

**The Board of Directors' proposal for
resolutions, etc.
Annual General Meeting of Bulten AB (publ)
April 28, 2022**

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Item 10 – The Board of Directors’ proposal for appropriation of profits and determination of the date for dividends

Proposed appropriation of the Company’s profits

The Board of Directors proposes that the earnings of SEK 979,604,405.01 at the disposal of the Annual General Meeting be allocated as follows:

Dividend to the shareholders at a total of SEK 2.25 per share entitled to dividends	SEK 47,222,982.00
Carried forward to new accounts	<u>SEK 932,381,423.01</u>
Total	SEK 979,604,405.01

May 2, 2022 is proposed as the record day for the dividend. If the AGM resolves in accordance with the proposal, the dividend is expected to be paid via Euroclear Sweden AB on May 5, 2022.

There were a total of 21,040,207 shares in the Company, of which 52,215 are held by the Company at the date of the notice to attend an Annual General Meeting. The proposed dividend of SEK 2.25 will be distributed among the 20,987,992 shares entitled to dividends.

The Board of Directors’ reasoned statement in accordance with Chapter 18, section 4 of the Swedish Companies Act is attached to the proposal, (appendix 1).

Gothenburg, March 2022

Bulten AB (publ)

Board of Directors

Item 15 – The Board of Directors’ proposed guidelines for remuneration to senior executives

The Board of Directors proposes that the AGM resolve to adopt the following guidelines for remuneration and other employment conditions for the Company's senior executives. The guidelines also include any remuneration to Board members in addition to Board remuneration.

The guidelines include remuneration arising from agreements and changes that take place regarding remuneration already agreed after the 2022 AGM has adopted the guidelines. The guidelines do not include remuneration decided on by the General Meeting such as fees to Board members or share-based incentive programs.

Vision and business concept

Bulten creates and delivers the most innovative and sustainable fastener solutions. Bulten constantly delivers market-leading fastener solutions that meet customers’ requirements on efficiency, quality, price and sustainability. With clearly defined goals, global presence, responsible conduct and the latest in technology and innovation, Bulten is the company that makes a difference and creates the greatest benefit for the customer.

More information on Bulten’s vision and business strategy is available in Bulten’s annual reports at <https://www.bulten.com/sv-SE/IR/Annual-reports>

Bulten must be able to recruit and retain qualified employees in order to be able to implement its business strategy and safeguard the Company’s long-term interests, including sustainability. To achieve this, Bulten must be able to offer competitive overall remuneration, which is made possible by these guidelines.

Remuneration to senior executives

With the aim of being able to ensure that the Company can recruit and retain qualified senior executives, the Board proposes the fundamental principle that salaries and other terms and conditions of employment shall be adequate for the Group to constantly attract and retain competent senior executives at a reasonable cost to the Company. Remuneration within the Group shall therefore be based on the nature of the post, performance, required expertise, competitiveness and fairness.

With regard to employment relationships governed by rules other than Swedish rules, necessary adjustments regarding pension benefits and other pension benefits may be made in order to comply with mandatory rules or established local practice whereby the overall purpose of these guidelines must be met as far as possible.

Forms of remuneration

The Company’s remuneration to senior executives will consist of remuneration in line with market conditions consisting of a fixed salary, pension and other benefits, a short-term incentive/variable payment (STI) and a long-term incentive program (LTI). The respective remuneration is described below. The General Meeting may decide on share and share price-related programs, for example, in addition to these guidelines and without taking them into account.

Fixed salary

Each senior executive shall be offered a fixed salary in line with market conditions based on the senior executive’s job description, responsibilities, expertise and performance. The salary shall be confirmed each calendar year.

Pension

Senior executives may be offered a defined contribution pension agreement based on premiums amounting to a maximum of 35 percent of fixed salary on an annual basis (there are also pension benefits to which each senior executive is entitled in accordance with ITP plans). In the defined contribution pension agreement, the pension will correspond to the sum of the premiums paid and any return, rather than a guaranteed pension level. There is no set time for retirement within the framework of the defined contribution pension plan. Senior executives domiciled outside of Sweden may be offered pension solutions that are competitive in the country in which the persons are or have been domiciled or to which they have a significant link, primarily defined-contribution solutions. Defined-benefit pension solutions shall always be avoided where possible.

Other benefits

In addition, senior executives may be included in other benefits such as life insurance, health insurance and car benefits. Premiums and other costs arising due to other benefits may amount to a combined total of 10 percent of each individual's fixed salary.

Short-term incentive / variable payment (STI)

Each senior executive may, from time to time, be offered a variable salary (performance-based bonus) to be paid in cash. In the case of the CEO, such bonuses may amount to a maximum of 60 percent of his or her annual fixed salary. In the case of the other senior executives, bonuses may not exceed 40 percent of their annual fixed salaries. The criteria will be determined annually by the remuneration committee and the Board of Directors.

Bonuses shall be based primarily on the performance of the Bulten Group as a whole or the performance of the unit for which the person in question is responsible. Performance shall relate to the attainment of various improvement goals or various financial goals. The performance targets shall be related to growth, operating profit net of depreciation for goodwill (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, including sustainability. Any bonuses and reasons for bonuses shall be established for each fiscal year. When the measurement period for the fulfillment of criteria for payment of variable cash remuneration has ended, an assessment will be carried out to determine the extent to which the criteria have been met. In the annual evaluation, the remuneration committee or the Board of Directors, as appropriate, may adjust the targets and/or remuneration for both positive and negative extraordinary events, reorganizations and structural changes.

Additional variable cash remuneration may be payable in extraordinary circumstances, provided that such extraordinary arrangements are only made at an individual level either for the purpose of recruiting or retaining senior executives or as remuneration for extraordinary work in addition to the person's ordinary duties. Such remuneration may not exceed an amount equivalent to 60 percent of the fixed annual salary and is not payable more than once a year per individual. Decisions on such remuneration must be made by the Board of Directors after having been prepared by the remuneration committee.

Long-term variable incentive program (LTI)

The 2019 Annual General Meeting resolved to introduce a recurring annual long-term variable incentive program for the Company's management and key personnel at the company. Under the LTI program, the company management and key personnel will have the opportunity to receive a bonus where the net amount of the bonus, after deductions for taxes, shall immediately be used to acquire shares in Bulten. The participants must then keep the acquired shares for a minimum of two years. Payment of compensation in the LTI program is based on meeting a target established by the Board of Directors regarding an increase in the Company's

earnings per share (EPS) for the current fiscal year compared to the previous fiscal year. The maximum bonus amount which the respective senior executive could receive within the LTI program shall be limited to a maximum of 30% of the annual fixed salary for the CEO and Executive Vice President, and a maximum of 25% of the annual fixed salary for other senior executives.

Prior to each Annual Shareholders' Meeting, the Board of Directors shall consider whether or not a share or share price-related incentive program shall be proposed at the meeting, whereby it is noted that the Board currently foresees that such proposals will not be put forward as long as the Board considers that the above LTI program should continue to be offered. It is the Annual Shareholders' Meeting that decides on a share or share price-related incentive program.

Incentive programs are intended to contribute to long-term value growth and to ensure that shareholders and employees have a common interest in the share's positive value growth.

Period of notice and severance pay

A mutual notice period of six months, though up to a maximum of 12 months, applies to senior executives in general. Severance pay in addition to salary may be paid during the notice period but may amount to a maximum of 18 months' salary along with the fixed salary during the notice period. Individuals domiciled outside Sweden may be offered notice periods and severance pay that are competitive for the country where they are or have been domiciled or with which they have a significant link, although these solutions shall preferably correspond to that which applies to senior executives domiciled in Sweden.

Remuneration to Board members

If Board members elected by the AGM carry out work for Bulten over and above Board work, it must be possible for them to be paid for that work through consulting fees paid to the Board member or a company controlled by the Board member, provided that the work carried out helps to implement Bulten's business strategy and safeguard Bulten's long-term interests, including its sustainability. The remuneration shall be competitive with the market and must be approved by the Board of Directors.

Salary and employment conditions for employees

An evaluation of posts was carried out during the preparation of the Board's proposal for these remuneration guidelines and market data regarding overall compensation was obtained. Salary and employment conditions for the Company's employees have been taken into account by making information on employees' overall remuneration, the components of the remuneration and the increase and rate of increase of the remuneration over time part of the remuneration committee's and the Board's supporting data for decisions when evaluating the reasonableness of the guidelines and the limitations resulting from them.

Board decision-making

The Board of Directors' remuneration committee proposes and the Board decides on salaries and other terms and conditions for the CEO, the Executive Vice President and the CFO as well as other Group management. The remuneration committee will also be responsible for preparing the Board's decisions on proposed guidelines for remuneration of the Board of Directors and the Company's management. Proposals from the Board of Directors for decisions on new guidelines at the AGM will be drawn up at least every four years and will be valid until the AGM has adopted new guidelines. The remuneration committee is responsible for being up to date and evaluating the variable remuneration paid under the guidelines. The CEO or other senior executives must not participate when the Board is deciding on remuneration-related matters if the matters relate to them.

Deviations from the guidelines

The Board of Directors will be entitled to deviate from the guidelines if there are special reasons for the deviation in an individual case and if it is necessary in order to take the company's long-term interests, including sustainability, into consideration. Preparing decisions on deviations from the guidelines falls within the remuneration committee's responsibility for preparation, as stated above.

Remuneration decided on that has not yet fallen due for payment

In addition to the commitments to pay ongoing remuneration such as salaries, pensions and other benefits, there is no remuneration to any senior executive that was decided on previously and that has not fallen due for payment. For further information on remuneration to senior executives, see note 8 to the Annual Report.

Significant changes to the guidelines and consideration of shareholders' views

The proposal for guidelines presented at the 2022 AGM does not involve any significant changes in relation to the Company's existing guidelines on remuneration.

Majority requirement

The resolution regarding adopting the Board's proposed guidelines for remuneration for senior management requires the approval of shareholders representing more than one-half of the votes cast in order to be valid.

Gothenburg, March 2022
Bulten AB (publ)
Board of Directors

Item 16 – The Board of Directors’ proposal regarding authorization for the Board of Directors to decide on acquisition of the Company’s own shares and transfer of the Company’s own shares

(a) Resolution on authorization for the Board of Directors to decide on acquisition of the Company’s own shares

The aim of authorizing the Board to acquire the Company’s own shares is to give the Board greater scope and ability to continuously adapt the Company’s capital structure and thus contribute to greater shareholder value and to enable the Board to take advantage of attractive acquisition opportunities by wholly or partially financing acquisitions of companies, business or assets with the Company’s own shares.

In view of what is stated above, the Board of Directors proposes that the AGM authorize the Board to resolve on the acquisition of the Company’s own shares on the following conditions:

- a) Acquisitions may be take place on Nasdaq Stockholm (the “Stock Exchange”).
- b) Acquisitions may take place on one or more occasions before the 2023 AGM.
- c) Acquisitions may be take place up to a number of shares whereby the Company’s total holding after the acquisition amounts to a maximum of one tenth of all shares in the Company.
- d) Acquisitions on the Stock Exchange may only take place at a price per share that falls within the registered price interval at any given time or, in the event that the Board instructs a member of the Stock Exchange to accumulate a specific number of the Company’s shares for its own account during a limited period, at a price per share within the price interval valid at any given time or an equivalent volume-weighted average price.
- e) Payment for shares acquired in the Company must be made in cash.
- f) The applicable provisions of the Stock Exchange regulations must be observed in the case of acquisitions.

In connection with the proposal, the Board of Directors has issued a statement on the defensibility of the proposal in accordance with Chapter 19, section 22 of the Swedish Companies Act, which is attached to the proposal, (appendix 1).

(b) Resolution on authorization for the Board of Directors to resolve on transfers of the Company’s own shares

The aim of the authorization regarding transfer of the Company’s own shares is likewise to give the Board greater scope and ability to continuously adapt the Company’s capital structure and thereby contribute to greater shareholder value. Furthermore, the aim is to enable the Board to take advantage of attractive acquisition opportunities by wholly or partially financing acquisitions of companies, business or assets with the Company’s own shares.

The Board proposes that the Annual General Meeting authorize the Board to decide on transfer of the Company’s own shares on the following terms:

- a) Transfer may take place on the Stock Exchange and/or otherwise with or without any deviation from the shareholders' preferential rights and with or without any provision on payment in kind, set-off of the claim against the Company or otherwise subject to conditions.
- b) Transfer may take place on one or more occasions before the 2023 AGM of a maximum of all the shares held by the Company at the time of the transfer decision.
- c) Transfers of shares on the Stock Exchange may only take place at a share price that falls within the share price interval registered at any given time.
- d) Any transfer that takes place otherwise may take place at a price in money or value of the property received that corresponds to the stock market price at the time of the transfer for the shares transferred, with any deviation that the Board of Directors considers appropriate.
- e) The Board of Directors has the right to determine other conditions for the transfers.

The option to deviate from shareholders' preferential rights during transfers of own shares and the basis for the transfer price are justified by the fact that share transfers through the Stock Exchange or in another way with deviations from shareholders' preferential rights can take place more quickly and with more flexibility, and are more cost effective than transfers to all shareholders. Furthermore, the aim is to enable the best possible terms for the Company to be achieved as well as to give the Board more scope in connection with acquisitions of companies, operations, or assets. If the Company's own shares are transferred for valuable consideration in a form other than money in connection with agreements to acquire companies, operations, or other assets, the Company cannot give the shareholders an opportunity to exercise any preferential right.

It is proposed that the 52,215 shares held by the Company at the time of the notice to attend the AGM as well as the shares acquired pursuant to the resolution adopted by the AGM under paragraph (a) above can be transferred in accordance with this authorization.

Other

Bulten holds 52,215 shares at the time of the notice to attend the 2021 AGM, which correspond to approximately 0.25 percent of all shares in the Company.

Majority requirement for decisions

In order for a decision to be valid, this proposal shall require the approval of shareholders representing at least two-thirds of both the number of votes cast and the shares represented at the General Meeting.

Gothenburg, March 2022
Bulten AB (publ)
Board of Directors

Item 17 – The Board of Directors’ proposed resolution on authorization for the Board of Directors to decide on issue of shares

The Board of Directors proposes that the AGM resolve to authorize the Board for the period up to the next AGM, on one or more occasions, to decide on issues of new shares, warrants and/or convertibles.

The issue may take place with or without any deviation from the shareholders’ preferential rights and with or without any provision on payment in kind, set-off of the claim against the Company or otherwise subject to conditions.

The motive for the suggestion and the reason for deviating from shareholders’ preferential rights and/or the opportunity to decide on share issues with provision for payment in kind or otherwise with terms and conditions, is to give the Board flexibility in its work to finance and enable accelerated expansion and development of the Group, its markets and products, such as through acquisitions of companies, operations or assets where the payment is wholly or partially in newly issued shares and/or to enable the Board to quickly raise capital for such acquisitions.

The number of shares issued pursuant to the authorization or that may be added through the exercise of warrants and the conversion of convertibles issued pursuant to the authorization may amount to a maximum of 2,104,020 shares which, upon full take-up, equates to a dilution of approximately 10 percent of all shares of the Company at the time of the notice to attend the 2022 Annual General Meeting.

The number of shares issued pursuant to the authorization or that may be added through the exercise of warrants and the conversion of convertibles issued pursuant to the authorization will be recalculated in the event of a stock dividend (with issue of new shares), a split or a reverse share split at the Company.

The issue shall take place under market conditions. The Board has a right to determine the other conditions for the issues.

Authorization regarding adjustments

The Board of Directors or the person appointed by the Board of Directors is authorized to make any minor formal adjustments to the decision that may prove necessary in connection with registration with the Swedish Companies Registration Office.

Majority requirement for decisions

In order for a decision to be valid, this proposal shall require the approval of shareholders representing at least two-thirds of both the number of votes cast and the shares represented at the General Meeting.

Gothenburg, March 2022
Bulten AB (publ)
Board of Directors

Appendix 1 - The Board's reasoned statement in accordance with Chapter 18, section 4 and Chapter 19, section 22 of the Swedish Companies Act

The Board of Directors issues the following statement in accordance with Chapter 18, section 4 and Chapter 19, section 22 of the Swedish Companies Act in connection with the proposal for a resolution on dividends and the proposal for a resolution on authorization to acquire the Company's own shares.

The nature and scope of the business are described in the Articles of Association and the Annual Reports issued. The activities carried out at the Company and the Group do not entail risks beyond those existing or that may be presumed to exist in the industry or risks generally associated with carrying on business activities. The Company's and the Group's dependence on the economic cycle does not deviate from what is generally the case in the industry. Regarding significant events, we refer to what is stated in the administration report in the annual report for the 2021 fiscal year. No events of material significance affecting the Company's ability to pay dividends have occurred since then.

The Company's and the Group's financial position as of December 31, 2021 is shown in the 2021 Annual Report. The annual report also clearly states the principles applied for valuation of assets, provisions and liabilities. No assets and liabilities in the parent company or the Group have been measured at fair value in accordance with Chapter 4, section 14(a) of the Swedish Annual Accounts Act. No changes in restricted equity have taken place since the balance sheet date.

Bulten's target over time is to pay out a dividend of approximately one third of net earnings after tax. Consideration is given, however, to Bulten's financial position, cash flow and outlook. The proposed dividend of a total of SEK 2.25 per share entitled to dividends, a total of SEK 47,222,982.00 (an amount calculated as of the date of the notice to attend the AGM based on an own holding of own shares of 52,215) corresponds to approximately 33 percent of the net profit after tax and represents 4.3 percent of the Company's equity and 2.8 percent of the Group's equity. The proposed dividend reduces the Company's equity/assets ratio from 73.1 percent to 72.2 percent and the Group's equity/assets ratio from 49.3 percent to 48.6 percent, calculated as of December 31, 2021.

The proposed repurchase of the Company's own shares means that the Board of Directors is authorized to acquire a number of shares up to a maximum whereby the Company's holding of its own shares amounts to no more than one tenth of all shares in the Company. 2,104,020 shares may be acquired in the case of maximum use of authorization to repurchase (without taking into account the fact that the Company has already repurchased 52,215 shares as of the date of the notice). The cost of that repurchase, based on the share price as of the date of the notice to attend the 2022 AGM (SEK 63.30), amounts to SEK 133,184,466, which represents 12.2 percent of the Company's equity and 8.0 percent of the Group's equity. That repurchase reduces the Company's equity/assets ratio from 73.1 percent to 70.4 percent and the Group's equity/assets ratio from 49.3 percent to 47.3 percent, calculated as of December 31, 2021.

In summary, the proposed dividend, in combination with full use of authorization to repurchase the Company's own shares, reduces the Company's equity/assets ratio from 73.1 percent to 69.3

percent and the Group's equity/assets ratio from 49.3 percent to 46.5 percent, calculated as of December 31, 2021.

The Company's and the Group's equity/assets ratio does not deviate from what is normal in the industry. The Company has satisfactory liquidity.

According to an assessment by the Board of Directors, the Company's equity and the Group's equity, after a full dividend and after full use of authorization to repurchase the Company's own shares, will be sufficiently large in view of the nature, scope and risks of the business.

According to an assessment by the Board of Directors, the proposed dividend or full use of authorization to repurchase the Company's own shares do not jeopardize the investments considered necessary or the Company's or the Group's ability to meet present and foreseen payment obligations within the prescribed period. The Company's and the Group's liquidity forecasts include preparedness in order to deal with variations in the ongoing payment obligations.

The Company's and the Group's financial position does not give rise to any assessment other than that the Company and the Group, after the proposed dividend and full use of authorization to repurchase the Company's own shares, are able continue to carry on their business and that the Company and the Group can be expected to meet their obligations in the short and long term.

With regard to the above information and what has otherwise come to the knowledge of the Board, the Board considers that the proposed dividend and full use of authorization to repurchase the Company's own shares is defensible in relation to the requirements that the nature, scope and risks of the business place upon the equity of the Parent Company and Group and the Company's and the Group's need for consolidation and liquidity and their position in general.

Gothenburg, March 2022
Bulten AB (publ)
Board of Directors