

Resolution on guidelines for remuneration to the executive management (agenda item 18)

The Board of Directors of Vitrolife AB (publ) proposes that the Annual General Meeting resolves to adopt guidelines for remuneration to executive management in accordance with the following.

Remuneration for members of executive management comprises a basic salary, variable remuneration, pension and other remuneration. The guidelines apply until the Annual General Meeting 2025, unless the AGM decides otherwise. The guidelines do not include remuneration decided by the Annual General Meeting, such as, for example, remuneration to Board members or share-based incentive programs. All pension benefits are defined contribution plans. Variable remuneration is considered by the Remuneration Committee and decided on by the Board.

Guidelines for promoting the Company's business strategy, long-term interests and sustainability

The Company's business goal is to be the leading supplier of products and services that reduce the time to achieve a healthy baby and improve the efficiency and control for IVF clinics. To achieve this, the Company is working on a strategy of growth-promoting priorities and efficiency-enhancing measures. In addition, there is a great focus on the employees. The Company's strategies are based on a values-driven culture and core values, on sustainability and community engagement. The Company's business concept provides collaboration that creates an efficient and strong Group. The company's vision, strategy and goals in various respects are described in more detail on the Company's website www.vitrolife.com.

Successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability, requires that the Company can recruit and retain qualified employees with the right skills. To achieve this, the Company must be able to offer competitive compensation. The guidelines enable members of the executive management to be offered competitive total remuneration.

Long-term share-related incentive programs have been established in the Company. They have been approved by the AGM and are therefore not covered by these guidelines. The programs include the CEO and other key personnel. The performance requirements used to assess the outcome of the programs have a clear link to the business strategy and to the Company's long-term value creation, including sustainability.

The variable remuneration is intended to promote the Company's business strategy and long-term interests, including sustainability.

A. Fixed basic salary

The fixed basic salary of the members of executive management is reconsidered each year. The division between basic salary and, where appropriate, variable remuneration shall be proportionate to the executive's responsibility and authority. The executive management team consists of eight people, two women and six men. The composition and size of this group can change over time as a consequence of how the business develops.

B. Variable remuneration (Short-Term Incentive, STI)

The ceiling for the CEO's variable remuneration is a maximum of 75 percent of annual salary. For other members of executive management, the ceiling for variable remuneration is a maximum of 50 percent of annual salary. The variable remuneration of the executive management is based on the outcome of two quantitative parameters when compared with set targets. The quantitative parameters are related to the Company's sales and income (EBITDA). The total cost to the company of the total variable remuneration to the members of executive management must not exceed SEK 20,000,000 (including social security fees).

Miscellaneous

Notice of termination for the CEO shall be no more than 12 months and for the other members of executive management three to six months. If the Company terminates employment, severance pay of no more than twelve months' salary is to be paid to the CEO. There is no severance pay for other members of executive management when their employment is terminated.

The Board of Directors may decide to temporarily deviate from the guidelines in whole or in part if there are special reasons for this in an individual case and a deviation is necessary to meet the Group's long-term interests, including sustainability, or to ensure the Group's financial viability. As stated above, it is part of the Remuneration Committee's tasks to prepare the Board's decisions on remuneration issues, which also includes decisions on deviations from the guidelines.

In preparing the Board's proposal for remuneration guidelines as described above, it has been taken into account that benefits offered to the executive management and other members of Company management need to be in line with the general salary structures applied to Vitrolife AB's other employees. For this reason, the salary and terms of employment for other employees in Vitrolife AB have been included in the decision basis the Board and the Remuneration Committee used in the preparation of the above guidelines.

The proposal for guidelines presented at the 2021 Annual General Meeting does not entail any significant changes in relation to the company's existing remuneration guidelines.

March 2021
Gothenburg

Vitrolife AB (publ)

The Board of Directors

