

## **Agenda for the Annual General Meeting of VITROLIFE AB (publ) on 27 April 2017**

1. Opening of the meeting.
2. Election of the 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 verify the minutes together with the chairman.
6. Consideration of whether the meeting has been duly convened.
7. Presentation by the CEO.
8. Presentation of
  - a) the annual accounts and the audit report as well as the consolidated annual accounts and the audit report for the Group,
  - b) the auditor's statement regarding the Company's compliance with the guidelines for remuneration to the executive management in effect since the previous AGM.
9. Resolutions on
  - a) the adoption of the profit and loss account and the balance sheet as well as the consolidated profit and loss account and the consolidated balance sheet,
  - b) the allocation of the Company's profit in accordance with the adopted balance sheet and a resolution on the record day for distribution, should the meeting resolve to distribute profit,
  - c) the discharge from liability vis-à-vis the Company of the Board of Directors and the CEO.
10. Report from the Election Committee on its work.
11. Resolution on the number of Board members and auditors.
12. Resolution on remuneration to the Board members and auditor.
13. Election of Board members, Chairman of the Board and auditor.
14. Resolution on the Election Committee for the next Annual General Meeting.
15. Resolution to authorize the Board to resolve to issue new shares.
16. Resolution to authorize the Board to resolve on acquisition of the Company's own shares.
17. Resolution on guidelines for remuneration to the executive management.
18. Closing of the meeting.



**Auditors' statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act (2005:551) regarding whether the guidelines for remuneration to senior management have been complied with**

To the Annual General Meeting of Vitrolife AB (publ), corporate identity number 556354-3452

We have reviewed whether the Board and the Chief Executive Officer of Vitrolife AB (publ) have, in the financial year 2016, complied with the guidelines for remuneration to senior management that were established at the Annual General Meeting on 5 May 2015 and the Annual General Meeting on 28 April 2016.

*Responsibilities of the Board of Directors and the Chief Executive Officer*

The Board and the Chief Executive Officer are responsible for ensuring that the guidelines are followed and for the internal control that the Board and Chief Executive Officer deem necessary to ensure that the guidelines are followed.

*Auditors' responsibility*

Our responsibility is to submit a statement, based on our review, to the Annual General Meeting regarding whether the guidelines have been complied with. We have performed the review in accordance with FAR's recommendation *RevR 8 Review of Remuneration to Senior Management in Companies Listed on the Stock Market*. This recommendation requires that we comply with ethical requirements and plan and perform the review to obtain reasonable assurance that the guidelines of the Annual General Meeting have been complied with in all material respects.

The review has encompassed the company's organisational structure for and documentation of matters relating to the remuneration of senior management, new decisions taken on remuneration, and a sample of the payments made during the financial year to members of senior management. The auditor decides which measures are to be taken, including an assessment of the risk that the guidelines have not been complied with in all material respects. In making these risk assessments, the auditor considers those parts of the internal control that are relevant to compliance with the guidelines, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our review provides a reasonable basis for our opinion, as set out below.

*Conclusion*

In our opinion, the Board and the Chief Executive Officer of Vitrolife AB (publ) have, in the financial year 2016, complied with the guidelines for remuneration to senior management that were established at the Annual General Meeting on 5 May 2015 and the Annual General Meeting on 28 April 2016.

Gothenburg, 21 March 2017

Deloitte AB

Jan Nilsson

Authorized public accountant

Fredrik Jonsson

Authorized public accountant

**The Board's proposal to the Annual General Meeting of Vitrolife AB (publ) to be held on April 27, 2017 concerning dividend and a reasoned statement in this regard (agenda item 9 b)**

(SEK)

---

The Board and CEO of Vitrolife AB (publ) propose that the earnings at the disposal of the Annual General Meeting	<b>563,773,597</b>
--	--------------------

be appropriated as follows:

A dividend of SEK 2.60 per share be paid to the shareholders	56,446,299
--	------------

To be carried forward	507,327,298
-----------------------	-------------

---

<b>Total</b>	<b>563,773,597</b>
--------------	--------------------

It is proposed that the record day for entitlement to cash payment of dividend be Tuesday May 2, 2017, which means that the last day for trading of shares including dividend is Thursday, April 27, 2017. It is expected that dividend will reach shareholders by Friday, May 5, 2017.

At the time when the Board submitted its proposal, the total number of shares in the Company amounted to 21,710,115, all shares being of the same class, and the Company owned none of its own shares. The total proposed dividend of SEK 56,446,299 may be changed if the Company repurchases Company shares before the record day for dividend.

### **Reasoned statement**

The Board has proposed that the 2017 Annual General Meeting adopt a resolution on the appropriation of earnings, whereby a dividend of SEK 2.60 per share is paid to shareholders. Dividend thus amounts to a total of SEK 56,446,299. The proposal is within the framework of the dividend policy adopted by the Company, whereby the Board and the CEO shall each year propose to the Annual General Meeting a dividend or some other corresponding form of distribution that on average over time corresponds to 30 percent of net earnings for the year after payment of tax. The Company's net debt shall not normally exceed 3 times EBITDA.

The Board finds that there is full coverage for the Company's restricted equity after the proposed dividend.

The Board also finds that the proposed dividend to the shareholders is justifiable taking into account the factors stated in chapter 17 section 3, paragraphs two and three of the Swedish Companies Act (nature, scope and risks of the business and need for consolidation, as well as liquidity and general financial position). The Board thus wishes to state the following:

#### *Nature, scope and risks of the business*

In the assessment of the Board, the Company's and the Group's equity will be sufficiently large after the proposed dividend in relation to the nature, scope and risks of the business. In this connection, the Board has taken into consideration the Company's and the Group's historical development and budgeted development as well as the broader financial situation.

#### *Need for consolidation*

The Board has made an all-round assessment of the Company's and the Group's position and the Company's and the Group's ability to meet its commitments in the short and long term. The proposed dividend equals 7.4 percent of the Company's equity and 5.5 percent of the Group's equity.

After payment of dividend, the Company's and the Group's equity/assets ratio is 94.7 percent and 80.7 percent, respectively. The Company's and the Group's equity/assets ratio is therefore good in relation to that otherwise found in the field in which the Group operates. The Board considers that the Company and the Group will be able to take future business risks and also withstand any losses. The dividend will not have a negative impact on the Company's and the Group's ability to make further business investments in accordance with the Board's plans.

The Group's equity has decreased by SEK 657,137 and the Parent Company's equity is unchanged as a result of the valuation of financial instruments pursuant to chapter 4 section 14 a of the Swedish Annual Accounts Act.

#### *Liquidity*

It is assessed that the Company and the Group will be able to maintain liquidity at a satisfactory level in the time ahead. In the opinion of the Board, the proposed dividend will not impact the Company's or the Group's ability to meet its payment obligations in the short or long term. The Company and the Group have good access to both short-term and long-term credit. This credit can be activated at short notice, and the Board thus assesses that the Company and the Group are well prepared to manage both changes in liquidity and unexpected events.

#### *General position*

In addition to what is stated above, the Board has considered other known circumstances that may be of significance for the Company's and the Group's financial position. Nothing has come to light that makes the proposed dividend appear unjustifiable.

March 21, 2017  
Gothenburg

Vitrolife AB (publ)

Carsten Browall	Jón Sigurdsson	Tord Lendau
<i>Chairman of the Board</i>	<i>Member of the Board</i>	<i>Member of the Board</i>

Fredrik Mattsson	Pia Marions	Barbro Fridén
<i>Member of the Board</i>	<i>Member of the Board</i>	<i>Member of the Board</i>

Thomas Axelsson  
*CEO*

**The Election Committee's proposal to the Annual General Meeting of Vitrolife AB (publ) to be held on April 27, 2017 concerning the establishment of an Election Committee for the 2018 Annual General Meeting (agenda item 14)**

The Election Committee proposes that the Annual General Meeting adopts a resolution that a new Election Committee for the 2018 Annual General Meeting be appointed as follows:

- 1 *Election of members etc.*
  - 1.1 The Chairman of the Board shall – no later than the end of the third quarter of 2017 – contact the three largest shareholders or groups of shareholders in terms of the number of votes they hold and ask them to appoint one member each for inclusion on the Election Committee. When applying these principles, a group of shareholders shall be regarded as one owner if they are grouped as one owner in the Euroclear system or have made public and at the same time informed the Company via the Chairman of the Board that they have come to an agreement to coordinate the exercise of their voting rights, thus maintaining a common long-term position regarding the administration of the Company. If one of the three shareholders refrains from appointing a member of the Election Committee, the next largest shareholder in terms of the number of shares held is to be contacted regarding appointment of a member of the Election Committee. However, no more than five additional shareholders need be contacted, unless the Chairman of the Board finds that there are special reasons for doing so. When shareholders are contacted with an inquiry regarding the appointment of a member of the Election Committee, the Chairman of the Board shall present the requisite rules of procedure, such as the last date of response etc. The mandate period shall run until a new Election Committee has taken over.
  - 1.2 The Chairman of the Board shall be part of the Election Committee.
  - 1.3 The Chairman of the Board shall convene the first meeting of the Election Committee. For the work ahead, one of the members of the Election Committee shall be elected Chairman. This person may not be the Chairman of the Board.
  - 1.4 The composition of the Election Committee shall be made public no later than six months before the Company's Annual General Meeting. The Election Committee shall carry out the tasks stipulated in the Swedish Corporate Governance Code and shall submit a proposal for the process of appointing a new Election Committee.

The Election Committee may appoint, from its own members and/or through the co-opting of the necessary further member/members, a specially appointed Election Committee for the appointment of an auditor (pursuant to section 2.1 below). If such an appointment is made, this shall also be made public in accordance with what is stated above in this section.

All shareholders shall thus be acquainted with which persons can be contacted in connection with nomination issues.

1.5 If any of the shareholders who have appointed a member of the Election Committee sells a considerable proportion of their shares in the Company before the tasks of the Election Committee have been completed, the member that the shareholder has appointed shall, if the Election Committee so decides, resign and be replaced by a new member who is appointed by the shareholder who at the time is the largest registered or otherwise known shareholder not already represented on the Election Committee. If any of the members of the Election Committee should cease to represent the shareholder that had appointed the member before the tasks of the Election Committee have been completed, this member shall, if the Election Committee so decides, be replaced by a new member appointed by the shareholder. Otherwise, if share ownership changes significantly before the tasks of the Election Committee have been completed, the composition of the Election Committee shall be changed in accordance with the principles stated above, if the Election Committee so decides.

## 2 *Tasks of the Election Committee*

2.1 The Election Committee shall prepare and submit proposals to the General Meeting of shareholders:

- Election of Chairman of the meeting.
- Resolution on the number of members of the Board.
- Election of and resolution on fees to the Chairman of the Board and members of the Company Board.
- Election of and resolution on fees to the auditor and deputy auditor (where applicable).
- Election of and resolution on fees to members of any other committee that the General Meeting of shareholders may resolve to appoint.
- Process for appointment of new Election Committee.

2.2 The Election Committee's proposals shall be submitted to the Company via the Chairman of the Board no later than six weeks before General Meetings of shareholders where election of the Board or auditor shall take place. Proposals shall wherever possible include all the information necessary so that the Company can thus meet its information commitments pursuant to the Swedish Companies Act, the rules and regulations of the Stock Exchange, generally accepted practice for companies listed on the Stock Exchange and other applicable rules/ recommendations.

2.3 The Chairman of the Board shall in an appropriate manner provide the Election Committee with information on the Board's competence profile and work procedures.

## 3 *Meetings*

3.1 The Election Committee shall meet when so required so that it can carry out its tasks, but at least once per mandate period. Meetings shall be convened by the Chairman of the Election Committee (except as specified in section 1.3). Committee members can request that the Committee be convened.

3.2 The Election Committee forms a quorum if at least three members are present. However, decisions may not be taken on a matter unless all members have as far as possible been given the opportunity to attend the meeting dealing with the matter. The Election Committee's decision is the line that more than half of the

members present vote for or, if the vote ends in a tie, the line that is supported by the Chairman of the Election Committee.

- 3.3 The minutes shall be recorded at the meetings of the Election Committee. These shall be signed or adjusted by the Chairman and the Committee member appointed by the Election Committee. The minutes shall be archived in accordance with what applies to Board meeting minutes.

**The Board's proposal to the Annual General Meeting of Vitrolife AB (publ) on April 27, 2017 concerning authorization of the Board to make a decision on a new share issue (agenda item 15)**

The Board proposes that the Annual General Meeting authorizes the Board, for a period of time up until the next Annual General Meeting and on one or more occasions, to make a decision to issue new shares, thus increasing the Company's share capital by no more than SEK 2,213,400. No more than 2,170,000 shares shall be issued. The issue may deviate from the shareholders' preferential rights and may be carried out through a cash payment, a non-cash issue, through offsetting or in accordance with chapter 2, section 5, items 1-3 and 5 of the Swedish Companies Act.

The issue price shall be set as close to the market value of the Company's share as possible. The Board shall be entitled to decide on the other terms and conditions for new share issues in accordance with this authorization and who shall be entitled to subscribe for the new shares. The reason for the Board being able to make a decision on a new share issue deviating from shareholders' preferential rights and/or against cash payment, via non-cash issue, through an offset or otherwise on terms specified above is that the Company shall be able to issue shares in connection with the acquisition of companies or businesses, and be able to carry out private placements with a view to procuring capital for the Company.

Furthermore, the Board proposes that the Board or a person appointed by the Board shall be authorized by the Annual General Meeting to make any small changes to the resolution of the Annual General Meeting that may prove necessary when registering at the Swedish Companies Registration Office and at Euroclear Sweden AB.

If the authorization is fully utilized, this will correspond to dilution of just under 10 percent of the shares and votes in the Company.

The resolution in line with the Board's proposal is only valid if at least two thirds of both the votes cast and the votes represented at the Annual General Meeting have been given in favour of the proposal.

March 2017  
Gothenburg

Vitrolife AB (publ)  
The Board of Directors



**The Board's proposal to the Annual General Meeting of Vitrolife AB (publ) on April 27, 2017 concerning authorization of the Board to make a decision to acquire the Company's own shares (agenda item 16)**

**Purpose**

In order to be able to purchase shares so as to adapt the Company's capital structure to the Company's capital requirements from time to time, the Board proposes that the Annual General Meeting of April 27, 2017 authorizes the Board, for a period up until the next Annual General Meeting, to make a decision to acquire the Company's own shares in accordance with what is stated below.

**Authorization to make a decision to acquire the Company's own shares**

The Board is authorized, for a period up until the next Annual General Meeting, to make a decision to acquire shares in the Company as follows:

1. The Company may only acquire shares so that after each acquisition the Company holds no more than 10 percent of all the shares in the Company.
2. The Company may only acquire shares traded on Nasdaq Stockholm (the "Stock Exchange").
3. Shares may only be acquired through the Stock Exchange at a price per share that is within the price interval current at the time.
4. The shares shall be paid for in cash.
5. Shares may be acquired on one or more occasions.

The resolution is only valid if at least two thirds of both the votes cast and the votes represented at the Annual General Meeting have been given in favour of the proposal.

March 2017  
Gothenburg

Vitrolife AB (publ)  
The Board of Directors

**The Board's proposal to the Annual General Meeting of Vitrolife AB (publ) on April 27, 2017 concerning resolution on guidelines for remuneration to the executive management (agenda item 17)**

---

***I. Background***

In order to be able to attract and retain competent and motivated employees, the Company must have a structure and level for remuneration of senior management that is in line with market rates.

The Board proposes that the 2017 Annual General Meeting approves the Board's proposal regarding principles for remuneration and other terms and conditions of employment for the CEO and senior executives in accordance with the following.

***II. The Board's proposals to be adopted at the Annual General Meeting***

Remuneration for the CEO and other senior executives comprises a basic salary, variable remuneration, pension and other remuneration. All pension benefits are defined contribution plans. Variable remuneration is considered by the Remuneration Committee and decided on by the Board.

***A. Fixed basic salary***

The fixed basic salary of the CEO and the other senior executives is reconsidered each year. The division between basic salary and, where appropriate, variable remuneration shall be proportionate to the senior executive's responsibility and authority. The group other senior executives currently consists of five people, one woman and four men. The composition and size of this group can change over time as a consequence of how the business develops.

***B. Variable remuneration (Short-Term Incentive, STI)***

The ceiling for the CEO's variable remuneration is a maximum of 50 percent of annual salary. For other senior executives the ceiling for variable remuneration is a maximum of 25 percent of annual salary. The variable remuneration of the CEO and the other senior executives is based on the outcome of a number of primarily quantitative parameters when compared with set targets. The quantitative parameters are related to the Company's sales and income (EBITDA). The total cost to the company of the total variable remuneration to the CEO and other senior executives must not exceed SEK 5,800,000 (including social security fees).

***C. Long-term incentive program (Long-Term Incentive, LTI)***

With a view to interconnecting the interests of Company management with those of the shareholders and in order to encourage the acquisition of shares in the Company, a long-term incentive programme is proposed in addition to the annual variable remuneration described above. The long-term incentive programme would have the following principal components and would apply to senior executives and certain selected key persons in the Company:

- i. It is proposed that 8 employees over and above the senior executives, in total 14 Company employees, are included in the programme (the participants mentioned below).

- ii. If a participant, during a certain period of time and within the LTI framework, buys shares with his/her own funds via Nasdaq Stockholm up to a certain amount, the Company will match this through cash payment of the same net amount, i.e. compensating for the employee's marginal tax expense, in the form of a one-time payment (the "Matching Amount"). Each participant will be entitled to buy shares for an amount relative to the employee's responsibility and authority. The limits for each participant's Matching Amount are between SEK 50,000 and SEK 200,000. Participants must use the Matching Amount to acquire shares in the Company via Nasdaq Stockholm. Pursuant to an agreement between the Company and each participant, these shares must be held for at least three years.
- iii. If the conditions stated in item iv. are fulfilled, the Company shall make a further one-time payment corresponding to the Matching Amount, but without compensation for the employee's marginal tax expense (the "Performance Amount"). Participants shall use the Performance Amount to acquire shares in the Company via Nasdaq Stockholm. Pursuant to an agreement between the Company and each participant, these shares must be held for at least one year.
- iv. The criteria for payment of the Performance Amount shall be, amongst other things, that the participant is still an employee of the Company and that he/she has held the shares acquired in accordance with item ii. throughout the initial three-year period, and that the performance target set by the Board regarding the Company's earnings (EBITDA) per share during the financial year 2019 has been met.
- v. The total cost for the Company during the period regarding payment of Matching and Performance Amounts shall not exceed SEK 5,400,000 (including social security fees).

### ***Miscellaneous***

Notice of termination for the CEO shall be no more than 12 months and for the other senior executives three to six months. If the Company terminates employment, severance pay of no more than twelve months' salary is to be paid to the CEO. There is no severance pay for other senior executives when their employment is terminated.

The Board may deviate from these guidelines if in an individual case there are special reasons for doing so.

The Company has two share-related incentive programmes outstanding, as adopted by the 2015 and 2016 Annual General Meetings, respectively. Their conditions are essentially in line with what has been stated in section C (Long-term incentive programme) above. The total cost for the Company with regard to payment of the Matching and Performance Amounts for these two programmes shall not exceed SEK 10,000,000. The Company's outstanding commitment in relation to these two programmes comprises the Performance Amounts, which can total no more than approximately SEK 2,600,000.

The Company currently has no outstanding warrants programs.

March 2017  
Gothenburg

Vitrolife AB (publ)  
The Board of Directors

**Report of the Board of Vitrolife AB (publ) on the Remuneration Committee's evaluation of senior management remuneration**

The Company's Remuneration Committee consists of the following members of the Board: Fredrik Mattsson, Barbro Fridén and Jón Sigurdsson. The members of the Remuneration Committee are independent in relation to the Company and senior management.

The Remuneration Committee met in February and March 2017. At these meetings the Remuneration Committee discussed the guidelines for remuneration of senior management as adopted at the 2016 Annual General Meeting and the Company's remuneration structures and levels.

Furthermore, the Remuneration Committee discussed how the recently introduced share-based long-term incentive program has been received and with what results and whether a new share or share-related incentive program should be introduced.

The Remuneration Committee also carried out an evaluation of the work of the CEO.

The Remuneration Committee found that the guidelines for remuneration of senior management have been followed during the year and that the Company's remuneration structures and levels are in line with market rates and appropriate.

March 2017  
Gothenburg

Vitrolife AB (publ)  
The Board of Directors