

# Remuneration Report 2023

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## Introduction

This remuneration report provides a transparent overview of the total remuneration received by each member of the Board of Directors ("Board") and of the Executive Committee of Falck A/S, CVR no. 33591045, for the year 2023 with comparative historical figures. The Executive Committee comprises the Group CEO and the Group CFO who form the management registered with the Danish Business Authority.

## Remuneration objectives

The overall objective of the Remuneration Policy is to attract and retain qualified members of the Board and the Executive Committee and align the interests of the Executive Committee with those of the owners, with the end goal of creating long-term value. To achieve these objectives, competitive remuneration packages are offered to the Board and the Executive Committee.

## Performance of Falck

Falck achieved positive broad-based organic growth in consecutive quarters during 2023, and the financial performance was in line with the 2023 guidance. In early 2023, Falck introduced the corporate strategy – Care for More '27 – and has since accelerated its investments in digitalisation and innovation of healthcare solutions. The aim is to further improve Falck's long-term capacity to act as a partner and a private supplement to healthcare systems.

Falck has taken various measures to adapt its business to a challenging business environment with high inflation, rising interest rates, and a tight labour market. During the year, Falck has implemented price increases, operational efficiencies, cost reductions, improved retention and recruitment efforts, and remained active in dialogues with current and potential customers. Furthermore, the employee engagement took a significant positive leap in all areas.

## Overall remuneration development

The overall development in the compensation of the Executive Committee is a base salary increase of 3.5% for the Group CEO and the Group CFO, and an assessment of 144% of target for the 2023 short-term incentive programme.

## Remuneration Policy

Falck's remuneration principles provide the framework for the remuneration of the Board and the Executive Committee. These principles are available at: [www.falck.com/about-us/corporate-governance/remuneration](http://www.falck.com/about-us/corporate-governance/remuneration)

Remuneration to the Executive Committee is proposed by the Remuneration and Nomination Committee and approved by the Board.

## Key points

The Remuneration Policy is designed to attract and retain qualified members for the Board and reward them for their independent oversight role as the stewards of shareholder assets. The remuneration package for the members of the Board comprises an annual fixed fee and an annual Committee membership fee. The annual base fee must be in line with market practice of comparable companies considering the required competencies, effort and scope of work of the members of the Board. The Chair and the Deputy Chair each receives a multiplier of the annual base fee of three (3) and two (2), respectively, for their extended duties.

In accordance with recommendations for corporate governance, the members of the Board are not eligible for any variable pay programmes such as short-term or long-term incentive plans, or any share-based compensation arrangements such as share or stock option programmes. However, employee-elected members of the Board may, due to their employment, be covered by general incentive schemes applicable to Falck's employees.

### Board and Committee fee levels for 2023

	Role	Multiplier	Annual Fee (DKK)
<b>Board fee</b>	Chair	3	975,000
	Deputy Chair	2	650,000
	Member	1	325,000
<b>Audit Committee</b>	Chair	1	325,000
	Member	0.5	162,500
<b>Remuneration and Nomination Committee</b>	Chair	0.75	243,750
	Member	0.375	121,875

# Remuneration of the Board

The below table provides an overview of the remuneration received by each board member in 2023 in addition to historical remuneration in 2021 and 2022.

## Overview of Board remuneration

	2023	2022	2021
Niels Smedegaard	1,218,750	1,218,750	412,500
Lene Skole	934,375	934,375	928,125
Peter Schütze	650,000	650,000	1,031,250
Dorthe Mikkelsen	609,375	609,375	378,125
Ingrid Bojner <sup>1</sup>	415,729		
Lars Frederiksen <sup>2</sup>	71,771	487,500	412,500
Thomas Lau Schleicher	325,000	325,000	275,000
Vagn Flink Møller Pedersen	325,000	325,000	275,000
Stefan Fyhn Gregersen	325,000	325,000	183,333
Christian Jesper Madsen	325,000	203,125	
Jacob Bonne Guldberg <sup>3</sup>		121,875	206,250
Allan John Rensgaard			68,750
Henrik Villsen Andersen			91,667
	<b>5,200,000</b>	<b>5,200,000</b>	<b>4,262,500</b>

1. Ingrid Bojner was appointed as an independent member of the Board of Directors at the 2023 General Assembly, replacing Lars Frederiksen.
2. Lars Frederiksen completed his term as a member of the Board of Directors at the 2023 General Assembly.
3. Jacob Bonne Guldberg left Falck and consequently also as a member of the Board of Directors in 2022.



# Remuneration of the Executive Committee

## Remuneration package

The purpose of the Remuneration Policy is to attract the right competencies to create long-term value for Falck's owners and align the short-term and long-term interests of Falck's owners and the Executive Committee. The table describes the Policy for each compensation element and how it is aligned to practise in 2023.

	Policy	2023 Remuneration	Alignment with strategy, long-term interests and sustainability
<b>Fixed annual base salary</b>	<p>The base salary is a fixed cash compensation, taking into consideration the individual role, market conditions and general remuneration conditions at Falck.</p> <p>Potential annual increases are typically aligned with those applicable to employees in general, but higher increases may be awarded where appropriate.</p>	<p>Both CEO and CFO received a 3.5% increase in 2023, which was in line with the wider leadership group and non-unionised employee groups of Falck in Denmark.</p>	<p>The base salary is provided at a competitive level to ensure focus on the long-term value creation of Falck and the balance between risk and opportunity.</p>
<b>Pension</b>	<p>Executive Committee members do not receive pension contributions from Falck.</p>		
<b>Short-term incentive programme</b>	<p>The short-term incentive programme is a variable one-year cash-based incentive, subject to the achievement of annual targets. Its role is to drive and reward exceptional performance of Falck. Targets are set at the beginning of the year and include determination of threshold, target and performance required to achieve maximum pay-out. The short-term incentive may have a maximum value of up to 100% of the annual base salary for the CEO and up to 66% for the CFO.</p>	<p>On the main financial target (EBITA), Falck delivered at maximum level. Overall, achievement in the 2023 scorecard was at 144% of target level.</p>	<p>The short-term incentive programme is designed to incentivise short-term performance in line with Falck's strategy and needs, and will typically include financial, operational, organisational and sustainability targets.</p> <p>When setting targets, the Board must consider budgets and long-term business plans supporting Falck's strategic goals and values.</p>
<b>Long-term incentive programme</b>	<p>The long-term incentive programme is a cash-based incentive designed to drive and reward the creation of long-term shareholder value at Falck. The long-term incentive will have a performance period of up to three years. The long-term incentive may have a maximum value of up to 100% of the annual base salary for the CEO and up to 66% for the CFO.</p>	<p>The 2021 long-term incentive programme includes one three-year target measuring economic profit at the end of 2023, this resulted in a zero-value and will not be paid out.</p>	<p>The long-term incentive programme is designed to align the interests of the Executive Committee with the long-term value creation of Falck with focus on financial and strategic objectives. The long-term incentive programme will be designed to promote the creation of long-term value and sustainability of Falck.</p>
<b>Non-monetary benefits</b>	<p>Executive Committee members receive non-monetary benefits such as a company car and healthcare insurance. Non-monetary benefits may have a value of up to 10% of the annual base salary.</p>		
<b>Severance payment</b>	<p>The total remuneration related to the termination period, including salary during the notice period and any severance pay, to a member of the Executive Committee may not exceed two (2) years' total remuneration, including all remuneration components.</p>		

### The short-term incentive programme

Falck's short-term incentive programme is a cash-based one-year programme with focus on financial, commercial and ESG KPIs. The maximum pay-out is twice the level of the target pay-out for the Executive Committee.

Design of the short-term incentive programme is shown in the below table.

### The long-term incentive programme

In 2023, the members of the Executive Committee participated in a cash-based long-term incentive programme. The granting of the long-term incentive programme is subject to board approval. Falck first introduced the long-term incentive programme in 2018. The

2023 long-term incentive programme is based on a three-year performance period with an 50% EBITA target and 50% on implementation of strategic Care for more '27 initiatives at the end of the three-year period. The design of the 2023 long-term incentive programme is shown below.

#### The short-term incentive programme

	CEO	CFO
<b>Instrument</b>	Cash	Cash
<b>Performance period</b>	1 year	1 year
<b>Target cash</b> (% base salary)	50%	33%
<b>Max cash</b> (% base salary)	100%	66%

#### KPIs

- Financial KPIs typically including EBITA, implementation of Care for more '27 Strategy and cash conversion
- Commercial KPIs relating to increasing subscriptions and the contract value portfolio
- ESG KPIs relating to health & safety, engagement of Falck's employees and optimising Falck's ESG footprint

#### 2023 long-term incentive programme design

	CEO	CFO
<b>Instrument</b>	Cash	Cash
<b>Performance period</b>	3 years	3 years
<b>Target cash</b>	50%	33%
<b>Max cash</b>	100%	66%
<b>KPIs</b>	Financial and strategic objectives	

### Long-term incentive programme overview

The current long-term incentive programme has been in effect since 2018. The below table provides an overview of the current value of each programme at target level.

#### Long-term incentive programme overview

DKKm	Programme	Performance Period	Pay-out date	Target value
<b>CEO</b> Jakob Riis	2023	01-01-2023 – 31-12-2025	31-03-2026	4.2
	2022	01-01-2022 – 31-12-2024	31-03-2025	4.0
	2021	01-01-2021 – 31-12-2023	31-03-2024	4.0
	2020	01-01-2020 – 31-12-2022	31-03-2023	4.0
	2019	01-01-2019 – 31-12-2021	31-03-2022	4.0
<b>CFO</b> Christian Boris Baltzer	2023	01-01-2023 – 31-12-2025	31-03-2026	1.9

### Remuneration overview of the Executive Committee

The table shows an overview of the remuneration of the Executive Committee based on performance in 2023. The value of the 2023

long-term incentive programme is estimated based on the current performance as the performance period does not end until 31 December 2025.

#### Remuneration overview of the Executive Committee

DKKm	CEO		CFO		
	Amount	In %	Amount	In %	
<b>Fixed remuneration</b>	Base Salary	8.6	45%	5.8	55%
	Pension	0	0%	0%	0%
	Other benefits	0.2	1%	0.1	1%
	<b>Total fixed remuneration</b>	<b>8.8</b>	<b>46%</b>	<b>5.9</b>	<b>56%</b>
<b>Variable remuneration</b>	2023 short-term incentive programme	6.2	32%	2.8	26%
	2023 long-term incentive programme (estimated value)	4.2	22%	1.9	18%
	Severance	0	0	0	0
	<b>Total variable remuneration accounting cost</b>	<b>10.4</b>	<b>54%</b>	<b>4.7</b>	<b>44%</b>
<b>Total remuneration</b>	<b>19.2</b>	<b>100%</b>	<b>10.6</b>	<b>100%</b>	

### Breakdown of CEO remuneration

The remuneration estimated to be paid to Falck's Group CEO, Jakob Riis based on the performance in 2023 totalled DKK 19.2 million. The fixed salary for the period was DKK 8.8 million being 46% of the total remuneration in 2023.

Based on performance in 2023, the short-term incentive pay-out was at 144% of target (scheme described on page 4 provides more details). Overall, the total remuneration for the Group CEO based on 2023 performance was above target level.

Other benefits were mainly car benefits.

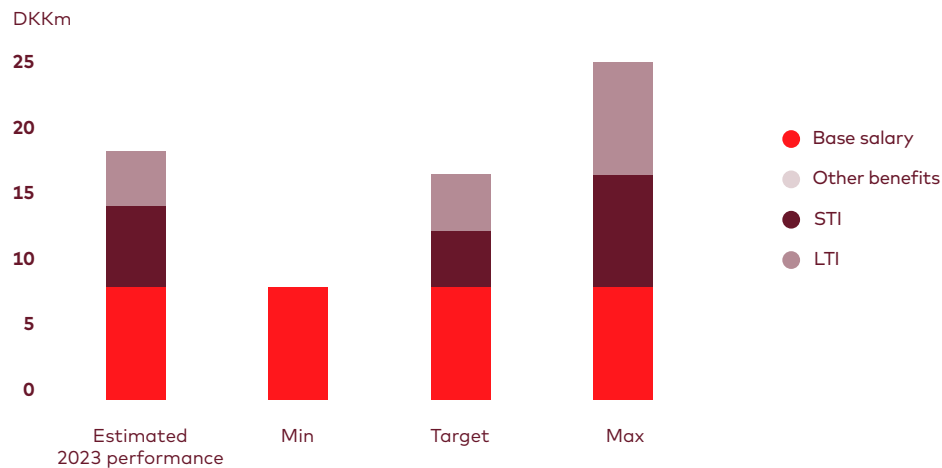
### Breakdown of CFO remuneration

The remuneration estimated to be paid to Falck's Group CFO, Christian Boris Baltzer based on the performance in 2023 totalled DKK 10.6 million. The fixed salary for the period was DKK 5.9 million being 56% of the total remuneration in 2023.

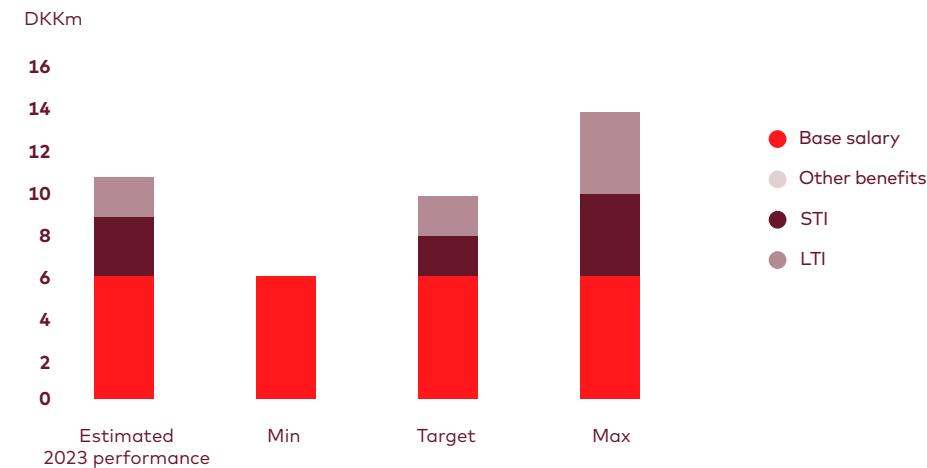
Based on performance in 2023, the short-term incentive pay-out was at 144% of target (scheme described on page 4 provides more details). Overall, the total remuneration for the Group CFO based on 2023 performance was above target level.

Other benefits were mainly car benefits.

#### CEO pay-mix illustration



#### CFO pay-mix illustration



### 2019 – 2023 Executive Committee remuneration

The table below shows the development of the remuneration of the Executive Committee in the period from 2019 to 2023 compared to Falck's performance.

Executive Committee remuneration					
DKKm	2023	2022	2021	2020	2019
<b>CEO</b>					
Jakob Riis (hire date: 01-05-2017)	19.2	14.1	20.4	16.2	14.6
<b>CFO</b>					
Christian Boris Baltzer (hire date: 01-07-2022)	10.6	3.7			
CFO (former) <b>Tor Magne Lønnum</b> (hire date: 01-09-2017 – termination date 30-04-2022)		1.9	10.1	9.1	7.9
<b>Revenue</b>	11,913	12,647	15,173	12,348	13,824
<b>EBITA</b>	486	1,121	1,834	675	729
<b>Economic profit</b>	334	-82	919	-52	-288
<b>Average Employee Compensation (DKKt)</b>	411	401	407	375	359
<b>CEO ratio</b>	47.0	35.0	50.1	43.1	40.6

### Reconciliation against Annual Report 2023

A reconciliation of total remuneration for the Executive Committee on page 9 of this remuneration report and total remuneration included in note 2.3 - Employee cost in Falck's Annual Report 2023 is provided in the table below.

Reconciliation against Annual Report 2023	
DKKm	2023
	Amount
<b>Total remuneration</b>	<b>29.8</b>
CEO (Jakob Riis)	19.2
CFO (Christian Boris Baltzer)	10.6
<b>Total remuneration for Executive Committee in note 2.3 in Annual Report</b>	<b>23.0</b>
Incentive programme accrual adjustments	6.8
Rounding	0.0
<b>Difference</b>	<b>0.0</b>





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