

*This is an unofficial translation of the Swedish document. In case of any discrepancies between the Swedish document and this English translation, the Swedish document shall prevail.*

## **Evaluation of Elekta AB's remuneration to executive management 2019/20 pursuant to 9.1 and 10.3 of the Swedish Corporate Governance Code**

### ***Remuneration to executive management***

It is of fundamental importance to Elekta and its shareholders that, from a short-term and long-term perspective, the remuneration guidelines and other terms of employment for the executive management of the Group, attract, incentivise and create favourable conditions for retaining skilled employees and managers. To achieve this, it is important to maintain fair and internally balanced terms for the Company's executive management which at the same time are competitive on the market in terms of remuneration structure, scope and level. Employment terms for the executive management 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.

The total compensation should 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 the Company is able to attract and retain skills critical for the business where so required. Median salaries on the market are determined through external benchmarking where such is available. As far as possible, remuneration shall be based on performance and thus the annual variable remuneration shall constitute a relatively large portion of total remuneration.

The complete guidelines are described in the 2019/20 annual report.

### ***The Compensation & Sustainability Committee***

The Compensation & Sustainability Committee, which during the 2019/20 fiscal year has consisted of the Chairman of the Board of Directors, Laurent Leksell, who was also the Chairman of the Compensation & Sustainability Committee, and the directors Caroline Leksell Cooke, Wolfgang Reim and Cecilia Wikström, convened formally on four occasions during the 2019/20 fiscal year. The Compensation & Sustainability Committee has during the year dealt with a broad range of compensation-related issues, from fixed and variable salary levels to short- and long-term incentives, as well as pensions and other obligations related to the executive management. The Compensation & Sustainability Committee has also completed its annual merit increase process for the executive management and in connection with that, benchmarked the remuneration to the President and CEO and the other executive management against relevant market compensation data.

The Compensation & Sustainability Committee has continued to be involved in the development of the enterprise-wide system that effectively links individual's and the Company's goals to Elekta's various reward systems, as well as a revision of the structure and policy of the Group's short-term incentive plan.

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During the year, the Compensation & Sustainability Committee has provided the Board of Directors with recommendations regarding principles for formulating the Group's remuneration system. This includes both evaluations and resolutions on formulations of the Group's variable and performance-based remuneration system as well as structure and scope of the Group's long-term incentive and share-based program.

### ***Evaluation & Conclusion***

In accordance with the requirements of the code, the Compensation & Sustainability Committee has monitored and evaluated how the guidelines for remuneration to the executive management have been applied to members of the group management during the 2019/20 fiscal year. The Compensation & Sustainability Committee has also monitored and evaluated whether the actual remuneration to the executive management in both current and completed variable remuneration programs was in line with the guidelines and whether the variable remuneration programs, as well as remuneration structures and levels in the Company, were appropriately designed.

The Compensation & Sustainability Committee has come to the conclusion that all of the aforementioned areas have been in line with the guidelines for remuneration to the executive management that were approved by the Annual General Meeting 2019, and that the Company's program for variable remuneration has had an appropriate design. The committee also concludes that the compensation structures and compensation levels in the Company have been appropriate.

Amended guidelines for remuneration to executives will be proposed before the Annual General Meeting in order to comply with new EU rules on shareholders' rights that have been implemented in the Swedish legislation.

Finally, the committee notes that the Company's auditor has issued an opinion that the Company's Board of Directors and the President and CEO, for the financial year 1 May 2019 – 30 April 2020, have complied with the guidelines for remuneration to the executive management adopted by the Annual General Meetings held on 22 August 2019 and 30 August 2018 respectively.

### ***Information regarding previously approved compensation not yet due for payment***

Approved compensation to the executive management that has not been paid prior to the Annual General Meeting 2020 is covered by the guidelines and principles for remuneration to the executive management in Elekta.

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Stockholm in July 2020

Elekta AB (publ)

The Compensation & Sustainability Committee