

# Remuneration report 2020/21

## Introduction

This report describes how Elekta AB (publ) has applied the guidelines for remuneration to executive management, adopted by the Annual General Meeting (AGM) 2020, in the fiscal year 2020/21. One senior executive at Elekta is covered by this report, Elekta's President and CEO. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes issued by the Swedish Corporate Governance Board, and will be approved by the AGM. The remuneration report will be available on Elekta's website ► [www.elekta.com](http://www.elekta.com) at the time for the AGM 2021.

Further information on executive remuneration is available in ► **Note 7**. Information on the work of the compensation and sustainability committee during the fiscal year is set out in Elekta's corporate governance report available on ► **page 77**. Remuneration of the Board of Directors is not covered by this report, such remuneration is resolved annually by the AGM and disclosed in ► **Note 7** and on ► **page 84**.

## Key events and key figures in 2020/21

On ► **page 6**, the President and CEO summarizes the fiscal year 2020/21 and Elekta's result. In the summary, information around key events which have impacted the remuneration will be available in more detail.

## Elekta's remuneration guidelines: purpose, scope and deviations

A prerequisite for the successful implementation of Elekta's strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, it is necessary that Elekta offers competitive remuneration. The remuneration structures shall encourage employees to do their utmost to safeguard shareholders' interests and thereby Elekta's sustainability and long-term value creation.

According to the remuneration guidelines for executive management, they shall include a well-balanced combination of fixed salary, variable remuneration, long-term incentive programs, pension benefits and other benefits, as well as terms governing termination, where applicable. This combination of remuneration strengthens and supports short- and long-term targeting and target fulfilment. The total compensation shall be on market terms on the geographic market where the individual resides or works. Applied remuneration levels shall be reviewed annually in comparison with equivalent positions on the market, to ensure that Elekta is able to attract and retain skills critical for the business where so required.

“ **Cecilia Wikström,**  
**Member of the**  
**compensation and**  
**sustainability committee**

It is important that the total remuneration to senior executives is competitive and that there are incentives for a sustainable and value-creating development of the company while we at all levels in the organization do everything we can to contribute to a better environment and a sustainable world.

The auditor shall review if the company has complied with the remuneration guidelines to executive management. The auditor's report will be available on Elekta's web page at the time for the AGM 2021 together with other AGM material.

No remuneration has been reclaimed during the fiscal year.

In addition to remuneration covered by the remuneration guidelines, the AGM of the company may resolve to implement long-term share-related incentive plans. Elekta has three outstanding share programs called performance share plans and they are described in ► **Note 7**.

# 3

outstanding  
share programs

## Total remuneration of the President and CEO in 2020/21 (TSEK)

Name (position)	Fixed remuneration			Variable remuneration		Total remuneration	Proportion of fixed an variable	
	Annual base salary	Pension	Other benefits	One-year incentives <sup>1)</sup>	Multi-year incentives <sup>2)</sup>		Fixed	Variable
<b>Gustaf Salford</b> (President and CEO from June 2020)	4,495	1,435	119	5,493	1,133	12,675	48%	52%
<b>Richard Hausmann</b> (President and CEO until June 2020) <sup>3)</sup>	632	325	48	–	–	1,005	100%	0%
<b>Total remuneration for President and CEO position</b>	<b>5,127</b>	<b>1,760</b>	<b>167</b>	<b>5,493</b>	<b>1,133</b>	<b>13,680</b>	<b>52%</b>	<b>48%</b>

<sup>1)</sup> One-year incentives (STI 2020/21 and other bonus) earned in 2020/21.

<sup>2)</sup> Multi-year incentive (LTI) cost allocated in 2020/21. For actual vested reward, see table multi-year variable remuneration (LTI 2018/21) below.

<sup>3)</sup> Excluding remuneration of SEK 12,557 M during notice period.

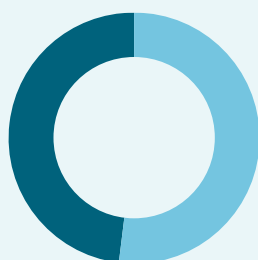
## Performance of the President and CEO in 2020/21 One-year variable remuneration (STI 2020/21)

Name (position) <sup>1)</sup>	Performance criteria <sup>2)</sup>	Relative weighting of performance criteria	Measured performance and Remuneration outcome (MSEK)
<b>Gustaf Salford</b> (President and CEO from June 2020)	Group revenue	33.33%	2019 baseline: N/A Threshold for payout: SEK 12,381 M Threshold for maximum payout: SEK 23,215 M Performance outcome: SEK 15,187 M
	Group EBIT margin	33.33%	2019 baseline: N/A Threshold for payout: SEK 1,216 M Threshold for maximum payout: SEK 2,280 M Performance outcome: SEK 1,946 M
	Group cash flow	33.33%	2019 baseline: N/A Threshold for payout: SEK 960 M Threshold for maximum payout: SEK 1,800 M Performance outcome: SEK 1,705 M

<sup>1)</sup> Richard Hausmann did not qualify for one-year variable remuneration based on the company's performance bonus 2020/21 due to his resignation during the first quarter.

<sup>2)</sup> The performance criteria are reviewed and decided every year by the Board of Directors and the criteria shall support the short-term strategy but also have a long-term view. Therefore, the performance criteria can be changed year by year.

### Proportion of fixed and variable remuneration of the President and CEO's total remuneration



■ Fixed remuneration  
■ Variable remuneration

**Performance of the President and CEO in 2020/21**  
**Multi-year variable remuneration (LTI 2018/21)**

Name (position)	Performance criteria	Relative weighting of performance criteria	Measured performance and Remuneration outcome
<b>Gustaf Salford</b> (President and CEO from June 2020)	EPS growth fiscal year 2018/19 <sup>1)</sup>	100%	Threshold for payout: SEK 3.53 Threshold for maximum payout: SEK 3.80 Performance outcome: SEK 3.14 = 0%
<b>Richard Hausmann</b> (President and CEO until June 2020)	EPS growth fiscal year 2018/19 <sup>1)</sup>	100%	Threshold for payout: SEK 3.53 Threshold for maximum payout: SEK 3.80 Performance outcome: SEK 3.14 = 0%

<sup>1)</sup> LTI 2018/21 had a one-year performance target but postponed vesting until 2021.

**Comparative information on the change of remuneration<sup>1)</sup> and company performance over the last two fiscal years (TSEK)**

	2020/21	2019/20	Change
Total remuneration for President and CEO position <sup>2)</sup>	13,680	15,027	-9%
Group operating profit (EBIT)	1,906,000	1,657,000	15%
Average remuneration on full time equivalent basis employees <sup>3)</sup> in Sweden	852	821	4%

<sup>1)</sup> Fixed and variable remuneration earned during each fiscal year.  
<sup>2)</sup> Excluding Richard Hausmann’s remuneration of SEK 12,557 M during notice period.  
<sup>3)</sup> Excluding members of the executive management.

