

Report by the Board of directors of Hansa Medical AB (publ), on the remuneration committee's evaluation of compensation to senior management

Pursuant to the Swedish Corporate Governance Code ("the Code"), the board of directors in a company whose shares are admitted to trading on a Swedish regulated market shall establish a remuneration committee, whose main tasks are to (i) prepare the board's decisions on issues concerning principles for remuneration to the executive management, (ii) prepare issues concerning remunerations and other terms of employment for the CEO, (iii) monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the executive management, (iv) monitor and evaluate the application of the guidelines for remuneration of the board and executive management that the annual general meeting is legally obliged to establish and (v) monitor and evaluate the current remuneration structures and levels in the company.

The Board of Directors has established a remuneration committee consisting of Birgit Stattin Norinder, chairman, Stina Gestrelius and Per-Olof Wallström.

The remuneration committee has discussed the guidelines for remuneration to the senior management as resolved on by the annual general meeting 2015 as well as the remuneration structures and levels in the company, including incentive programs.

The remuneration committee has taken into account that the company shall have remuneration levels that are competitive and in line with the going rate in the market, based on position, expertise, experience and performance.

The annual general meeting 2015 resolved on an incentive program based on warrants. 400.000 warrants were issued to the company's subsidiary for subsequent transfer to the senior management as well as other employees of the company. Each warrant was transferred at a price of SEK 8.40 and entitles to subscription of one share in the company at a price equal to the market value of the share at the time of the issuance of the warrants (SEK 36.04) adjusted upwards annually in the amount of seven per cent. Subscription for shares may take place during the period commencing 15 June 2018 up to and including 15 June 2019. This entails that the subscription price after three years will be approximately 122.5 per cent of the current market value of the share and after four years will amount to approximately 131.1 per cent.

The remuneration committee is of the opinion that the company has complied with the guidelines for remuneration to the senior management during the year and that the company's remuneration structures and levels are competitive and in line with the going rate in the market.

NOTE: This is an unofficial translation of the original, which is in Swedish. In case of discrepancies, the Swedish version shall prevail.

Lund in April 2016
Hansa Medical AB (publ)
The Board of Directors