on how the participants choose to allocate their Participant Values. As a consequence, dilution, cost and effect on key ratios will vary and this will be described below based on a maximum number of warrants. For corresponding information regarding the Share Awards, please see below.

The warrants shall be transferred on marketable terms at a price (premium) determined on the basis of a calculated market value for the warrants, using the Black & Scholes valuation model calculated by an independent valuation institution. The value has been preliminarily estimated to SEK 60.60 per warrant, based on a share price of SEK 231 per share. To all participants except the CEO, a subsidy will be offered through a one-time cash bonus for up to 25 per cent of the participant's post tax-premium. The total cost of the subsidy, based on assumptions about the abovementioned option value, may amount to a maximum of SEK 18.8 million including social security costs. Except for the administration cost of the programme, no additional costs in connection with the warrant programme are estimated to incur.

At a maximum allocation of warrants, 491,419 warrants will be acquired by the participants, which means a dilution effect of approximately 1.3 per cent of the number of shares and votes in the company. Taking the shares which may be issued pursuant to previously implemented incentive programmes in the company, the maximum dilution amounts to 3.0 per cent on a fully diluted basis. The dilution is expected to have a marginal effect on the company's key performance indicator "Earnings per share".

Proposal to adopt a long term incentive programme based on Share Awards (item 16 (b)(ii))

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Participants will be given the opportunity to receive ordinary shares within the framework of LTIP 2018, known as “**Performance Shares**”, in accordance with the terms set out below. The maximum number of Share Awards that can be allocated to the participants is 297,902 and derives from the outcome of the remaining Participant Value after the participants’ purchase of warrants. The remaining Participant Value of each participant will, after the allocation of warrants, receive the remaining Participant Value in the form of Share Awards.

Terms and conditions

A Share Award may be exercised provided that the participant, with certain exceptions, from the date of the start of LTIP 2018 for each participant, up until and including the date three years thereafter (the “**Vesting Period**”), maintains his or her employment within the Hansa Medical-group. The latest start date to receive Share Awards shall be the day prior to Hansa Medical’s Annual General Meeting 2019.

In addition to the requirement for the participant’s maintained employment in accordance with the above, a certain shareholder return condition, based on the so-called total shareholder return of the Hansa Medical share, will apply. A participant’s Share Awards entitle to Performance Shares if the total shareholder return (the return to shareholders through an increased share price and reinvestments of any dividends during the Vesting Period) on the company’s ordinary shares exceeds the below percentage rates during the Vesting Period.

The performance condition is set at a “minimum level” and “maximum level”, where the number of Share Awards which may result in the granting of Performance Shares is increased linearly between the minimum level and maximum level. In order for the Share Awards to entitle to the allocation of Performance Shares, the minimum level has to be reached or exceeded. If the specified minimum level of the performance condition is achieved, 25 per cent of each participant’s Share Awards will entitle to Performance Shares. If the maximum level is reached, 100 per cent of each participant’s Rights will entitle to Performance Shares.

During the Vesting Period, the minimum level for each participant’s shareholder yield shall be a 25 per cent and the maximum level 100 per cent.

The Share Awards

The Share Awards shall, in addition to what is set out above, be governed by the following terms and conditions:

- Share Awards are allocated free of charge no later than the day before the Annual General Meeting 2019.
- Share Awards vest during the Vesting Period.
- Share Awards may not be transferred or pledged.
- Each Share Award entitles the participant to receive one Performance Share free of charge after the end of the Vesting Period (with certain exceptions where the Vesting Period may be accelerated) if the participant, with certain exceptions, have maintained his or her employment within the Hansa Medical-group by the end of the Vesting Period.
- In order to align the interests of the participant with the shareholders’, the company will recalculate the number of shares that each Share Award gives the right to after the vesting period for any dividend paid to existing shareholders.

Allocation of Performance Shares under LTIP 2018 and hedging arrangements

The Board of Directors has considered different methods for transfer of ordinary shares under LTIP 2018, in order to implement the programme in a cost-effective and flexible manner. The Board of Directors has found the most cost-effective alternative to be, and thus proposes it as a main alternative, that the Annual General Meeting resolves (i) to authorise the Board of Directors to resolve

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on a directed issue of not more than 391,503 class C shares to the participating bank, of which not more than 93,601 class C shares may be issued to secure social charges arising as a result of LTIP 2018, and (ii) to authorise the Board of Directors to resolve on the repurchase of all issued class C shares, in accordance with 16 (c)(ii) below.

Following conversion of the class C shares to ordinary shares, the shares are intended to be both transferred to LTIP 2018 participants, as well as transferred in the market in order to cover the cash flow effects associated with LTIP 2018, primarily social charges. For this purpose the Board of Directors proposes that the Annual General Meeting resolves (iii) to transfer not more than 297,902 ordinary shares free of charge to LTIP 2018 participants in accordance with LTIP 2018 and that not more than 93,601 ordinary shares may be transferred to secure social charges arising as a result of LTIP 2018.

If the majority required for resolution in accordance with the above proposed hedge is not met, LTIP 2018 shall instead be hedged through a resolution to conclude an equity swap-agreement, in accordance with the Board of Director's proposal under item 16 (d) below.

Dilution, costs and effects on key ratios

The number of warrants and Share Awards that are allocated to the participants will vary depending on how the participants choose to distribute their Participant Value. As a result of this, the dilution, costs and effect on key ratios will vary be described from perspective of maximum number of Share Awards. For corresponding information about the warrants, please see above.

The maximum dilution effect of LTIP 2018, which combines two programme types, occurs if all of participants choose to solely subscribe for warrants. Thus, LTIP 2018 can not result in a higher dilution than what is described under item 16 (b)(i) above "Dilution, costs and effect on key ratios". The Share Awards will be accounted for in accordance with IFRS 2 which entails that the Share Awards shall be recorded as personnel expenses during the Vesting Period.

The costs for the programme is estimated to approximately SEK 25.5 million, excluding social charges, accounted in accordance with IFRS 2 based on the following assumptions: (i) that no warrants but 297,902 (i.e. the maximum number) Share Awards are allocated (ii) that the share price, at the beginning of the LTIP 2018, is SEK 231 per share, (iii) an estimated average annual increase in the share price of 26 per cent, (iv) that the performance condition is fully met; and (v) an estimated annual turnover of personnel of 5 per cent. Based on the same assumption as above, and a social security tax rate of 31.42 per cent, the costs for social charges are expected to amount to approximately SEK 37.1 million. The total cost for the LTIP 2018, including costs according to IFRS 2 is therefore estimated to approximately SEK 20.9 million annually including social security costs.

Upon maximum allocation of Share Awards and provided that the hedging arrangements in accordance with item 16 (c) below are adopted by the general meeting, 297,902 shares will be allocated to participants under LTIP 2018, and 93,601 class C shares will be used to secure social charges arising as a result of LTIP 2018, which would entail a dilution effect of approximately 1.0 per cent of the total number of shares and votes in the company. Taking the shares which may be issued pursuant to previously implemented incentive programmes in the company, the maximum dilution amounts to 2.8 per cent on a fully diluted basis. The dilution is expected to have a marginal effect on the company's key performance indicator "Earnings per share".

Authorisation for the Board of Directors to issue new class C shares, authorisation to repurchase issued class C shares, transfer own ordinary shares to participants in the Share Awards programme and the market (item 16 (c))

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The resolutions under items 16 (c)(i)-(iii) below are proposed to be conditional upon each other and for that reason it is proposed that all resolutions are to be passed as one resolution.

Authorisation for the Board of Directors to issue class C shares (item 16 (c)(i))

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the Annual General Meeting 2019, on one or more occasions, to increase the company's share capital by not more than SEK 391,503 by the issue of not more than 391,503 class C shares, each with a quota value of SEK one (1). With deviation from the shareholders' pre-emption rights, the participating bank shall be entitled to subscribe for the new class C shares at a subscription price corresponding to the quota value of the shares. The purpose of the authorisation and the reason for the deviation from the shareholders' pre-emption rights in connection with the issue of shares is to ensure delivery of shares to employees under the long term incentive programme, as well as to secure potential social charges arising as a result of LTIP 2018.

Authorisation for the Board of Directors to issue class C shares (item 16 (c)(ii))

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the Annual General Meeting 2019, on one or more occasions, to repurchase class C shares. The repurchase may only be effected through an offer directed to all holders of class C shares and shall comprise all outstanding class C shares. Repurchases shall be effected at a purchase price corresponding to the quota value of the share. Payment for the acquired class C shares shall be made in cash. The purpose of the proposed repurchase authorisation is to ensure delivery of Performance Shares under LTIP 2018 and to secure possible social charges arising as a result of LTIP 2018.

Decision to transfer own ordinary shares (item 16 (c)(iii))

The Board of Directors proposes that the Annual General Meeting resolves that class C shares that the company acquires based on the authorisation to repurchase class C shares in accordance with item 16 (c)(ii) above, may, following the reclassification into ordinary shares, be transferred free of charge to participants of LTIP 2018 in accordance with the adopted terms and conditions in order to secure possible social charges arising as a result of LTIP 2018.

The Board of Directors therefore proposes that the Annual General Meeting resolves that not more than 297,902 ordinary shares may be transferred to participants in accordance with the terms and conditions of LTIP 2018, and that not more than 93,601 ordinary shares shall be transferred on Nasdaq Stockholm at a price within the registered price range at the relevant time, to cover any social charges in accordance with the terms and conditions of LTIP 2018. The number of shares to be transferred is subject to recalculation in the event of a bonus issue, split, rights issue and/or other similar events during the Vesting Period.

Equity swap agreement with a third party (item 16 (d))

In the event that the required majority for item 16 (c) above cannot be achieved, the Board of Directors proposes that the Annual General Meeting resolves to hedge LTIP 2018 by allowing Hansa Medical to conclude equity swap agreements with third parties on marketable terms, where the third party in its own name will be able to acquire and transfer ordinary shares in Hansa Medical to the participant.

Majority requirements

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A valid resolution regarding adopting a new long term incentive programme for the company's employees (item 16 (b)(i) and 16 (c)) requires that shareholders representing not less than nine tenths of both the votes cast and of the shares represented at the meeting approve the resolution.

Other information

At the time this notice was issued, the total number of shares in the company amounts to 38,208,386, of which 37,878,125 ordinary shares and 330.261 class C shares. The company has a total number of 330,261 class C shares treasury shares. The total number of votes in the company amounts to 37,911,151.1, of which the company holds 33,026.1 votes.

The annual report, auditor's report, auditors opinion on the application of the guidelines for remuneration to Executive Management decided at the Annual General Meeting 2017 and complete proposals will be available on the address stated above and on the company's website at least three weeks prior to the Annual General Meeting. Copies of the documents will be sent upon request to any shareholder stating his or her postal address. Upon request by any shareholder, the Board of Directors and the CEO shall at the Annual General Meeting provide information regarding any circumstance which may affect the assessment of a matter on the agenda and any circumstance which may affect the assessment of the company's or any subsidiary's financial position, provided that such information in the opinion of the Board of Directors and the CEO may be given without causing significant harm to the company, or any subsidiary. The duty to provide information shall apply also to the company's relationship to other group companies.

This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.

Lund, April 2018

Hansa Medical AB (publ)
The Board of Directors