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THE BOARD'S PROPOSAL FOR RESOLUTION ON APPROVAL OF GUIDELINES FOR SALARY AND OTHER REMUNERATION

The Board proposes that the general meeting resolve on the following guidelines for salary and other remuneration to directors, the Chief Executive Officer (CEO) and other senior executives. Senior executives refer to senior executives of the group executive management. These guidelines will be valid for agreements entered into after the general meeting's resolution and for changes made to existing agreements thereafter. These guidelines do not apply to any director fees decided by the general meeting or issues and transfers covered by Chapter 16 of the Swedish Companies Act.

The guidelines' promotion of Humana's business strategy, fulfilment of financial objectives and long-term interests and sustainability

In short, Humana's business strategy is the following.

Everyone is entitled to a good life. In order for the society to be able to meet the increasing and more difficult needs of the Nordic welfare, a diversity of practitioners is required. Humana's ambition is to be the obvious provider of care services for customers, clients and buyers with high quality standards. The strategy for reaching the ambition each day is based on four objective areas: quality operations, long-term and profitable growth, to be an attractive employer and to be a socially responsible provider.

For more information regarding Humana's business strategy, please see <https://www.humana.se/>

It is of fundamental importance to Humana and its shareholders that these guidelines, in both a short- and long-term perspective, create good conditions to attract and retain competent employees. The purpose of these guidelines is to increase transparency in remuneration issues and through well thought-out remuneration structures create incentives for senior executives to execute strategic plans and to achieve the company's financial objectives. This will support Humana's business strategy and long-term interests, including its sustainability. To obtain this purpose it is important to maintain market based and competitive remuneration terms to the senior executives.

Remuneration and forms of remuneration

Remuneration to senior executives should comprise of fixed salary, variable remuneration, pension and other benefits. Furthermore, the Board may prepare and the general meeting resolve, on share and share-price related incentive programmes. The total remuneration must be market based, competitive and reflect the individual's performance and responsibility as well as the group's financial performance. The various types of remuneration that may be paid out are described below.

Fixed salary

At the maximum outcome of variable remuneration, the fixed remuneration amounts to 63 percent of the total remuneration.

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 of a short-term and a long-term variable remuneration, which is 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 fixed salary and the long-term variable remuneration shall be maximized to 30 percent in relation to the fixed salary.

The objectives for variable remuneration must be related to outcomes of financial objective for the group and business areas, as well as 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 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. The Remuneration Committee is responsible for the assessment of the group management. 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.

Pension

The main principle is that pension contributions are based on collective bargaining agreement provisions in each geographical market. On entering into new pension agreements, senior executives entitled to pension will have premium defined pension agreements based on fixed salary. Variable remuneration shall be pensionable. Pensioning of senior executives takes place in accordance with the respective country's pension rules. The pension premiums vary for each geographical market and the pension premiums size must comply with collective bargaining agreement provisions.

For employments governed by rules other than Swedish, pension benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Other benefits

Other benefits, such as a company car, compensation for health care, health and health insurance, must comprise a minor part of the total compensation and must correspond to what may be deemed market practice.

For employments governed by rules other than Swedish, other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Special remuneration

Further variable remuneration payable in cash may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and may only be awarded on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration must not exceed an amount corresponding to the individual's annual fixed salary and maximum variable remuneration and shall not be paid more than once a year and per individual. Any resolution on such remuneration could be made by the Compensation Committee.

Remuneration payable to Directors

In certain cases, Directors elected by the general meeting, should be able to receive fees and other remuneration for work carried out on behalf of Humana, alongside their Board work. Market-based fees approved by the Board, may be payable for such services.

Terms for dismissal etc.

Severance pay shall, normally, be payable upon dismissal by Humana. Members of the group executive management should normally have a notice period of maximum six months in combination with severance pay corresponding to six months' fixed salary. When the employment exceeds five years, the notice period on the part of Humana shall be extended to twelve months, while for the senior executive shall remain six months. For the CEO, upon dismissal on the part of Humana, a notice period of six months and a severance pay of twelve months shall apply. No severance pay shall be paid upon dismissal by the employee. Agreements on severance pay are made separately after resolution made by the Remuneration Committee.

Remuneration and employment conditions for other employees

In the preparation of this proposal for guidelines, remuneration and employment conditions for employees of Humana have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Board's basis of decision when evaluating the reasonableness of the guidelines and appurtenant limitations.

The decision-making process to determine, review and implement the guidelines

The Board has established a Remuneration Committee. The committee's tasks include preparing the Board's decision on proposals for guidelines for senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting for adoption. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall monitor and evaluate programs for variable remuneration for the company management, the application of the guidelines as well as the current remuneration structures and remuneration levels in the company.

The members of the Remuneration Committee are independent of the company and the company management. The CEO and other members of the company management do not participate in the Board' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. Conflicts of interest are counteracted in all resolutions and any potential conflicts of interest are handled in accordance with the company's framework for governance, consisting out of a code of conduct, policies and guidelines.

Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

Description of material changes to the guidelines

The content of the guidelines has been reviewed and adapted to the legal requirements imposed by Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards encouragement of the long-term shareholder engagement.

Previously decided remuneration that has not fallen due

At the time of the annual general meeting on 7 May 2020, Humana has no unregulated remunerations, except for ongoing commitments to senior executives in accordance with the remuneration principles described in the annual report.

Stockholm March 2020
Humana AB (publ)
The Board of Directors