



Humana

Remuneration Report of Humana AB for the year 2021

Introduction

This report describes how executive remuneration guidelines, adopted by the general meeting 2020, were implemented during the year. The report provides information on the CEO's remuneration and a summary of the company's outstanding, and during the year expired, share and share price-related incentive programs.

The report has been prepared in accordance with the Swedish Companies Act (2005:551) and the remuneration rules issued by the Swedish Corporate Governance Board. Further information on executive remuneration, namely remuneration to group management members, is available in note G5 on pages 91-93 in the annual report 2021. Information on the remuneration committee's work during 2021 is set out in the corporate governance report available on pages 46-61 in the annual report 2021.

This report does not cover remuneration to the board of directors. Such remuneration is resolved annually by the annual general meeting and is disclosed on page 52 in the annual report 2021.

Key developments 2021

The CEO summarises the financial year 2021 and the company's overall performance on pages 6-7 in the annual report for 2021 where the key developments that have impacted the remuneration for the financial year are commented upon.

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

To successfully execute the company's business strategy and safeguard the company's long-term interests and sustainability, it is of fundamental importance that the company can attract and retain employees with excellent competence. To obtain this, it is required that the company can offer market-based and competitive remuneration terms and other employment terms.

The remuneration guidelines enable the company to offer the senior executives a total competitive remuneration on market-based terms that reflect the individual's performance and responsibilities and the group's financial outcome. In accordance with the guidelines, terms of employment for senior executives shall consist of a balanced combination of fixed- and variable remuneration, pension, and other benefits. The objectives for variable remuneration shall be related to the outcome of the group's and business areas' financial objectives and clearly defined individual objectives regarding specific tasks, such as customer satisfaction, project outcomes, and environmental and social impact. The objectives must be designed to promote the group's business strategy and long-term interests, including its sustainability.



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The most recently adopted remuneration guidelines can be found on page 92-93 in the annual report for 2021. During 2021, the company has complied with the applicable remuneration guidelines adopted by the general meeting. There have been no deviations from the guidelines or the procedure to determine remuneration according to the guidelines. The company's auditor shall make a statement regarding whether the company has been compliant with the guidelines. The auditor's report regarding the guidelines for 2021 will be provided on the company's website along with other relevant documents before the annual general meeting 2022.

The company has not reclaimed any remuneration during the financial year.

Total remuneration to senior executives in 2021 (SEK thousands)¹⁾

Name of executive and position	Fixed remuneration		Variable remuneration		Pensions	Total remuneration	Proportion of fixed and variable remuneration ⁵⁾
	Base salary	Fringe Benefits	One-year variable	Multi-year variable			
Rasmus Nerman (VD) 2021	4 275 ²⁾	29 ³⁾	-	-	1 361	5 665	N/A
Johanna Rastad (VD) 2021⁴⁾	-	-	-	-	-	-	-

1) Except for multi-year variable remuneration, the table reports remuneration relating to the year 2021. Variable remuneration during 2021 is set out, as applicable, in the section for variable remuneration below. Disbursement of any payments may or may not have been made the same year.

2) The amount includes holiday pay of SEK 56t and parental pay of SEK 86t.

3) Fringe benefits include parking lot and medical insurance.

4) Johanna Rastad took over as President and CEO on 17 December 2021. She has received remuneration in her capacity as Business Area Manager until 31 December 2021. Remuneration in her capacity as President and CEO will be received from 1 January 2022.

5) Pension cost that only relate to base salary and are defined contribution have been calculated entirely as fixed remuneration.

Total remuneration to senior executives in 2020 (SEK thousands)¹⁾

Name of executive and position	Fixed remuneration		Variable remuneration		Pensions	Total remuneration	Proportion of fixed and variable remuneration ⁷⁾
	Base salary	Fringe Benefits	One-year variable	Multi-year variable			
Rasmus Nerman (CEO) 2020	4,984 ²⁾	21 ³⁾	1,107	308	1,281	7,701	82/18
Ulf Bonnevier (deputy CEO)⁴⁾ 2020	1,982 ⁵⁾	77 ⁶⁾	-	-	451	2,510	100/0

1) Except for multi-year variable remuneration, the table reports remuneration relating to the year 2020. Variable remuneration during 2020 is set out, as applicable, in table 2 and 3 below. Disbursement of any payments may or may not have been made the same year.

2) The amount includes holiday pay of SEK 722t and parental pay of SEK 91t.

3) Fringe benefits include parking lot and medical insurance.

4) Ended his employment on August 31, 2020.

5) The amount includes holiday pay of SEK 385t.

6) Fringe benefits include car lease, fuel benefit, and medical insurance.

7) Pension cost that only relate to base salary and are defined contribution have been calculated entirely as fixed remuneration.

In 2020, a warrant program expired, and there are currently no outstanding share-related or share price-related incentive programs.



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Application of performance criteria for variable remuneration

The purpose of the variable remuneration is to create incentives for senior executives to deliver good operating results, and to combine the interests of senior executives with the interests of the shareholders.

The variable remuneration may comprise a short-term and a long-term variable remuneration paid in cash during one or three years. Variable remuneration shall be subject to the fulfilment of defined and measurable objectives. The short-term variable remuneration shall be maximized to 30 percent in relation to the base salary, and the long-term variable remuneration shall be maximized to 30 percent in relation to the base salary.

The objectives for variable remuneration must be related to outcomes of financial objectives for the group and business areas and clearly defined individual objectives regarding specific tasks, such as customer satisfaction, project outcomes, and environmental and social impact. The latter are used to ensure focus on non-financial objectives of certain interest. The objectives must be designed to promote the group's business strategy and long-term interests, including its sustainability. The financial objectives are set by the board of directors in order to ensure that they are in line with the company's business strategy and financial objectives. When the measurement period for the fulfilment of the predetermined objectives for the payment of variable remuneration has been completed, the extent to which the objectives have been met shall be assessed by an overall assessment of the performance. If the company violates any of its financial terms, no bonus payment will be made. The bonus payment is included as a pensionable salary.

The remuneration committee is responsible for the assessment of the group management and the board of directors is responsible for the assessment of the CEO. As far as the financial objectives are concerned, the assessment shall be based on the most recently published financial information published by Humana.

Humana does not have any deferral periods or, according to agreements, any possibility to reclaim variable remuneration.

Senior executive's results during the financial year – short-term variable remuneration 2021

On December 17, 2021, Rasmus Nerman terminated his employment as President and CEO of Humana AB. In accordance with current guidelines and employment agreements, no variable remuneration is therefore paid for 2021. Johanna Rastad took over as President and CEO on 17 December 2021 and has received remuneration as Business Area Manager until 31 December 2021. Remuneration as President and CEO is received from 1 January 2022, and as such, no variable remuneration is paid for 2021.



2020

Name of director and position	Description of the performance criteria and type of applicable remuneration	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ outcome
Rasmus Nerman (CEO)	Ebit ^{1) 2)}	60%	a) 100%
			b) 738
	Operating cash flow	20%	a) 100%
			b) 246
	Individual targets	20%	a) 50%
			b) 123

1) If the company acquires or sells companies or activities during the year, a corresponding adjustment will be made to EBIT to include the acquired EBIT or the sold EBIT. In evaluating the annual financial development, the board of directors will consider the acquisitions made during the year.
2) Significant non-recurring costs are excluded from the calculation of the final EBIT.

Long-term variable remuneration 2020-2022

In the autumn of 2019, the board of directors carried out a more extensive strategy project that resulted in updated financial targets. To merge the plan with senior executives, the board of directors has implemented a long-term variable remuneration that runs for three years. The basis is the plan’s results as to earnings per share. Regardless of the year of earning, the long-term variable remuneration is paid in Q1 2023 and presupposes employment at the time of payment. The payment is pensionable. The outcome is based on the base salary for 2020, 2021, and 2022, respectively.

Long-term variable remuneration 2021-2023

During 2021 a new LTI program was launched in accordance with the decision of the Annual General Meeting. The basis is the plan’s results as to earnings per share. Regardless of earning year, the long-term variable remuneration is paid in Q1 2024 and presupposes continued employment throughout the period. The outcome is based on the base salary for 2021, 2022, and 2023, respectively.

Senior executive’s results during the financial year – long-term variable remuneration

2021

On December 17, 2021, Rasmus Nerman terminated his employment as President and CEO of Humana AB. In accordance with current guidelines and employment agreements, no variable remuneration is therefore paid for 2021. Johanna Rastad took over as President and CEO on 17 December 2021 and has received remuneration as Business Area Manager until 31 December 2021. Remuneration as President and CEO is received from 1 January 2022, and as such, no variable remuneration is paid for 2021.



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2020

Name of director and position	Description of the performance criteria and type of applicable remuneration	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ outcome
Rasmus Nerman (CEO)	EPS 2020	25%	a) 100%
			b) 308
	EPS 2021	25%	N/A
			N/A
	EPS 2022	50%	N/A
			N/A

Remuneration – comparison

Comparative table over the remuneration and company performance

Annual Change	2019	Change %	2020	Change %	2021
Total remuneration Rasmus Nerman (CEO)¹⁾	6,409	20.2%	7,701	-26.4%	5,665
Total remuneration Johanna Rastad (CEO)²⁾				-	-
Total remuneration Ulf Bonnevier (deputy CEO)³⁾	3,847	-34.8%	2,510	-	-
Group operating profit (EBIT)	369,371	27.4%	470,513	4.8%	493,068
Average remuneration on a full-time equivalent basis of employees⁴⁾	448	2.4%	458	1.5%	465

1) Ended his employment on December 17, 2021.

2) From December 18, 2021

3) Ended his employment on August 31, 2020

4) Excluding group management members