

executive remuneration audit

Company Name

January 1, 2023

prepared by: Analyst

peer review by: Consultant

SAMPLE



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1. Introduction

1.1. About Mercer

Mercer is a global consulting leader in talent, health, retirement, and investments. Mercer helps clients around the world advance the health, wealth, and performance of their most vital asset — their people. Mercer’s more than 23,000 employees are based in more than 40 countries and the firm operates in over 130 countries. Mercer is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), a global professional services firm offering clients advice and solutions in the areas of risk, strategy and people.

1.2. About the Report

The report is prepared for Company Name and contains remuneration deviation analysis for the following positions:

- Chief Executive Officer (Sweden)
- Chief Financial Officer (Sweden)
- Head of Legal (Sweden)

The deviation analysis covers comparison of the following remuneration elements to the market values:

- Annual Base Salary
- Total Guaranteed Cash
- Total Cash Compensation (Target)
- Total Direct Compensation (Target)
- Total Remuneration (Target)

The remuneration deviation analysis of the positions is represented through the Deviation Analysis Tables and Charts, containing the different statistical measures for each of the above elements. Benchmark comparisons have been conducted for the positions against the following two markets:

- General Market – comparison against all companies from each country survey, based on family and respective position class.
- Peer Group – comparison against companies from Life Sciences industry, based on respective position class.

Data are sourced from Mercer MERG survey 2022. Data has been aged to January 1st, 2023.

1.3. Confidentiality

To ensure the confidentiality of all data, a minimum number of observations is required in order for statistics to be displayed. Three organizations must report at least three observations for a variable in order for the mean to be displayed. Four organizations and four observations are required for display of the median. Five organizations reporting at least five observations are required to display 25th and 75th percentiles. Where there has been insufficient data for analysis, this has been indicated with “--”.

Human Resource professionals who deal regularly with data are aware of the variance that may exist in databases. Data may fluctuate slightly from year to year due to changes in the participant base. It is also important to note that within a sample, a significant amount of data may be reported by one organization. It is also possible for data to change drastically from year to year due to industry-related factors and economic conditions.

Mercer is providing this information to its clients to help them to make independent decisions regarding salaries and benefits. Because the exchange of salary and benefit information among competitors may be construed in certain circumstances as a means to facilitate an antitrust violation, Mercer has taken appropriate steps in collecting and disseminating this information in order to avoid such perceptions.

The information and data contained in this report are for information purposes only and are not intended nor implied to be a substitute for professional advice. In no event will Mercer be liable to you or to any third party for any decision made or action taken in reliance of the results obtained through the use of the information and/or data contained or provided herein.

2. Report Definitions

2.1. Terms

We provide below an explanation of the Compensation Item terms used in the Remuneration Tables:

Annual Base Salary

Includes only annualized base salary (Monthly Base Salary x Number of Months Paid).

Total Guaranteed Cash Compensation

Includes Annual Base Salary plus the annualized value of guaranteed allowances and cash benefits.

Total Cash Compensation (Target)

Includes Total Guaranteed Cash Compensation plus the annualized value of any target Short-term Incentive (STI), Sales Incentive, Profit Sharing, or Other Incentive awards. The figures reported reflect the target amounts applicable to the incumbent.

Total Direct Compensation (Target)

Includes Total Cash Compensation (Target) plus the annualized value of any Long-term Incentive (LTI) awards, valued using Black-Scholes methodology for appreciation-based awards.

Total Remuneration (Target)

Includes Total Direct Compensation (Target) plus the annualized value of the benefits: retirement plan, life and medical insurance, motor vehicle, etc.

2.2. Statistics

25th Percentile (25th %ile)

The data point that is higher than 25% of all other data in the sample when ranked from low to high. Also known as the first quartile.

Median

The data point that is higher than 50% of all other data in the sample when ranked from low to high. Also known as the 50th percentile.

75th Percentile (75th %ile)

The data point that is higher than 75% of all other data in the sample when ranked from low to high. Also known as the third quartile.

2.3. Data Confidentiality Guidelines

To ensure confidentiality, the data shown is determined by a minimum number of organizations and number of observations, as summarised in the table below:

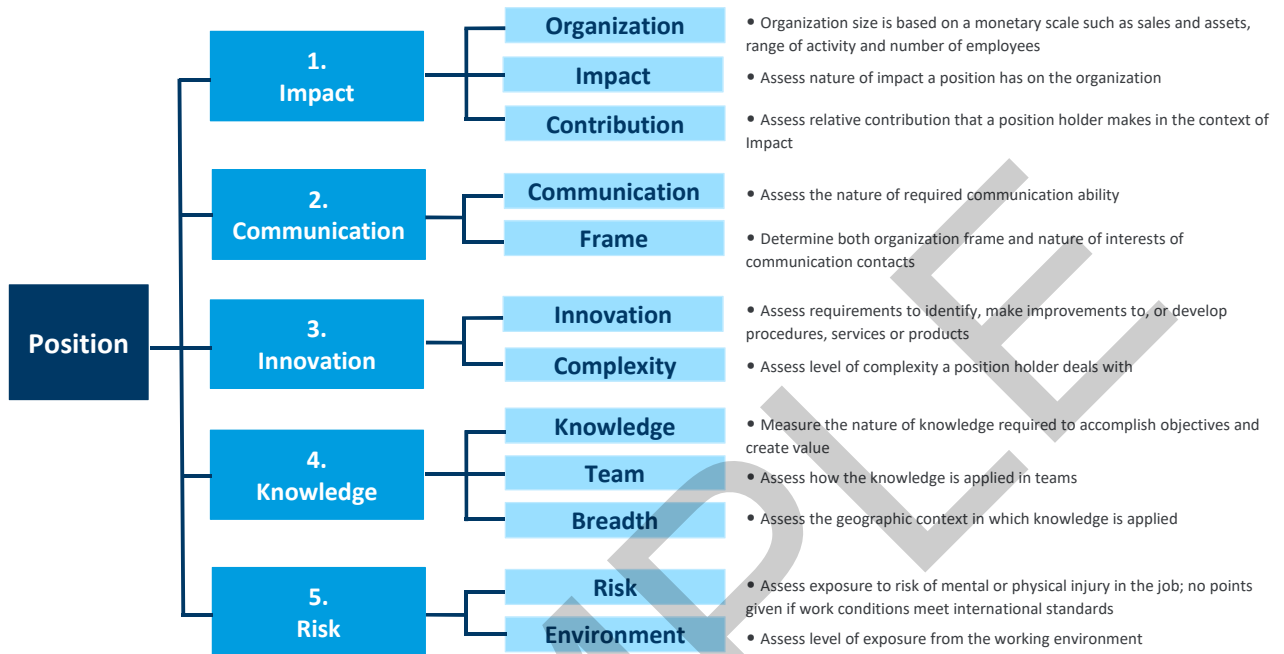
	Median	Quartile
Minimum No. of Distinct Organizations	3	3
Minimum No. of Organizations	4	5
Minimum No. of Observations	4	5

* Where there has been insufficient data for analysis to show given statistics, this has been indicated with "--".

2.4. Valuation Criteria

The valuation of benefits has been made according to the "employee value" i.e. we calculate the gross income necessary for the employee to purchase the same component of remuneration privately. This permits to develop all the valuations in a consistent way, giving the possibility to compare all of them with the same tool.

3. IPE methodology



4. Summary

4.1. Summary - General Market

ID	Position Title	PC	Annual Base Salary	Total Guaranteed Cash	Total Cash Comp (Target)	Total Direct Comp (Target)	Total Remuneration (Target)
1	Chief Executive Officer (Sweden)	68	117%	115%	134%	123%	122%
2	Chief Financial Officer (Sweden)	66	125%	124%	138%	126%	121%
3	Head of Legal (Sweden)	65	125%	124%	136%	131%	137%

4.2. Summary - Peer Group

ID	Position Title	PC	Annual Base Salary	Total Guaranteed Cash	Total Cash Comp (Target)	Total Direct Comp (Target)	Total Remuneration (Target)
1	Chief Executive Officer (Sweden)	68	68%	67%	93%	90%	81%
2	Chief Financial Officer (Sweden)	66	98%	92%	118%	119%	120%
3	Head of Legal (Sweden)	65	103%	102%	124%	132%	132%

5. Reading Guide

Mercer's benchmark parameters

Mercer Benchmark	Head of Organization (CEO) - Regional Parent/Independent (E4)	Country	Belgium
Position Class	63	Currency	EUR

Deviation Analysis Tables

Comparison in absolute numbers between incumbent and market

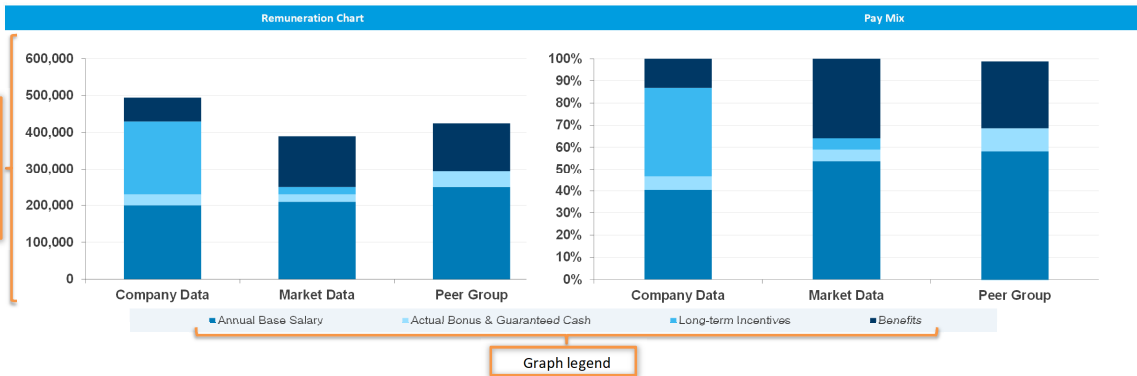
	Company Data	Market Data			Comparison %		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Annual Base Salary	200,000	175,000	210,000	315,000	114%	95%	63%
Actual Bonus %	15.0%	12.0%	25.0%	38.0%	125%	60%	39%
Total Cash Compensation (Actual)	230,000	215,000	230,000	330,000	107%	100%	70%
Target Bonus %	30.0%	20.0%	30.0%	40.0%	150%	100%	75%
Total Cash Compensation (Target)	260,000	230,000	270,000	450,000	113%	96%	58%
Long-term Incentives %	100.0%	15.0%	40.0%	90.0%	667%	250%	111%
Total Direct Compensation (Actual)	430,000	215,000	250,000	400,000	200%	172%	108%
Pension	25,000	20,000	30,000	50,000	125%	83%	50%
Car	40,000	35,000	40,000	50,000	114%	100%	80%
Total Remuneration (Actual)	495,000	230,000	390,000	550,000	215%	127%	90%

Incumbent data as percentage of 25th percentile, median and 75th percentile

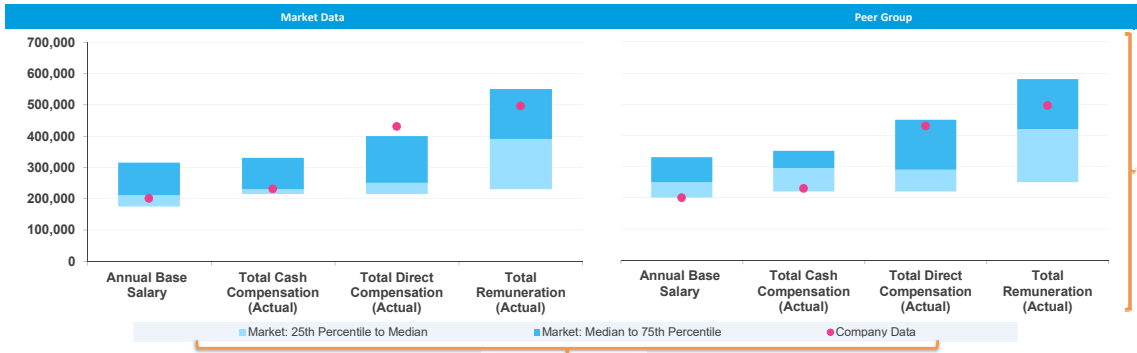
	Company Data	Peer Group			Comparison %		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Annual Base Salary	200,000	200,000	250,000	330,000	100%	80%	61%
Actual Bonus %	15.0%	15.0%	30.0%	40.0%	100%	50%	38%
Total Cash Compensation (Actual)	230,000	220,000	295,000	350,000	105%	78%	66%
Target Bonus %	30.0%	35.0%	45.0%	55.0%	86%	67%	55%
Total Cash Compensation (Target)	260,000	250,000	290,000	380,000	104%	90%	68%
Long-term Incentives %	100.0%	40.0%	50.0%	95.0%	250%	200%	105%
Total Direct Compensation (Actual)	430,000	220,000	290,000	450,000	195%	148%	96%
Pension	25,000	22,000	44,000	51,000	114%	57%	49%
Car	40,000	42,000	48,000	55,000	95%	83%	73%
Total Remuneration (Actual)	495,000	250,000	420,000	580,000	198%	118%	85%

Deviation Analysis Charts

Graph visualising how the incumbent's pay mix compares with market data



Graph legend



Graph legend

Graphs visualizing how the incumbent compares with market data. The red dots represent the incumbent. The top of the box is the 75th percentile, the bottom is the 25th and the line where the box colour changes represents the median

6. Total Remuneration Analysis

6.1. Chief Executive Officer

Mercer Benchmark	Head of Organization (CEO) - Country Parent/Independent (E3)
Position Class	68

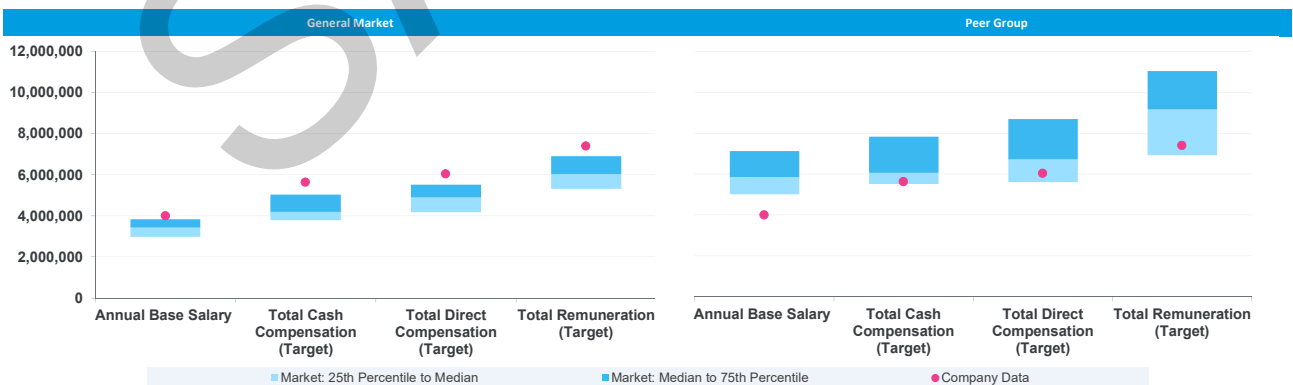
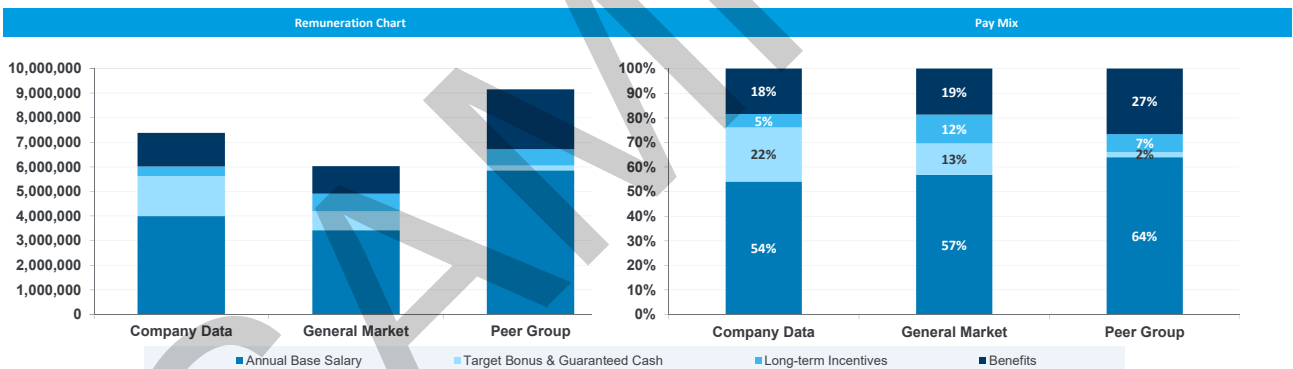
Country	Sweden
Currency	SEK

Deviation Analysis Tables

	Company Data	General Market			Comparison %		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Annual Base Salary	4,000,000	2,984,097	3,432,816	3,846,993	134%	117%	104%
Total Guaranteed Cash	4,026,667	3,043,779	3,508,089	3,923,932	132%	115%	103%
Total Cash Compensation (Target)	5,626,667	3,799,119	4,200,739	5,036,671	148%	134%	112%
Total Direct Compensation (Target)	6,026,667	4,192,020	4,908,489	5,520,641	144%	123%	109%
Total Remuneration (Target)	7,385,512	5,314,407	6,031,141	6,908,578	139%	122%	107%

	Company Data	Peer Group			Comparison %		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Annual Base Salary	4,000,000	5,015,897	5,867,418	7,129,307	80%	68%	56%
Total Guaranteed Cash	4,026,667	5,202,560	5,985,221	7,281,767	77%	67%	55%
Total Cash Compensation (Target)	5,626,667	5,527,754	6,063,877	7,836,500	102%	93%	72%
Total Direct Compensation (Target)	6,026,667	5,616,406	6,727,033	8,697,783	107%	90%	69%
Total Remuneration (Target)	7,385,512	6,934,421	9,159,665	11,048,848	107%	81%	67%

Deviation Analysis Charts



6.2. Chief Financial Officer

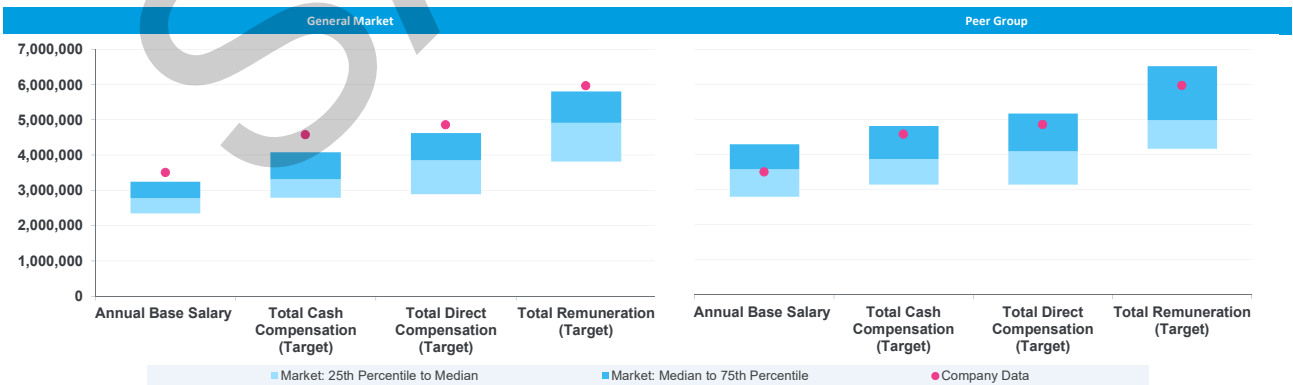
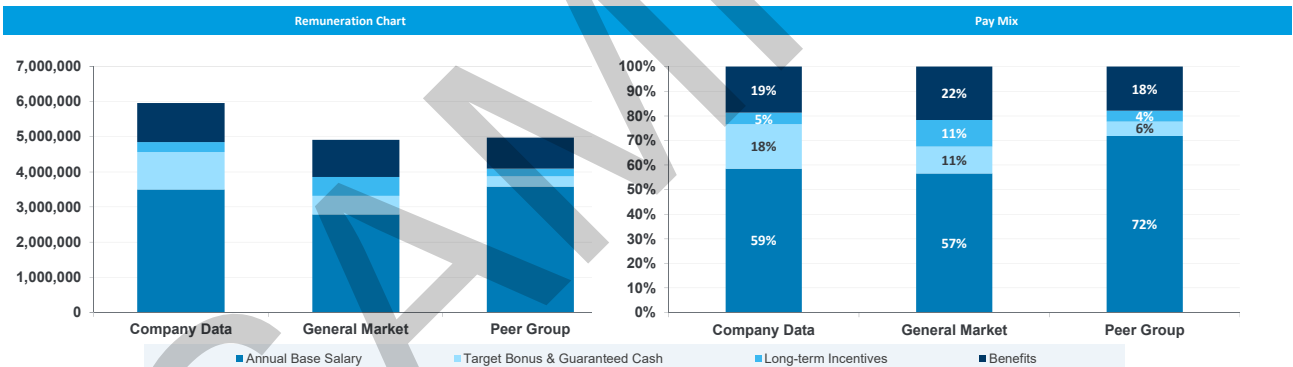
Mercer Benchmark	Head of Finance & Accounting (CFO) - Regional Parent/Independent (E3)	Country	Sweden
Position Class	66	Currency	SEK

Deviation Analysis Tables

	Company Data	General Market			Comparison %		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Annual Base Salary	3,500,000	2,353,590	2,790,080	3,253,834	149%	125%	108%
Total Guaranteed Cash	3,523,333	2,400,662	2,845,882	3,318,911	147%	124%	106%
Total Cash Compensation (Target)	4,573,333	2,799,791	3,323,835	4,083,501	163%	138%	112%
Total Direct Compensation (Target)	4,853,333	2,892,064	3,859,309	4,632,090	168%	126%	105%
Total Remuneration (Target)	5,967,887	3,817,772	4,920,268	5,810,929	156%	121%	103%

	Company Data	Peer Group			Comparison %		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Annual Base Salary	3,500,000	2,802,856	3,581,614	4,295,559	125%	98%	81%
Total Guaranteed Cash	3,523,333	2,870,905	3,831,952	4,381,470	123%	92%	80%
Total Cash Compensation (Target)	4,573,333	3,149,006	3,875,571	4,817,943	145%	118%	95%
Total Direct Compensation (Target)	4,853,333	3,149,006	4,094,634	5,170,945	154%	119%	94%
Total Remuneration (Target)	5,967,887	4,173,826	4,982,885	6,522,230	143%	120%	92%

Deviation Analysis Charts



6.3. Head of Legal

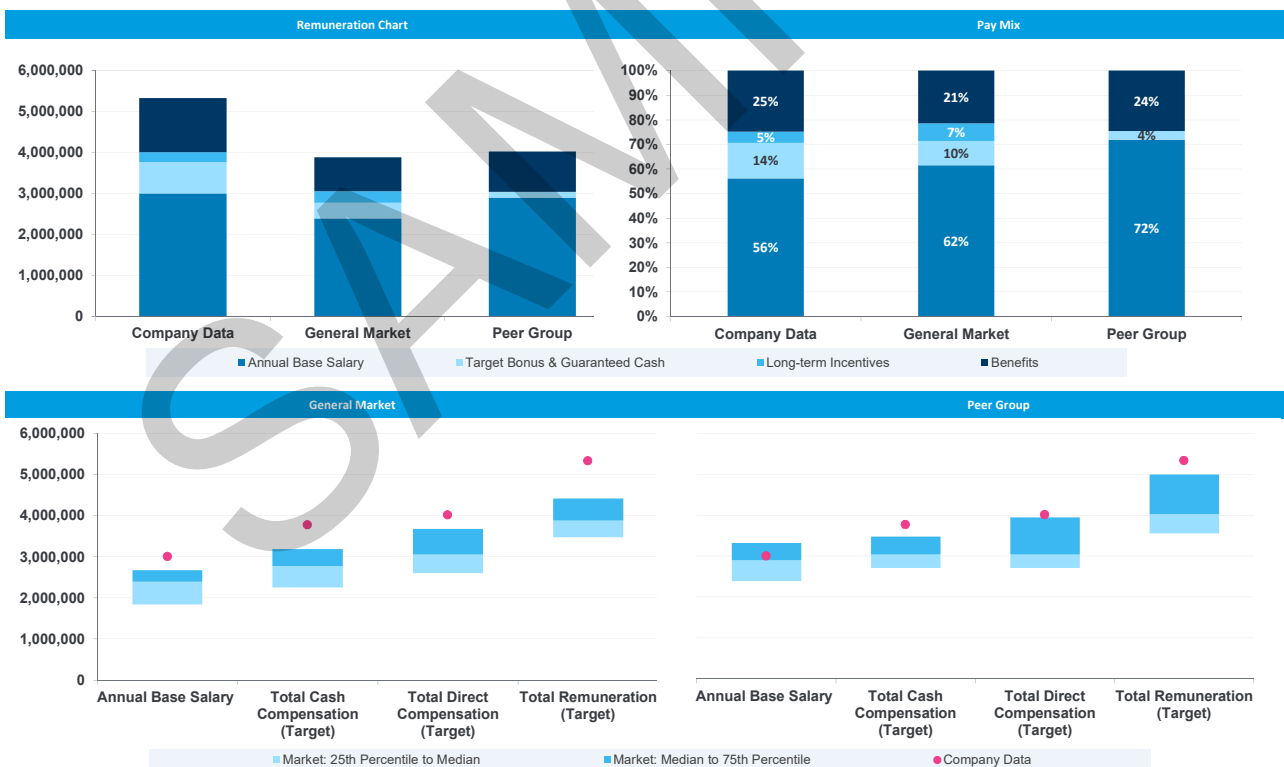
Mercer Benchmark	Head of Legal - Regional Parent/Independent (E3)	Country	Sweden
Position Class	65	Currency	SEK

Deviation Analysis Tables

	Company Data	General Market			Comparison %		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Annual Base Salary	3,000,000	1,839,330	2,394,301	2,678,881	163%	125%	112%
Total Guaranteed Cash	3,020,000	1,876,117	2,442,188	2,732,459	161%	124%	111%
Total Cash Compensation (Target)	3,770,000	2,253,232	2,777,949	3,189,183	167%	136%	118%
Total Direct Compensation (Target)	4,010,000	2,603,509	3,056,280	3,681,679	154%	131%	109%
Total Remuneration (Target)	5,328,722	3,482,168	3,886,746	4,419,465	153%	137%	121%

	Company Data	Peer Group			Comparison %		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Annual Base Salary	3,000,000	2,391,870	2,899,257	3,321,813	125%	103%	90%
Total Guaranteed Cash	3,020,000	2,440,062	2,957,242	3,485,917	124%	102%	87%
Total Cash Compensation (Target)	3,770,000	2,710,438	3,043,593	3,483,268	139%	124%	108%
Total Direct Compensation (Target)	4,010,000	2,710,438	3,043,593	3,948,621	148%	132%	102%
Total Remuneration (Target)	5,328,722	3,556,996	4,029,629	4,997,981	150%	132%	107%

Deviation Analysis Charts



7. Market Data

7.1. General Market

Position Title	Position Class	Annual Base Salary - General Market			Total Guaranteed Cash - General Market		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Chief Executive Officer	68	2,984,097	3,432,816	3,846,993	3,043,779	3,508,089	3,923,932
Chief Financial Officer	66	2,353,590	2,790,080	3,253,834	2,400,662	2,845,882	3,318,911
Head of Legal	65	1,839,330	2,394,301	2,678,881	1,876,117	2,442,188	2,732,459

Position Title	Position Class	Total Cash Compensation (Target) - General Market			Total Direct Compensation (Target) - General Market			Total Remuneration (Target) - General Market		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Chief Executive Officer	68	3,799,119	4,200,739	5,036,671	4,192,020	4,908,489	5,520,641	5,314,407	6,031,141	6,908,578
Chief Financial Officer	66	2,799,791	3,323,835	4,083,501	2,892,064	3,859,309	4,632,090	3,817,772	4,920,268	5,810,929
Head of Legal	65	2,253,232	2,777,949	3,189,183	2,603,509	3,056,280	3,681,679	3,482,168	3,886,746	4,419,465

7.2. Peer Group

Position Title	Position Class	Annual Base Salary - Peer Group			Total Guaranteed Cash - Peer Group		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Chief Executive Officer	68	5,015,897	5,867,418	7,129,307	5,202,560	5,985,221	7,281,767
Chief Financial Officer	66	2,802,856	3,581,614	4,295,559	2,870,905	3,831,952	4,381,470
Head of Legal	65	2,391,870	2,899,257	3,321,813	2,440,062	2,957,242	3,485,917

Position Title	Position Class	Total Cash Compensation (Target) - Peer Group			Total Direct Compensation (Target) - Peer Group			Total Remuneration (Target) - Peer Group		
		25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile	25th Percentile	Median	75th Percentile
Chief Executive Officer	68	5,527,754	6,063,877	7,836,500	5,616,406	6,727,033	8,697,783	6,934,421	9,159,665	11,048,848
Chief Financial Officer	66	3,149,006	3,875,571	4,817,943	3,149,006	4,094,634	5,170,945	4,173,826	4,982,885	6,522,230
Head of Legal	65	2,710,438	3,043,593	3,483,268	2,710,438	3,043,593	3,948,621	3,556,996	4,029,629	4,997,981

8. Participant List

8.1. Peer Group

Company 1	Company 35	Company 69
Company 2	Company 36	Company 70
Company 3	Company 37	Company 71
Company 4	Company 38	Company 72
Company 5	Company 39	Company 73
Company 6	Company 40	Company 74
Company 7	Company 41	Company 75
Company 8	Company 42	Company 76
Company 9	Company 43	Company 77

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MERCER

Aleje Jerozolimskie 98

00-807 Warsaw

Poland

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