

*This is an unofficial translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.*

Minutes of the Annual General Meeting  
in Bufab AB (publ), corporate  
identity no 556685-6240, held on  
Thursday 20 April 2023 in Värnamo

#### § 1 Opening of the Annual General Meeting

The Meeting was opened by the Chairman of the Board of Directors, Bengt Liljedahl, who welcomed the present shareholders to the Meeting.

The Chairman informed that shareholders, in accordance with the Articles of Association, have had the opportunity to postal vote prior to the Meeting.

The Meeting approved the presence of certain persons who are not shareholders at the Meeting.

The Chairman informed that the approved minutes will be published on the Company's website.

#### § 2 Election of Chairman of the Meeting

The Meeting resolved to elect Bengt Liljedahl as Chairman of the Meeting.

It was noted that the Board of Directors had requested attorney Jakob Wijkander to keep the minutes at the Meeting.

#### § 3 Preparation and approval of the voting list

A list of shareholders voting by post or who were present in person or through a representative at the Meeting was established, see Appendix 1. The list was approved as the voting list for the Meeting.

#### § 4 Approval of the agenda

The Meeting resolved to approve the proposed agenda included in the notice convening the Meeting.

§ 5 Election of one or two persons to verify the minutes

Pär Andersson, representing Spiltan Fonder and Fredrik Löwencloou, representing Swedish and foreign shareholders were appointed to approve the minutes together with the Chairman.

§ 6 Determination as to whether the Meeting has been duly convened

Jakob Wijkander informed that a notice convening the Meeting had been published in the Swedish Official Gazette (*Sw. Post- och Inrikes Tidningar*) and on the Company's website on 22 March 2023 and that an advertisement regarding the convening notice had been inserted in Svenska Dagbladet on the same date. The Meeting was declared to be duly convened.

§ 7 Presentation of the annual report and the audit report as well as the consolidated financial statements and the audit report of the group

The Chairman informed that the annual report of the Company and the group, together with the balance sheet and the income statement for the financial year 2022 has been available at the Company and on the Company's website since 30 March 2023, and was available at the Meeting. It was noted that the abovementioned documents thereby had been duly presented at the Meeting.

The Chairman further informed that a statement from the auditor on the compliance with applicable guidelines for remuneration to senior executives, the Board of Directors' complete proposals pursuant to item 18-20 and a statement by the Board of Directors pursuant to Chapter 19, Section 22 of the Swedish Companies Act have been available at the Company and on the Company's website three weeks before the Meeting, and were available at the Meeting. It was noted that the abovementioned documents thereby had been duly presented at the Meeting.

Fredrik Göransson, authorised public accountant, reported on the work of the auditors and presented the auditor's report and the group auditor's report for the financial year 2022.

The shareholders were given the opportunity to ask questions.

§ 8 Speech by the CEO

The President of the Company, Erik Lundén, presented a report on the financial year 2022.

The shareholders were given the opportunity to ask questions.

§ 9 a Resolution regarding adoption of the profit and loss statement and the balance sheet as well as the consolidated profit and loss statement and the consolidated balance sheet

The Meeting resolved to adopt the presented statement of profit and loss and balance sheet and consolidated statement of profit and loss and consolidated balance sheet, all as per 31 December 2022.

§ 9 b Resolution regarding appropriation of the Company's profit or loss pursuant to the adopted balance sheet

The Chairman presented the Board of Directors' proposal that a cash dividend of SEK 4.75 per share shall be declared to the shareholders for the financial year 2022, and that the dividend should be disbursed in two instalments, with 24 April 2023 as record date for the first instalment of SEK 2.50 and 24 October 2023 as record date for the second instalment of SEK 2.25.

It was noted that the Board of Directors' statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act has been available at the Company and on the Company's website three weeks prior the Meeting, had been sent to shareholders who have requested it and was available at the Meeting. It was noted that the statement thereby was duly presented at the Meeting.

The Meeting resolved in accordance with the proposal of the Board.

§ 9 c Resolution regarding discharge from liability of the Board members and the CEO

The Meeting resolved that the Board of Directors and the CEOs should be discharged from liability for the financial year 2022. It was noted that the members of the Board of Directors and the CEOs did not participate in the decision regarding their discharge from liability.

§ 10 Report on the work of the Nomination Committee

Fredrik Liljedahl, Chairman of the Nomination Committee, presented the work of the Nomination Committee ahead of the Annual General Meeting 2023, the background to the Committee's proposals and the Nomination Committee's proposal concerning number of Board members and auditors, remuneration to the Board members and the auditor, election of Board members and auditor and principles for the appointment of the Nomination Committee and its assignment.

The shareholders were given the opportunity to ask questions.

§ 11 Determination of the number of Board members

The Meeting resolved in accordance with the proposal of the Nomination Committee that the number of Board members shall be six, with no deputy members.

§ 12 Determination of the number of auditors and deputy auditors

The Meeting resolved in accordance with the proposal of the Nomination Committee that the number of auditors shall be one registered public accounting firm and no deputies.

§ 13 Determination of the remuneration to the Board members

The Meeting resolved in accordance with the proposal of the Nomination Committee that the fees to the Board members shall amount to SEK 650,000 to the Chairman and SEK 290,000 to each of the other members elected at a general meeting and not employed by the Company. For committee work it was resolved that a remuneration of SEK 120,000 shall be paid to the Chairman of the Audit Committee, that a remuneration of SEK 60,000 shall be paid to each of the other members of the Audit Committee and that a remuneration of SEK 25,000 shall be paid to each of the members of the Remuneration Committee.

§ 14 Determination of the remuneration to the auditors

The Meeting resolved in accordance with the proposal of the Nomination Committee that the fee to the Auditor shall be paid as per approved invoice.

§ 15 Election of members and Chairman of the Board

The Chairman informed that the assignments that the proposed Board Members have in other companies are set forth in the materials for the Meeting.

The shareholders were given the opportunity to ask questions.

The Meeting resolved in accordance with the Nomination Committee's proposal on re-election of the Board members Bengt Liljedahl, Hans Björstrand, Per-Arne Blomquist, Anna Liljedahl, Eva Nilsagård and Bertil Persson, all for the period until the close of the next Annual General Meeting. Further, the Meeting re-elected Bengt Liljedahl as the Chairman of the Board of Directors.

§ 16 Election of auditor

The Meeting resolved in accordance with the Nomination Committee's proposal, for the period up to and including the next Annual General Meeting, to elect the accounting company Öhrlings PricewaterhouseCoopers AB as the Company's auditor. It was noted that Öhrlings PricewaterhouseCoopers AB had informed the Company that authorised public accountant Johan Rippe will be auditor in charge.

§ 17 Resolution on principles for the appointment of the Nomination Committee and its assignment

The Meeting resolved in accordance with the proposal of the Nomination Committee on principles for the appointment of the Nomination Committee and its assignment, Appendix 2.

§ 18 Resolution on approval of remuneration report

The Chairman informed of the Board of Directors' remuneration report for 2022.

The shareholders were given the opportunity to ask questions.

The Meeting resolved to adopt the Board of Directors' remuneration report, Appendix 3.

§ 19 Resolution on the Board of Directors' proposal to implement a long-term share based incentive program by (A) issuing call options for shares in Bufab, (B) authorising of the Board of Directors to resolve on acquisition of own shares and (C) transferring repurchased shares to participants of the Company's incentive programs

The Chairman presented the Board of Directors' proposal to implement a long-term share based incentive program by issuing call options for shares in Bufab, authorising the Board of Directors to resolve on acquisition of own shares and transferring of repurchased shares to participants of the Company's incentive programs.

The shareholders were given the opportunity to ask questions.

The Meeting resolved in accordance with the Board's proposal, as stated in Appendix 4. It was noted that the resolution, with the exception of those shareholders with a total holding of approximately 1.82 per cent of the shares represented at the Meeting who by postal vote or otherwise had previously notified that they vote against the proposal (including the Second Swedish National Pension Fund), was adopted unanimously, and that the resolution was thus taken with the required majority of nine-tenths of the votes cast as well as of the shares represented at the Meeting.

§ 20 Resolution on authorisation to transfer shares in the Company

The Chairman presented the Board of Directors' proposal on authorisation to transfer shares in the Company.

The shareholders were given the opportunity to ask questions.

The Meeting resolved in accordance with the Board's proposal, as stated in Appendix 5. It was noted that the resolution was adopted unanimously, with the exception of those

shareholders with a total holding of approximately 0.01 per cent of the shares represented at the Meeting who by postal vote or otherwise had previously notified that they vote against the proposal, and that the resolution was thus taken with the required majority of two-thirds of the votes cast as well as of the shares represented at the Meeting.

§ 21 Closing of the Meeting

The Chairman then closed the Meeting.

Nothing further was considered.

As above:

\_\_\_\_\_  
Jakob Wijkander

Approved:

\_\_\_\_\_  
Bengt Liljedahl

\_\_\_\_\_  
Pär Andersson

\_\_\_\_\_  
Fredrik Löwenclo

*Proposal regarding principles for the appointment of the Nomination Committee and its assignment*

The Nomination Committee proposes that the following principles for appointment of Nomination Committee and for the Nomination Committee's assignment, which mainly correspond to the current principles, are resolved by the Annual General Meeting 2023.

1. The Company shall have a Nomination Committee consisting of four persons, each one appointed by each of the four largest owner-registered shareholders (with regard to the number of votes held) (ownership grouped) in the share register maintained by Euroclear Sweden AB, or other reliable information on shareholdings available to the Company, as per 31 August of the year before the Annual General Meeting, who upon inquiry has expressed a wish to participate in the Nomination Committee's Work. The Chairman of the Board shall convene the Nomination Committee to its first meeting and shall also be co-opted to the Nomination Committee. The names of the four members of the Nomination Committee and the names of the shareholders who have appointed the respective member shall be announced at the Company's website at the latest six months before the Annual General Meeting. The term of office for the Nomination Committee shall be for the period until a new Nomination Committee has been appointed. Unless the members of the Nomination Committee agree otherwise, the Chairman of the Nomination Committee shall be the member appointed by the largest shareholder with regard to the number of votes held.
2. If, during the term of office of the Nomination Committee, a shareholder who have appointed a member of the Nomination Committee is no longer among the four largest shareholders with regard to the number of votes held (who upon inquiry has expressed a wish to participate in the nomination committee work), the member appointed by such shareholder shall resign and the shareholder who have become one of the four largest shareholders with regard to the number of votes held shall be offered to appoint a member of the Nomination Committee. If there are only marginal changes in the number of votes held or if the change occurs later than three months before the Annual General Meeting, no changes shall be made in the composition of the Nomination Committee unless there are special circumstances. A shareholder who has appointed a member of the Nomination Committee has the right to dismiss such member and appoint a new person as member of the Committee. Changes in the composition of the Nomination Committee shall be announced at the Company's website as soon as they have occurred.
3. The Nomination Committee shall prepare the below proposals to be submitted to the Annual General Meeting for resolution:
  - a) proposal regarding Chairman of the Annual General Meeting,
  - b) proposal regarding number of Board members,
  - c) proposal regarding Chairman and other members of the Board of Directors,
  - d) proposal regarding remuneration to the Board members elected by the Annual General Meeting and not employed by the Company, divided between the Chairman of the Board and other members of the Board, and remuneration for committee work, divided between each Committee member,
  - e) proposal regarding auditor,
  - f) proposal regarding auditor's fees, and
  - g) to the extent deemed necessary, proposals for amendments to this instruction for the Nomination Committee.
4. The Nomination Committee, when performing its duties, shall fulfil the tasks that rest upon the Nomination Committee under the Swedish Corporate Governance Code, including i.a. to provide the Company with certain information in order to enable the Company to fulfil its disclosure obligation under the Swedish Corporate Governance Code. The Company shall,

upon request from the Nomination Committee, provide personnel resources such as secretary function for the Nomination Committee to facilitate the work of the Committee. The members of the Nomination Committee shall receive no compensation from the Company for their work. If needed, the Company shall also pay necessary expenses for the work of the Nomination Committee and reasonable costs for external consultants that the Nomination Committee deems necessary in order for the Committee to be able to fulfil its assignment.

## Remuneration report 2022

### Introduction

This report describes how the guidelines for executive remuneration of Bufab AB (publ), adopted by the annual general meeting 2021, were implemented in 2022. The report also provides information on remuneration to the CEO and the vice CEO a summary of the company's outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the *Remuneration Rules* issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 6 (Employees, personnel expenses and fees paid to directors and auditors) on pages 74-76 in the annual report 2022. Information on the work of the remuneration committee in 2022 is set out in the corporate governance report available on page 106 in the annual report 2022.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 6 on page 75 in the annual report for 2022.

### Key developments 2022

The CEO summarizes the company's overall performance in his statement on page 4-5 in the annual report 2021.

### The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits, other benefits and in special cases additional variable cash remuneration. The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. The criteria shall primarily relate to the company's results and may be individual. Furthermore, the criteria shall relate to the overall progress of the Bufab group, although criteria related to specific business areas may occur. The criteria shall be designed to contribute to the company's business strategy and long-term interests.

The guidelines in summary are found on page 55 in the annual report 2022. The complete guidelines are available at [https://files.bufab.com/hubfs/Bufab-The-Board-of-Directors-proposal-for-guidelines-for-remuneration-to-senior-executives.pdf?\\_hstc=249138456.19604a916b42dd09172922c26d710cd1.1657800731941.1680189566818.1680194568175.54&\\_hssc=249138456.102.1680194568175&\\_hsfp=2300691673](https://files.bufab.com/hubfs/Bufab-The-Board-of-Directors-proposal-for-guidelines-for-remuneration-to-senior-executives.pdf?_hstc=249138456.19604a916b42dd09172922c26d710cd1.1657800731941.1680189566818.1680194568175.54&_hssc=249138456.102.1680194568175&_hsfp=2300691673). The remuneration guidelines, adopted by the annual general meeting 2021, have been fully implemented. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on <https://www.bufabgroup.com/sv/investors/general-meetings/archive>. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the annual general meetings of the company have resolved to implement long-term share-related incentive plans.

**Table 1 – Total CEO and vice CEO remuneration in 2022 (mSEK)\***

Name of director (position)	Time of employment	1. Fixed remuneration		2. Variable remuneration	3. Extraordinary items	4. Pension expense	5. Total remuneration	6. Proportion of fixed and variable remuneration*****
		Base salary**	Other benefits***	One-year****				
Johan Lindqvist (CEO)	January - August	2,6	0,1	1,3	0,2	1,0	5,2	75% / 25%
Johan Lindqvist (Vice CEO)	September - December	1,0	0,0	0,5	0,1	0,3	1,8	71% / 29%
Erik Lundén (CEO)	September - December	1,4	0,0	0,7	0,4	0,4	2,9	76% / 24%
<b>Total</b>		<b>5,0</b>	<b>0,1</b>	<b>2,5</b>	<b>0,7</b>	<b>1,7</b>	<b>9,9</b>	<b>74% / 26%</b>

\* The table reports remuneration earned in 2022. Multi-year variable remuneration is not paid.

\*\* Paid and expensed base salary including holiday pay.

\*\*\* Health insurance, car benefit.

\*\*\*\* Variable remuneration earned in 2022 in accordance with the fulfillment of the performance criteria that follows of the table below.

\*\*\*\*\* Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been reported entirely as fixed remuneration.

### Application of performance criteria

The performance measures for the CEO and vice CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behaviour which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2021 have been taken into account.

### *Performance of the CEO and vice CEO in the reported financial year: variable cash remuneration*

Name of director (position)	Time of employment	1. Description of the criteria related to the remuneration component	2. Relative weighting of the performance criteria	3. a) Measured performance and b) actual award/remuneration outcome
Johan Lindqvist (CEO)	January - August	1. Increase in i Bufab Groups earnings per share 2022 vs 2021	80%	a) 100%
		2. Bufabs EBITA-margin 2022	20%	b) 1,0 mSEK
Johan Lindqvist (Vice CEO)	September - December	1. Increase in i Bufab Groups earnings per share 2022 vs 2021	80%	a) 97%
		2. Bufabs EBITA-margin 2022	20%	b) 0,3 mSEK
Erik Lundén (CEO)	September - December	1. Increase in i Bufab Groups earnings per share 2022 vs 2021	80%	a) 100%
		2. Bufabs EBITA-margin 2022	20%	b) 0,4 mSEK
Erik Lundén (CEO)	September - December	1. Increase in i Bufab Groups earnings per share 2022 vs 2021	80%	a) 97%
		2. Bufabs EBITA-margin 2022	20%	b) 0,1 mSEK

### Long term share-based incentive programs

The company have under 2022 had four share option programs outstanding (2019/2023, 2020/2023, 2021/2024 and 2022/2025) for the executive management and other key employees within the group. Participants in the programs have been given the opportunity to invest in call options at a price corresponding to the market value, which has been determined through a Black & Scholes valuation. Each call option entitles to the acquisition of one share in the company for a period of approximately six months, which for each program begins three years after the implementation of the program. The purchase price for shares corresponds to 115 per cent of the volume-weighted average price for the company's share on Nasdaq Stockholm during five trading days in connection with the implementation of each program. The redemption period in the call option program 2019/2023 was during August 2022 and February 2023, which means that the program has ended. Further information about the call option programs can be found on page 86-87 in the annual report for 2022.

*Johan Lindqvist (CEO January – August, Vice CEO September-December)*

Call option program 2019/2023 ended during August 2022-February 2023 and Johan Lindqvist acquired 10,486 shares in the company during the redemption period at an acquisition price of SEK 109.96. Under 2022, Johan Lindqvist also acquired, within the framework of the call option program 2022/2025, 5,000 call options in the company at a price of SEK 60.84 per call option. As of December 31, 2022, Johan Lindqvist held a total of 32,000 call options in the company, distributed over the following programs;

Incentive program	Allocation period	Exercise period	The call options acquisition price	Redemptionsprice, share	Holding of call options, December 31, 2022
Call option program	11 may 2022	15 may 2025 - 15 november 2025	60,84	331,96	5 000
Call option program	11 may 2021	15 may 2024 - 15 november 2024	45,98	261,25	7 500
Call option program	11 may 2020	15 may 2023 - 15 november 2023	12,12	90,20	19 500
<b>Total</b>					<b>32 000</b>

*Erik Lundén (CEO September – December)*

In 2022, Erik Lundén, within the framework of the call option program 2022/2025, acquired 26,000 call options in the company at a price of SEK 60.84 per call option. As of December 31, 2022, Erik Lundén held a total of 26,000 call options in companies, distributed over the following programs;

Incentive program	Allocation period	Exercise period	The call options acquisition price	Redemptionsprice, share	Holding of call options, December 31, 2022
Call option program	11 may 2022	15 may 2025 - 15 november 2025	60,84	331,96	26 000
<b>Total</b>					<b>26 000</b>

Comparative information on the change of remuneration and company performance

*Changes in remuneration and company performance during the last reported financial year (RFY) (mSEK)*

	RFY 2022 vs RFY 2021	RFY 2022	RFY 2021	RFY 2020	
		<b>2021</b>			
CEO remuneration	-1%	8,1 *	8,2 **	5,6	***
Vice CEO remuneration	-	1,8 ****	-	-	
Group operating profit (EBITA)	42%	990	695	482	
Average remuneration on a full time equivalent basis of employees* of the group's Swedish companies	3%	0,55	0,54	0,52	

\* Johan Lindqvist for the period jan-aug 2022 and Erik Lundén for the period sep-dec 2022.

\*\* Jörgen Rosengren for the period jan-aug 2021 and Johan Lindqvist for perioden sept-dec 2021.

\*\*\* Jörgen Rosengren during the period jan-dec 2020

\*\*\*\* Johan Lindqvist for the period sept-dec 2022.

\*\*\*\*\* Exkluding members in the Groups Executive Management Team.

The Board of Directors' proposal to implement a long-term share based incentive program by (A) issuing call options for shares in Bufab, (B) authorising of the Board of Directors to resolve on acquisition of own shares and (C) transferring repurchased shares to participants of the Company's incentive programs

Like previous years, the Board of Directors proposes that the Annual General Meeting 2023 resolves to adopt a long-term share based incentive program (the "**Program**"), on terms and conditions in line with the 2022 incentive program. The Program, which is proposed to comprise approximately 30 key employees within the Bufab group, essentially involves that the participants are given the opportunity to acquire, at market price, call options relating to shares in Bufab AB (publ) ("**Bufab**" or the "**Company**") repurchased by the Company and that participants who remain as employees within the group after three years and still hold call options may receive a subsidy in the form of gross salary additions corresponding to the premium paid for the call options held at the time of payment.

Formally, the Program consists of (A) the issuing of call options for shares in Bufab, (B) an authorisation of the Board of Directors to resolve on acquisition of own shares and (C) transfer of repurchased shares to participants of the Company's incentive programs in accordance with the following.

**(A) Resolution on issuing call options for shares in Bufab**

- a) The number of call options to be issued shall not exceed 210,000, corresponding to approximately 0.6 per cent of the total number of shares and votes in the Company. Each call option entitles the holder to acquire one (1) repurchased share in the Company during the period from and including 15 May 2026 up to and including 15 November 2026. However, shares may not be purchased during any such period when trading in the Company's shares is prohibited in accordance with regulation (EU) no 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "**market abuse regulation**") or any other equivalent legislation which applies at any given time.
- b) The purchase price for shares upon exercise of the call option shall correspond to 115 per cent of the volume-weighted average closing prices for the Company's share on Nasdaq Stockholm during the five trading days before the Board of Directors' resolution on allotment of call options.
- c) The right to acquire the call options shall be granted to the CEO of Bufab group, to senior executives and to other key employees within the group who are directly able to influence the group's profit. The CEO shall be offered a maximum of 30,000 call options. Other participants are divided into two categories depending on seniority, each comprising approximately 15 persons, who shall be offered a maximum of 10,000 and 5,000 call options, respectively, per person.
- d) If a participant refrains in full or in part from acquiring offered call options, such un-acquired call options shall be allocated on a pro rata basis between those participants who have, in writing, expressed their interest in acquiring additional call options. Participants are not entitled in this manner to acquire more than an additional 30 per cent of the original number of call options offered.
- e) The call options shall be allotted against payment in accordance with the Board of Directors' resolution to the CEO, senior executives and other key employees within the Bufab group, in accordance with the guidelines stated in items c) and d) above. Allotment is expected to take place during the second or third quarter 2023.

- f) Allotment of call options according to item e) shall be made at market value calculated by Ernst & Young AB as an independent valuation institute, applying the Black & Scholes valuation method. The calculation is based on the variables risk-free interest rate, volatility, the term of the call options, expected dividends during the term of the call options, current share price and the acquisition price for shares when exercising the call options (strike price). Since the call options are acquired at market price, no criteria for allocation in the Program are established.
- g) The issuance of call options to employees outside of Sweden is dependent on tax effects, that there is no legal impediment, and that the Board of Directors determines that such allocation can be carried out with reasonable administrative and financial resources. The Board of Directors shall be entitled to make such minor amendments to the Program as required by applicable foreign legislation and regulations.
- h) The call options are freely transferable.
- i) The number of shares which the call options bring entitlement to acquire, as well as the exercise price, may be recalculated as a result of e.g. bonus issues, revers splits or splits of shares, new share issues, a reduction of the share capital, or similar actions. The time of transfer of shares may be brought forward as a result of any merger or similar actions.
- j) In order to encourage participation in the Program, the Board of Directors is authorised to resolve on a subsidy in the form of gross salary additions, maximum corresponding to the premium paid for each call option. In such cases, the subsidy will be paid in June 2026, subject to the participant at such point in time is remaining in his/her employment or another corresponding employment within the Bufab group and still holding call options. If a participant has disposed a part of its call options, the participant should receive a subsidy maximum corresponding to the premium paid for the call options held by the participant at the time of payment.
- k) The Company has the right but not any obligation to, on its own or through a third party, repurchase call options at a price corresponding to no more than the market value, with the purpose of facilitating the participant's exercise of the remaining call options acquired under the Program. However, call options may not be repurchased during any such period when trading in the Company's shares is prohibited in accordance with Article 19 of the market abuse regulation or any other equivalent legislation which applies at any given time.
- l) The Board of Directors shall, within the framework of the above terms and conditions, be responsible for the preparation and management of the Program.

## **(B) Resolution on authorisation of the Board of Directors to resolve on repurchase of own shares**

In order to hedge Bufab's delivery of shares to the participants of the Program, the Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to acquire, during the period until the next Annual General Meeting, a maximum of 210,000 shares in the Company. Acquisition shall be made on Nasdaq Stockholm in accordance with stock exchange regulations at a price within the registered price interval from time to time, which is the interval between the highest purchase price and the lowest sale price. Acquired shares shall be paid in cash and acquisitions may be made on one or several occasions.

## **(C) Resolution on transfer of repurchased shares to participants of the Company's incentive programs**

The Board of Directors' proposal also implies that the Annual General Meeting approves that the Company, with deviation from the shareholders' preferential right, transfer a maximum of 210,000 of the Company's repurchased shares to the participants of the Program at the fixed exercise price (subject to any recalculation). Transfer shall take place during the time the participants have the right to exercise call options to acquire shares in accordance with the terms and conditions for the

Program. The reason for deviation from the shareholders' preferential right at transfer of own shares is to enable Bufab to deliver shares in the Company to the participants of the Program.

Shares that have been acquired by the Company, and which are not transferred to participants in the Program may be transferred to participants in previous incentive programs or future incentive programs decided on by the General Meeting of the Company. Also such shares acquired by the Company within previous years' incentive programs may be transferred to participants in the Program, previous incentive programs or future incentive programs decided on by the General Meeting. Transfer shall take place in accordance with applicable rules for the current incentive program.

## **Dilution, costs and impact on important key ratios**

The Program does not cause any dilution of the existing shareholders' share of the votes and capital in the Company since it is based on call options for shares already issued by the Company. The Program corresponds to approximately 0.6 per cent of the total number of shares and votes in the Company. Based on actual participation in the 2020, 2021 and 2022 incentive programs, these programs correspond, together with the Program proposed for the Annual General Meeting 2023, to a total of 1.6 per cent of the total number of shares and votes in the Company.

The costs of the Program consist of the subsidy that during June 2026 may be paid as per the above, the social security charges payable on this subsidy and the financing costs for repurchased shares. The total cost has been estimated to approximately MSEK 12 after corporation tax over the duration of the Program. To be compared with the subsidy, the option premium which the Company will receive on transfer of the call options corresponds to a total of approximately MSEK 11.

During its duration, the Program will impact the key ratio earnings per share positively through the Company's repurchase of shares and negatively because of the Company's transfer of the repurchased shares to the participants in the Program. The net effect on the key ratio earnings per share will be maximum 0.6% during the duration of the Program. The cost for the Company's repurchase of own shares is estimated to amount to approximately MSEK 60 and will affect the cash flow, liquidity and equity in connection with the repurchase during the duration of the Program. After the duration of the Program, the above effects are expected to be neutralised. The Program is considered to only result in immaterial impact on other important key ratios.

## **Reason for the Program and its preparation**

Since 2017, the Company has, after a resolution by the Annual General Meeting each year, implemented a yearly recurring long-term incentive program comprising call options, on terms and conditions in all material aspects corresponding to the proposed Program. In the Board of Directors' assessment, the previously resolved incentive programs have so far fulfilled their purposes. Therefore, the Board of Directors proposes that the Annual General Meeting 2023 resolves on a corresponding incentive program. The reason for implementing the Program is that key employees within the Bufab group should be able to benefit from and strive for, through their own investment, an increase in the price of the Company's shares, thus more closely aligning the interests of key employees and the Company's shareholders. The purposes of the Program is also to contribute towards key employees increasing their long-term shareholding in Bufab. The Program is also expected to create conditions for retaining and recruiting competent personnel for the Bufab group, to provide competitive remuneration and to align the interest of the executive management and shareholders. The Board of Directors considers that the Program is reasonable in scope and cost effective. The key employees included in the Program is the group of persons that, in an otherwise heavily decentralised organisation, can create positive effects for the Bufab group. On the basis of this, the Board of Directors believes that the Program has a positive effect on the continued development of the Bufab-group, and that the Program benefits both the shareholders and the Company.

The proposal for the Program has been prepared by the Company's Remuneration Committee in consultation with the Board of Directors of the Company. The Company's management has not been involved in the preparation. The resolution to propose the Program to the Annual General Meeting has been taken by the Board of Directors. Members of the Board of the Company are not included in the Program.

**Majority requirement**

The Board of Directors' proposal pursuant to items (A) – (C) above shall be resolved on as one resolution with application of the majority rules in Chapter 16 of the Swedish Companies Act, meaning that shareholders representing at least nine-tenths of both the votes cast and shares represented at the meeting must support the resolution.

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## The Board of Directors' proposal of authorization to transfer shares in the Company

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to, on one or more occasions during the period up until the next Annual General Meeting, resolve upon transfer of the Company's own shares according to the following terms.

- The maximum number of shares to be transferred may not exceed the number of own shares held by the Company at the time of the Board of Directors' resolution, provided that the Company always holds such a number of shares that the Company needs to ensure delivery of shares under the Company's ongoing call option-based incentive programs (including any recalculation).
- Transfer of the Company's own shares may only take place on Nasdaq Stockholm at a price within the share price interval registered at each point in time, meaning the interval between the highest purchase price and the lowest selling price.

The purpose of the authorization is to enable the Company to transfer such shares that the Company has repurchased in order to ensure delivery of shares within the framework of one of the Company's call option-based incentive programs, but which, partly as a result of the structure of the incentive programs, have not been used for delivery of shares to participants in such incentive programs.

The resolution by the meeting requires the support of shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting.

Värnamo in March 2023  
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The Board of Directors