

Remuneration report 2021

Introduction

This report reflects how the guidelines for remuneration to Senior Executives, adopted at the Annual General Meeting 2021, have been implemented and applied during 2021. The report also provides details on the remuneration to the CEO, how the performance targets for variable remuneration has been applied, the synthetic option program issued by the majority shareholder and information that the company has not implemented any share and share-price related incentive programs. This report has been prepared in compliance with the Swedish Companies Act and the Rules on remuneration of the Board and Executive Management and Incentive programs issued by the Swedish Corporate Governance Board (the Remuneration Rules).

Further information on remuneration to Senior Executives is available in Note 29 on pages 126–127 of the Annual Report 2021. Information on the work by the Remuneration Committee in 2021 is set out in the corporate governance report, which is included on pages 34–59 of the Annual Report 2021.

Remuneration to the members of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in Note 29 on pages 126 of the Annual Report 2021 and the corporate governance report on pages 44–46 of the Annual Report 2021.

The group's overall performance 2021

The CEO summarizes the group's result and overall performance in his statement, which is included on pages 8–9 in the Annual Report 2021.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for successful implementation of the company's business strategy and safeguarding of its long-term interests and sustainability is that the company is able to recruit, motivate and retain qualified personnel. By enabling the possibility to offer Senior Executives a competitive total compensation, the guidelines contribute to the ability for the company to, on a long-term basis, retain qualified personnel.

The total remuneration to Senior Executives shall be on market terms and consist of base salary (fixed cash remuneration), variable cash remuneration, pension benefits and other benefits. The remuneration, and other employment conditions for Senior Executives, shall be on market terms and competitive on every market where Getinge operates. In addition, the General Meeting can decide on share- or share price-related remunerations.

The fixed remuneration (the base salary) should be based on the individual executive's area of responsibility, authority, competence, experience and performance. The allocation between base salary and variable remuneration shall be proportional to the executive's level of responsibility and authority. The variable remuneration shall always be pre-limited to a maximum amount and connected to pre-determined and measurable criteria, designed to contribute to the business strategy, long-term added value and sustainability of the company.

The guidelines adopted at the Annual General Meeting 2021 are available on pages 81–83 and the proposed revised guidelines for 2022 are available on pages 83–85 in the Annual Report 2021.

During 2021 the company has complied with the guidelines adopted at the Annual General Meeting 2021, save for that Kris-

tian Samuelsson, via company, received consultancy fees during the financial year 2021 for services provided to the legal advisors representing Getinge subsidiaries in matters relating to disputes regarding claims for surgical mesh implants and insurance disputes. The consultancy assignments were initiated prior to Kristian Samuelsson's appointment as a Board member. To a limited extent, the assignment continued some time after Kristian Samuelsson acceded the position as Board member. For the period after he acceded the position as Board member, Kristian Samuelsson via company, during 2021 received consultancy fees amounting to SEK 106 K. The Board of Directors has, on the basis of its possibility prescribed by the guidelines for remuneration to Senior Executives, resolved on the temporary deviation from the guidelines as it has been deemed necessary to serve the company's long-term interests and a sustainable development of the company, since Kristian Samuelsson's expertise has been necessary and a prerequisite for Getinge to reach the best possible outcome of the ongoing disputes regarding claims for surgical mesh implants and insurance disputes, and that Kristian Samuelsson has been involved in the matters already before he acceded the position as Board member. In addition to what is mentioned above, no deviations from the guidelines nor any derogations from the procedure for resolution on remuneration, established by the remuneration guidelines, have been made.

The auditors' statement regarding the company's compliance with the guidelines is available on www.getinge.com/int/about-us/corporate-governance/general-meetings under the tab Annual General Meeting 2022. No paid remuneration has been reclaimed during 2021.

Total remuneration to the CEO during 2021

Remuneration and benefits to CEO in 2021, SEK 000s

Executive	Fixed remuneration		Variable remuneration		Pension expenses ⁴⁾	Total	Share of fixed and variable remuneration (%) ⁵⁾
	Base salary	Other benefits ¹⁾	Short-term variable remuneration ²⁾	Long-term variable remuneration ³⁾			
Mattias Perjos, CEO	23,315	3,668	18,652	4,663	9,326	59,624	61/39

1) Other benefits refer to holiday pay, and benefits such as company car, medical insurance (sw: sjukvårdsförsäkring), etc.

2) Short-term variable remuneration refer to bonus accrued during the financial year 2021 and to be paid during 2022.

3) Long-term variable remuneration in the table above refer to accrued amount for a long-term bonus program for the period 2019–2021, which will be paid during 2022.

4) Pension cost for the CEO is based on a defined contribution basis and amounts to 40% of the base salary.

5) The portion of fixed vs variable remuneration as percentage of the grand total remuneration amounted to 61% and 39%, respectively. (The pension cost for the CEO is based on the fixed base salary and is included in its entirety in the fixed remuneration.)

Share based remuneration – outstanding share- or share price related incentive programs

The General Meeting has not resolved on implementation of any share or share price related incentive programs.

Synthetic option program issued by the majority shareholder

During 2018, the Board of Directors of Getinge AB was informed that the majority shareholder of the company, Carl Bennet AB, had issued an incentive program consisting of synthetic options intended for the members of the Board of Directors and Senior Executives of Getinge. In total, the members of the Board of Directors and the Senior Executives acquired 3,153,889 synthetic options for a price that was estimated to correspond to the market value. At the time for the acquisition, the aggregated market value of the options was calculated to approx. SEK 21.8 M.

The synthetic options are related to Getinge shares of series B and have a duration period of four years. The options may be exercised during the period of March 1, 2022 to May 31, 2022. The redemption price amounts to SEK 101.50 per option, equivalent to 122% of the average of the, for each trade day during the period April 27–May 4, 2018 volume-weighted payment price for Getinge's B-share at Nasdaq Stockholm. At exercise of the option, the holder receives a cash payment from Carl Bennet AB, that correspond with the number of underlying shares that the option entitles to multi-

plied by the market value of the share, with deduction of the redemption price. If the market value is less than the redemption price, no payment is received.

Getinge has not participated in the offer, which has been provided to the members of the Board of Directors and the Senior Executives solely by Carl Bennet AB.

The CEO acquired 579,710 synthetic options.

After the end of the financial year, all synthetic options have been exercised. At the time of exercise, the market value of the share after deduction of the redemption price amounted to SEK 267.56.

Principles for application of the performance targets for variable remuneration

Selection of performance targets and resolution to determine the variable remuneration has been prepared by the Remuneration Committee and resolved by the Board of Directors. The variable remuneration is pre-limited to a maximum amount and connected to pre-determined and measurable criteria, designed to contribute to the business strategy and long-term added value of the company. The sustainability work is integrated in the company's day-to-day operations. If the company's principles for sustainability or ethical guidelines are not complied with, the company has the possibility to withhold any variable remuneration or reclaim already paid remuneration.

After the end of financial year and based on a proposal by the Remuneration Committee, the Board of Directors has resolved to which extent the criteria for payment of the short- and long-term variable remuneration have been fulfilled. The assessment if the financial targets have been reached has been based on the company's most recent published financial information, with any pre-determined adjustments established by the Board of Directors when implementing the programs.

Application of the performance targets for short-term variable remuneration

The short-term variable remuneration to the CEO is based on performance targets established by the Board of Directors based on the guidelines for remuneration to Senior Executives and is designed to promote the interests of the shareholders and the company's values, and also to create incentive for a common strive to reach the business strategy, long-term interests and a sustainable development of the company. The variable short-term remuneration to the CEO is limited to 80% of the fixed annual base salary. The targets for 2021 were connected to result, organic growth and restriction of working capital. All three performance targets were fully achieved in 2021 resulting in maximum bonus payout.

The performance by the CEO during the reported financial year: short term variable cash remuneration

Criteria for determination of short-term variable remuneration for the CEO and outcome, SEK 000s

Executive	Performance target	Weighting of performance target	Outcome of performance target	Variable remuneration per performance target
Mattias Perjos, CEO	Adjusted EBITA ¹⁾	50%	5,431 Mkr	9,326
	Net sales – organic growth	25%	28,376 Mkr ²⁾	4,663
	Tied-up working capital – no. of days	25%	88.2	4,663
				18,652

1) The adjusted EBITA refer to the operating profit adjusted for exchange rate changes, acquisitions, divestments, restructuring costs and other material items affecting comparability.

2) Refers to the Group's net sales converted into SEK based on last year's exchange rates.

Applying the performance targets for the variable long-term remuneration

In addition to base salary and the annual variable remuneration, the CEO can receive a variable long-term bonus (LTI-bonus), which rewards clear, measurable performance targets and is conditioned by continued employment at the end of the performance period for the LTI-bonus (with some customary exceptions). The

criteria for payment of the LTI-bonus shall be constructed to promote the long-term interests of Getinge and sustainable development of the company.

The performance target for all outstanding LTI-bonus programs are earnings per share, adjusted in for acquisitions, divestments, restructuring costs and other material non-recurrent costs.

By relating the performance target to the objective of the shareholders, a joint interest to further promote Getinge's business strategy and long-term interests is created. The vesting period for the LTI-bonus is three financial years. At the end of the financial year 2021, the LTI-bonus program 2019-2021 expired and during 2022 SEK 4,663 K will be paid to the CEO for this program.

The performance by the CEO during the reported financial year – long-term variable remuneration

Criteria for determination of long-term variable remuneration for the CEO and outcome, SEK 000s

Executive	Long-term incentive program (LTI)	Performance target ¹⁾	Outcome of performance target	Variable remuneration per performance target ⁵⁾
Mattias Perjos, CEO	LTI 2019-2021	Adjusted earnings per share 2019	5.96 kr	3,000
	LTI 2019-2021	Adjusted earnings per share 2020	13.19 kr	1,663
	LTI 2019-2021	Adjusted earnings per share 2021	12.11 kr	–
				4,663²⁾
	LTI 2020-2022	Adjusted earnings per share 2020	13.19 kr	3,639
	LTI 2020-2022	Adjusted earnings per share 2021	12.11 kr	300
				3,939³⁾
	LTI 2021-2023	Adjusted earnings per share 2021	12.11 kr	3,847
				3,847⁴⁾

1) The performance targets in the Group's long-term variable remuneration schemes are earnings per share, adjusted for acquisitions, divestments, restructuring costs and other material non-recurrent costs.

2) Refers to the total provisions for the incentive scheme LTI 2019-2021. The remuneration is vested and will be paid during 2022.

3) Refers to the total provisions for the incentive scheme LTI 2020-2022.

4) Refers to the total provisions for the incentive scheme LTI 2021-2023.

5) At the end of the year, the total provision for long-term bonus to the CEO amounted to SEK 12,449 K, whereof SEK 4,663 K will be paid during 2022. The expense for the long-term variable remuneration to the CEO for the year amounted to SEK 1,963 K. The vesting period for the group's long-term incentive scheme is three years and the remuneration is conditioned by the CEO remaining at his position at the end of the vesting period. Payment of long-term bonus is during a three-year period limited to one year's fixed base salary. In addition, during the year, the Board of Directors has decided to apply one additional limitation on payment of long-term bonus to the CEO, meaning that payment of short-term and long-term variable remuneration together shall not exceed one year's base salary. The bonus that has been vested in LTI-2019-2021 but that not can be paid due to this limitation rule will however be payable in 2023 or later, provided that the payment does not exceed this limitation for the current year.

Comparative information regarding the company's result and changes in the remuneration

Five-year overview of changes in remuneration and performance¹⁾

	2017 compared with 2016	2018 compared with 2017	2019 compared with 2018	2020 compared with 2019	2021 compared with 2020	2021 ⁴
Changes in remuneration to the CEO, SEK K ²	-43,218 (-63.5 %)	8,710 (35.1 %)	12,483 (37.2 %)	20,663 (44.9 %)	-7,082 (-10.6 %)	59,624
Changes in average remuneration to employees of Getinge AB, SEK K ³	-214 (-15.7 %)	61 (5.3 %)	440 (36.4 %)	-34 (-2.1 %)	-340 (-21.1 %)	1,274
Changes in operating profit for the Group, SEK M	-13 (-0.9 %)	-1,777 (-119.0 %)	2,656 (935.2 %)	2,412 (101.7 %)	-413 (-8.6 %)	4,371

1) In the above table, changes of remuneration and result between the years are presented. The changes are presented in both actual amounts and percentage.

2) Remuneration to the CEO relates to the total remuneration to CEO including base salary, short- and long-term incentive program, pension expenses and other benefits.

3) Remuneration to the Senior Executives excluded.

4) Refers to the outcome for year 2021.

Gothenburg, March 2022

The Board of Directors of Getinge AB