

Remuneration report 2023

Introduction

This remuneration report describes how the guidelines for remuneration to senior executives of Bulten AB (“**Bulten**” or “**the Company**”), adopted by the Bulten AGM, were applied in 2023. The report also contains information on remuneration to the CEO. The report has been drawn up in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board’s *Rules on Remuneration of the Board and Executive Management and on Incentive Programs*.

Further information on remuneration to senior executives can be found in Note 8 (Employees, employee benefit expenses and remuneration to the Board of Directors) on pages 103–104 of the 2023 Annual Report. Information about the work of the remuneration committee in 2023 can be found in the corporate governance report on page 76 of the 2023 Annual Report.

Fees to the Board are not covered by this report. Such remuneration is decided on annually at the AGM and reported in Note 8 on pages 103–104 of the 2023 Annual Report.

Developments in 2023

The CEO summarizes the Company’s overall results in the statement on page 4 of the 2023 Annual Report.

The Company’s remuneration guidelines: areas of application, purpose and deviations

One prerequisite for the successful implementation of the Company’s business strategy and for looking after its long-term interests, including its sustainability, is that the Company should be able to recruit and retain qualified employees. That requires the Company to be able to offer competitive total compensation in line with market conditions. The Company’s remuneration guidelines mean that senior executives can be offered competitive total compensation in line with market conditions. According to the remuneration guidelines, remuneration to senior executives may consist of the following components: a fixed salary, short-term incentive/variable cash payment (STI) and a long-term incentive program (LTI), pension benefits and other benefits such as health insurance, company car, and occupational healthcare. The variable cash payment will be linked to the achievement of various financial and sustainability-related targets. The performance targets shall be related to growth, operating profit net of depreciation on intangible assets (EBITA) in relation to sales and parameters relating to the return on capital employed (ROCE) and must aim to benefit Bulten’s business strategy and long-term interests. 2023 saw the introduction of a new STI target linked to sustainability: to reduce CO2 emissions in Scope 3. At Bulten, variable remuneration is at present only payable in the form of cash payments.

The guidelines can be found on pages 77 and 87 of the 2023 Annual Report and are also available via Bulten’s website www.bulten.se. In 2023, the Company has complied with the applicable remuneration guidelines adopted by the general meeting of shareholders. No deviations have been made from the guidelines, or from the decision-making process

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which, according to the guidelines, should be applied to determine the remuneration. The auditor's statement on the Company's compliance with the guidelines can be found on the Company website, www.bulten.se. No return of remuneration has been required.

In addition to the remuneration included in the remuneration guidelines, the Company's general meetings have resolved to introduce long-term incentive programs whereby the participants are given the opportunity each financial year to obtain a bonus for meeting a target set for that year regarding an increase in the Company's earnings per share (profit per share) for the financial year compared to the previous financial year. The participants must use the entire bonus amount obtained within the LTI program for each financial year, net (net of tax), to acquire shares in Bulten on the market. The participant must then retain the acquired shares at least until March 31 of the second year after the year in which the bonus in LTI was paid. The outcome for LTI 2023 is described in more detail on page 104 of the 2023 Annual Report.

*Table 1 – Total remuneration to the CEO in 2023 (SEK thousand)**

Name of executive (position)		1		2			3	4	5	6
		Fixed remuneration		Variable remuneration			Extraordinary items	Pension cost***	Total remuneration	Percentage of fixed/variable remuneration (%)
		Basic salary*	Other benefits**	One-year	Multi-year					
Anders Nyström (President)	2023	4,218	117	358	-	-	1,274	5,967	72.6/27.4	
	2022	3,884	135	681	681	-	1,222	6,603	60.9/39.1	

* Including vacation pay.

** Insurance benefit and car benefit.

*** Pension costs (column 4) that are based entirely on basic salary and are for defined-contribution plans, have been fully recognized as fixed remuneration in column 6.

Share-based payment

Bulten had no outstanding share-based or share price-based incentive programs in the 2023 financial year.

The CEO's performance during the reported financial year: variable cash payment

The outcome of the Company's variable cash remuneration program (STI) during 2023 is presented on page 103 of the 2023 Annual Report.

The Company's standard bonus parameters for the variable cash payment program (STI) are as follows:

1. Growth, corresponding to 15% of maximum award
2. EBITA, corresponding to 60% of maximum award and
3. ROCE, corresponding to 15% of maximum award.
4. Sustainability-related target linked to CO2 emissions in Scope 3, corresponding to 10% of maximum award

Comparative information regarding changes in remuneration and the Company's profit/loss

Table 2 – Changes in remuneration and the Company's profit/loss over the past five reported financial years (TSEK)

	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022	2023
Remuneration to Anders Nyström (CEO)* From February 8, 2019	4,452	+309 (+6.9%)	+1,914 (+40.8%)	-0.099 (-1.5%)	-0.636 (-9.6%)	5,967
Remuneration to Tommy Andersson (CEO)* To February 7, 2019	-5,130 (-84.6%)	-934 (-100.0%)	-	-	-	-
Group operating profit	-111,241 (-53.0%)	+17,599 (+17.9%)	+115,722 (+99.7%)	-52,013 (-22.4%)	+50,648 (28.2 %)	230,441
Average remuneration* based on number of full-time equivalents employed** in the Group (SEK)	+8,125 (+1.9%)	+21,610 (+4.8%)	+40,418 (+8.6%)	+39,624 (+7.8%)	+24,635 (+4.5%)	572,650

*Total remuneration including pension.

**On the basis of Bulten's organizational structure and to achieve greater transparency for shareholders, the Board of Directors has chosen to present figures for the whole Group instead of just the Parent Company. The table shows the average pay for all employees in the Group excluding members of the executive management.

Gothenburg, March 2024
The Board of Directors of Bulten AB