

## **Guidelines for Executive Management Team Remuneration**

The Board of Directors of Vitrolife AB (publ) proposes that the 2025 Annual General Meeting resolves on the following guidelines for remuneration to members of the Executive Management Team.

### **Scope of the guidelines, etc.**

These guidelines cover the individuals who, during the validity period of the guidelines, are included in the Executive Management Team of Vitrolife AB (publ) (Vitrolife Group or Company), below referred to as “Executive Management Team”.

The guidelines shall apply for remuneration agreed and amendments in any remunerations already agreed, as of the adoption of the guidelines by the 2025 Annual General Meeting. The guidelines are not applicable on any remuneration resolved by the General Meeting, such as remuneration to Board members or variable long-term share-related incentives.

### **Promotion of Vitrolife Group’s business strategy, long-term interests and sustainability**

Based on science and advanced research capabilities, Vitrolife Group aim is to deliver products and services for the entire reproductive-health journey, providing consistent performance and guaranteed quality. Vitrolife Group shall be the leading global partner in reproductive health, striving for a better treatment outcome for patients and by that enable people to fulfil the dream of having a healthy baby.

The Company's vision, strategy and goals are described in more detail on the Company's website [www.vitrolifegroup.com](http://www.vitrolifegroup.com).

A prerequisite for successful implementation of the Vitrolife Group’s business strategy and safeguarding the Company’s long-term interests is that the company is able to recruit and retain qualified and competent personnel.

The main principle is that remuneration and other employment conditions for members of the Executive Management Team is to attract, develop and retain talent by recognising the position, rewarding performance and signalling who we are as a company.

These guidelines promote the Company’s business strategy, long-term interests and sustainability and contribute to the company’s ability to, on a long-term basis, retain qualified and competent personnel.

## **Principles for various type of remuneration**

Vitrolife Group's strategy, values and shareholder value creation should guide all remuneration. This means that:

- The Company recognise the size, complexity, skill requirement and specific circumstances of the position through the total remuneration opportunity;
- The way the Company put together remuneration elements to provide that opportunity reflects what the Vitrolife Group stands for, our values and our aspirations; and
- The actual remuneration delivered is to reward performance, driving and promoting our performance culture and its development.

## **Total remuneration**

All remuneration decisions should be considered in the context of total remuneration. Decisions on total remuneration levels should differentiate according to the member of the Executive Management Team position, competence, skills and performance.

Executive Management remuneration shall in aggregate be competitive taking the size of the job into consideration in a defined market or multiple references where it improved the quality of the analysis. The Company look to follow local and regional market practice, consisting of an appropriate mix of fixed remuneration, variable remuneration, pension and benefits which make up the total remuneration for members of the Executive Management Team.

The determined total remuneration opportunity for a member of the Executive Management Team, including base salary, should in general take into account the following, but neither should lead to any automatic change:

- External market;
- Performance of the Business Area and/or the whole Company;
- Individual circumstances, including the business case for the positions; and
- Remuneration throughout the Company, including that there should be a span of remuneration levels.

## **Fixed remuneration**

Fixed remuneration, meaning predictable pay that is set for the foreseeable future, such as base salary and allowances, shall be based on the Executive Management position, competence, skills and performance. Fixed remuneration shall be assed taking the local and regional market practice into consideration.

## **Variable remuneration**

The allocation between base salary and variable remuneration shall be in proportion with the area of responsibility and authority of the member of the Executive Management Team and based on local and regional market practice. The variable remuneration shall always be pre-limited to a maximum amount and related to

predetermined and measurable criteria, designed to contribute to the business strategy and long-term added value of the Vitrolife Group.

## **Annual variable remuneration**

Short-term incentives reward the member of the Executive Management Team for performance measured over one year according to financial and non-financial performance measures that the participants can impact and that have a clear link to the creation of shareholder value through enable people to fulfil the dream of having a healthy baby.

The variable remuneration shall be based on objectives set by the Board of Directors. These objectives are generally linked to organic growth, profitability, sustainability, and individual performance but may vary year over year based on assessments to best support the execution of the company's strategy. All members of the Executive Management Team share the same financial and sustainability targets for annual variable remuneration. However, members of the Executive Management Team responsible for a specific business area or function may have additional financial objectives linked to their respective area of responsibility.

For the Chief Executive Officer (CEO), the annual variable remuneration shall be capped at 75 percent of annual base salary and for other members of the Executive Management Team the annual variable remuneration shall be capped at 50 percent of annual base salary.

The total cost to the company of the total variable remuneration to the members of the Executive Management Team must not exceed SEK 30,000,000 (including social security fees).

## **Variable long-term share-related incentive**

In addition to base salary and annual variable remuneration as described above, members of the Executive Management Team and other employees holding senior roles can obtain a variable long-term bonus (LTIP).

Each year, the Board evaluates whether to propose a LTIP for approval at the Annual General Meeting. For further details on these programs, refer to the notices for the Annual General Meeting and the Company's annual reports.

The purpose of the LTIP is to encourage personal long-term ownership of Vitrolife Group shares and unite the interest of the members of the Executive Management Team and other employees holding senior roles with the interest of the shareholders. LTIP support the retention of key employees as part of an attractive remuneration package.

These long-term incentive programs support the Vitrolife Group's business strategy and long-term objectives, including its commitment to sustainability. They enhance the Company's ability to attract and retain talent, promote diversified and increased share ownership among key individuals, and ensure a unified focus on driving long-term value growth for shareholders.

## **Pension**

For members of the Executive Management Team entitled to pension benefits, all pension agreements shall be structured as defined contribution plans. As a general principle, pension contributions will be based solely on fixed salary and aligned with market standards in each respective country. Certain individual adjustments may occur in line with local market practice or mandatory collective agreement provisions.

## **Other benefits**

Benefits for members of the Executive Management Team such as company cars, healthcare insurance, medical insurance, and similar offerings shall represent a smaller reasonable component of the total compensation package and be aligned with customary practices in each geographic market.

Adjustments to benefits may be made to comply with mandatory local regulations or established practices. These adjustments shall aim to uphold the overarching purpose of these guidelines to the greatest extent possible.

## **Conditions for termination**

Termination periods within the Vitrolife Group shall comply with the statutes and agreements applicable on each geographic market. Notice of termination for the CEO shall be no more than 12 months and for the other members of the Executive Management Team three to six months. If the Company terminates employment, severance pay of no more than 12 months' salary is to be paid to the CEO.

## **Salary and employment conditions for employees**

When preparing the Board of Directors' proposal for these remuneration guidelines, the salary and employment conditions of the Company's employees have been taken into account. This has been done by reviewing data on employees' total compensation, the components of their remuneration, and the trends in increases and growth rates over time. This information forms part of the basis for decision-making by the Remuneration Committee and the Board of Directors when assessing whether the proposed guidelines and the limitations set forth are reasonable.

## **Preparation and decision-making procedure**

The Board of Directors has established a Remuneration Committee, tasked with preparing the Board of Directors' decision to propose guidelines for members of the Executive Management Team remuneration. These guidelines are reviewed annually,

and new proposals shall be drafted by the Board of Directors at least every fourth year and presented to the Annual General Meeting for approval. The guidelines remain in effect until new ones are adopted by the Annual General Meeting.

The Remuneration Committee is responsible for monitoring and evaluating all remuneration aspects for members of the Executive Management Team, the guidelines for members of the Executive Management Team remuneration, and the company's overall remuneration structures and compensation levels. The Remuneration Committee shall conduct an annual review including, but is not limited to, annual variable bonus programs, pay mix, levels of remuneration opportunity, and size of salary increases and bonus payouts for the Executive Management Team. Variable remuneration is considered by the Remuneration Committee and decided by the Board of Directors.

The CEO and other members of the Executive Management Team do not participate in the Board of Directors discussions or decisions on remuneration-related matters that pertain to them.

The Board of Directors is required to prepare an annual remuneration report, which shall be presented to the Annual General Meeting for approval.

Remuneration to Board members or variable long-term share-related incentives are resolved by the Annual General Meeting.

## **Deviations from the guidelines**

The Board of Directors may temporarily decide to deviate from these guidelines, either in whole or in part. Such deviations may be warranted if there are special circumstances that make it necessary to act in the company's long-term interests, promote its sustainable development, or ensure its financial stability.

As outlined above, the Remuneration Committee is responsible for preparing the Board of Directors' decisions on remuneration-related matters, including any decisions to deviate from these guidelines.

## **Description of material changes of the guidelines**

The proposed resolution for the Annual General Meeting 2025 regarding remuneration guidelines is, in all material respects, aligned with the guidelines adopted by the Annual General Meeting 2021, with the exception of an adjustment to the aggregated monetary cap for annual variable remuneration payouts, which has been increased. Additionally, several clarifications have been made to enhance transparency and provide a more detailed understanding of the principles guiding remuneration decisions.

Key updates include:

- Clarifications regarding the factors guiding remuneration decisions, the composition of members of the Executive Management Team remuneration packages, and the strong link between remuneration and performance.
- Further details on the application of market data to ensure competitive and equitable remuneration for members of the Executive Management Team.
- Adjustment of the aggregated monetary cap for annual variable remuneration payouts, from SEK 20,000,000 to SEK 30,000,000, to ensure ability to attract global talent and maintain a strong pay-for-performance culture, while retaining the individual percentage cap tied to annual base salary.
- Expanded and refined the framework for annual variable remuneration to better align with the company's evolving priorities. In addition to the traditional metrics of sales and profitability, Vitrolife Group have introduced sustainability measures and individual performance as general components. Additionally, members of the Executive Management Team may have additional financial objectives linked to their specific area of responsibility, where such objectives are deemed critical to supporting the successful execution of the company's strategy.
- Addition of a section addressing LTIP. It is noted that LTIPs are evaluated by the Board of Directors and approved by the Annual General Meeting, with additional details available in the Annual General Meeting material and the annual report.
- Expanded explanations regarding principles for pension and other benefits.

These adjustments serve to ensure alignment with best practices and enhanced communication of the Company's approach to Executive Management remuneration.

Gothenburg, March 2025

Vitrolife AB (publ)

The Board of Directors