

Remuneration report 2022

Introduction

This report reflects how the guidelines for remuneration to Senior Executives, adopted at the 2022 Annual General Meeting, have been implemented and applied during 2022. The report also provides details on the remuneration to the CEO, how the performance targets for variable remuneration have been applied, the synthetic option program issued by the majority shareholder and information that the company has not implemented any share- or 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 109–110 of the Annual Report 2022. Information on the work by the Remuneration Committee in 2022 is set out in the Corporate Governance Report, which is included on pages 28–56 of the Annual Report 2022.

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 page 109 of the Annual Report 2022 and the Corporate Governance Report on pages 38–40 of the Annual Report 2022.

The group's overall performance 2022

The CEO summarizes the group's result and overall performance in his statement, which is included on pages 8–9 in the Annual Report 2022.

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, any other variable 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 2022 are available on pages 63–65 and the proposed revised guidelines for 2023 are available on pages 65–67 in the Annual Report 2022.

During 2022 the company has complied with the guidelines adopted at the Annual General Meeting 2022. On the basis of the possibility prescribed in the guidelines for remuneration to Senior Executives, the Board of Directors has however during 2022 resolved on a temporary deviation from the guidelines in one specific case, relating to an agreement with Lena Hagman (former EVP Quality Compliance, Regulatory & Medical Affairs) on extended notice period and salary during the notice period, as well as the possibility for Getinge to call off consultancy services if deemed necessary. The Board of Directors has 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 devel-

opment of the company by ensuring a responsible management of the quality regulatory area as well as continued support and competence to the extent that Getinge deems it necessary. In addition, during 2022 the Board of Directors has resolved on a temporary deviation from the guidelines that does not apply until the financial year 2023, relating to some supplementary pension contributions to member of the group management who are included in the ITP1 pension plan. The deviation has been resolved upon in order for the concerned persons to be treated equally with those who are included in ITP, as a result of a mandatory rule change for ITP. However, in the guidelines that the Board of Directors proposes to be adopted by the Annual General Meeting 2023, the guidelines for pension contributions have been amended to also cover the rule change, and the above-mentioned handling will thereby be in line with the proposed guidelines. In addition to the temporary deviations made on the basis of the guidelines 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 2023. No paid remuneration has been reclaimed during 2022.

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

Total remuneration to the CEO during 2022

Remuneration and benefits to CEO in 2022, SEK 000s

Executive	Fixed remuneration		Variable remuneration			Total	Share of fixed and variable remuneration (%) ⁵⁾
	Base salary	Other benefits ¹⁾	Short-term variable remuneration ²⁾	Long-term variable remuneration ³⁾	Pension expenses ⁴⁾		
Mattias Perjos, CEO	24,481	3,728	1,305	3,939	9,792	43,245	88/12

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

2) Short-term variable remuneration refers to bonus accrued during the financial year 2022 and to be paid during 2023.

3) Long-term variable remuneration in the table above refer to the exceeding remuneration that the CEO earned in 2021 or earlier but which was not paid out due to that the Board of Directors discretionary applied the rule on limitation of maximum payment of variable remuneration before the rule was added to the company's remuneration guidelines. Long-term variable remuneration in the above table will be paid in 2023. As the payment of LTI-bonus over a three-year period is capped at an amount equivalent to one year's base salary and this maximum amount was reached after payment of LTI 2019-2021, there will be no payment for LTI 2020-2022 in 2023.

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 88% and 12%, respectively (the pension cost for the CEO is based on the fixed base salary and is included in its entirety in the fixed remuneration).

intended for the members of the Board of Directors and Senior Executives of Getinge at that time. In total, the members of the Board of Directors and the Senior Executives acquired 3,153,889 synthetic options, of which the CEO acquired 579,710 for a price that was estimated to correspond to the market value. At the time for the acquisition, the aggregated market value of all options was calculated to approximately SEK 21.8 M. All issued synthetic options were exercised in 2022.

At exercise of the options, the holder received a cash payment from Carl Bennet AB of SEK 267.56 per option, which corresponded to the market value of the Getinge share of series B at the time of exercise, less the exercise price.

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.

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 the 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 adjustments approved by the Board of Directors at the proposal of the Remuneration Committee.

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 2022 were connected to earnings, organic growth, tied-up working capital and sustainability. Two of four performance targets were fully achieved in 2022, resulting in 10% 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%	SEK 3,955 M	–
	Net sales – organic growth ²⁾	20%	5.4%	–
	Tied-up working capital – no. of days	20%	96 days	–
	Sustainability – reduction of CO ₂ emissions in own operations (tons) ³⁾	5%	-7,113 tonnes	652
	Sustainability – readiness to submit an application to have environmental targets validated by the Science Based Target initiative (SBTi) ⁴⁾	5%	Achieved	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 organic net sales growth.

3) Refers to the Group's reduction of CO₂ emissions (in tonnes of CO₂ equivalents) in its own operations compared to the base year 2021. CO₂ emissions in its own operations include emissions in Scope 1, including emissions from the consumption of oil and gas, and Scope 2, including emissions from the consumption of electricity, heating and cooling.

4) In December 2020, Getinge signed a commitment to develop environmental targets in accordance with SBTi. The performance target refers to that Getinge must have completed all the necessary measures to be able to submit an application to have Getinge's environmental targets validated by SBTi.

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 LTI 2020–2022 and 2021–2023, respectively, are earnings per share, adjusted in for acquisitions, divestments, restructuring costs and other material non-recurrent costs. The performance target for LTI 2022–2024 is adjusted earnings per share over a three-year period that is adjusted for the categories of adjustment items that the Board of Directors determines at the recommendation of the Remuneration Committee at implementation of the program.

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 2022, the incentive program LTI 2020–2022 has expired. Payment of LTI-bonus is during a three-year period capped at an amount corresponding to one year's base salary, and this maximum amount was reached after payment of LTI 2019–2021, which means that there will be no payment for LTI 2020–2022 in 2023. However, the CEO is entitled to an amount of SEK 3,939 K which constitutes the exceeding remuneration that the CEO earned in 2021 or earlier but which was not paid out due to that the Board of Directors discretionary applied the rule on limitation of maximum payment of variable remuneration before the rule was added to the company's remuneration guidelines.

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 ²⁾
Mattias Perjos, CEO	LTI 2020-2022	Adjusted earnings per share 2020	SEK 13.19	–
	LTI 2020-2022	Adjusted earnings per share 2021	SEK 12.11	–
	LTI 2020-2022	Adjusted earnings per share 2022	SEK 10.75	–
				– ³⁾
	LTI 2021-2023	Adjusted earnings per share 2021	SEK 12.11	3,847
	LTI 2021-2023	Adjusted earnings per share 2022	SEK 10.75	0
			3,847⁴⁾	
	LTI 2022-2024	Adjusted earnings per share 2022–2024	–	–
				– ⁵⁾

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) At the end of the year, the total provision for earned LTI-bonus to the CEO amounted to SEK 7,786 K, whereof SEK 3,939 K will be paid during 2023. 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. In 2021, before the rule was added to the remuneration guidelines, the Board of Directors discretionarily decided in 2021 to apply one additional limitation on payment of LTI-bonus to the CEO, meaning that payment of short-term and long-term variable remuneration together shall not exceed 100% of the base salary. The bonus that has been vested in LTI 2019–2021 but that could not be paid in 2022 due to the limitation rule will however be payable in 2023 with an amount of SEK 3,939 K.

3) Refers to the total provisions for the incentive scheme LTI 2020–2022. Payment of LTI-bonus is during a three-year period capped at an amount corresponding to one year's base salary, and this maximum amount was reached after payment of LTI 2019–2021, which means that there will be no payment for LTI 2020–2022 in 2023.

4) Refers to the total provisions for LTI 2021–2023.

5) Since the three-year performance period for the performance target for the incentive program LTI 2022–2024 has not ended, there is no earned compensation for the incentive program and therefore no outcome for the performance target is reported.

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

Five-year overview of changes in remuneration and performance¹⁾

	2018 compared with 2017	2019 compared with 2018	2020 compared with 2019	2021 compared with 2020	2022 compared with 2021	2022 ⁴⁾
Changes in remuneration to the CEO, SEK K ²⁾	8,710 (35.1%)	12,483 (37.2%)	20,663 (44.9%)	-7,082 (-10.6%)	-16,378 (-27.5%)	43,245
Changes in average remuneration to employees of Getinge AB, SEK K ³⁾	61 (5.3%)	440 (36.4%)	-34 (-2.1%)	-340 (-21.1%)	-244 (-19.2%)	1,030
Changes in operating profit for the Group, SEK M	-1,777 (-119.0%)	2,656 (935.2%)	2,412 (101.7%)	-413 (-8.6%)	-745 (-17.0%)	3,626

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 2022.

Gothenburg, March 2023

The Board of Directors of Getinge AB (publ)