

## **Possible outcomes of remuneration to executive management for the 2019/20 fiscal year**

Executive management compensation for the 2019/20 fiscal year has been validated by the Board with regards to fixed salary, pensions and other benefits, while the size variable compensation and long-term incentives will depend on the results of performance against set financial goals.

The Elekta Annual Global Bonus Plan applies to all managers in Elekta AB and/or their subordinates, according to current job classification system from level C and above (C-E), who have incentive plans in their employment agreement. The objective of this policy is to have a competitive, consistent and organized approach to incentive plans throughout the Corporation.

Variable compensation under the Group plan follows these principles:

- The size of the variable salary component depends on the position held and may amount to between 30 percent and 70 percent of the fixed salary for on-target performance (the Target incentive).
- Performance objectives for the annual incentive plan are decided annually by the Board of Directors, who sets the threshold performance level below which no variable salary is paid (the Threshold level) and a target performance level which is a realistic but challenging target that entitles 100 percent of the Target incentive (the Target level). The Threshold level essentially constitutes the actual outcome of the previous year.
- If the performance exceeds the Target level there is the opportunity for additional compensation for over performance in addition to the Target incentive. The additional variable salary entails a potential to earn a maximum of 200 percent of the Target incentive (the Maximum level). Accordingly, the maximum payout level for the sum of the variable salary component is capped at a 200 percent of the variable compensation for on-target performance. The performance goal for the Maximum level is proportional to the Threshold level and the Target level performance under the assumption that the performance on the Maximum level is to entitle 200 percent of the Target incentive.
- Payment of Target incentive is linear and is 0-200 percent of possible Target incentive, where performance up to the Threshold level does not entail any variable salary, performance at the Target level entitles 100 percent of the Target incentive and performance at the Maximum level entitles 200 percent of the Target incentive. The maximum payout level for the sum of the variable salary component is capped at 200 percent of the Target incentive.

Results are measured, and compensation paid out on an annual basis, if nothing else is agreed.

Remuneration for 100 percent on-target performance related to 2019/20 fiscal year objectives:

|                                                           | <b>Fixed salary</b> | <b>Annual incentive</b> | <b>Total</b>      |
|-----------------------------------------------------------|---------------------|-------------------------|-------------------|
| <b>President and CEO</b>                                  | 7,400,000           | 5,180,000               | 12,580,000        |
| <b>Other Executive Management in Sweden (7)</b>           | 14,056,804          | 7,028,402               | 21,085,206        |
| <b>Other Executive Management in other countries (10)</b> | 28,605,808          | 14,633,113              | 43,238,921        |
| <b>Total</b>                                              | <b>50,062,612</b>   | <b>26,841,515</b>       | <b>76,904,127</b> |

Maximum remuneration for 200 percent target performance related to 2019/20 fiscal year objectives:

|                                                           | <b>Fixed salary</b> | <b>Annual incentive</b> | <b>Total</b>       |
|-----------------------------------------------------------|---------------------|-------------------------|--------------------|
| <b>President and CEO</b>                                  | 7,400,000           | 10,360,000              | 17,760,000         |
| <b>Other Executive Management in Sweden (7)</b>           | 14,056,804          | 14,056,804              | 28,113,608         |
| <b>Other Executive Management in other countries (10)</b> | 28,605,808          | 29,266,226              | 57,872,034         |
| <b>Total</b>                                              | <b>50,062,612</b>   | <b>53,683,030</b>       | <b>103,745,642</b> |