

Remuneration report 2021

Introduction

This remuneration report describes how the guidelines for remuneration to senior executives of Bulten AB (publ) (“**Bulten**” or “**the Company**”), adopted by the Bulten AGM, were applied in 2021. 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, personnel expenses and fees to the Board of Directors) on pages 68-69 of the 2021 annual report. Information on the work of the remuneration committee in 2021 can be found in the corporate governance report on page 100 of the 2021 annual report.

Fees to the Board are not covered by this report. Such fees are decided on annually at the AGM and reported in note 8 on page 69 of the 2021 annual report.

Developments in 2021

The CEO summarizes the Company’s overall results in the statement on page 4 of the 2021 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 targets. The performance targets will be related to growth, operating profit prior to depreciation of goodwill (EBITA) in relation to total sales and parameters relating to the return on capital employed (ROCE) and must aim to benefit Bulten’s business strategy and long-term interests. At Bulten, variable remuneration is at present only payable in the form of cash payments.

The guidelines can be found on page 68-69 of the 2021 annual report and are also available via Bulten’s website www.bulten.se. In 2021, the Company has complied with the applicable remuneration guidelines adopted by the general shareholders’ meeting. The Board of Directors, in accordance with current guidelines for remuneration to senior executives

utives, made a decision on a specific payment of variable remuneration (STI) for senior executives which entails an outcome of thirty percent of the maximum amount that could have resulted for each individual participant had Bulten's EBIT margin exceeded six percent for the 2021 financial year. The decision was made on the basis of the Company's long-term interests and was prepared in the usual way by the remuneration committee. 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 AB 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 2021 is described in more detail on page 69 of the 2021 Annual Report.

*Table 1 – Total remuneration to the CEO in 2021 (TSEK)**

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 (CEO)	2021	3,664	144	648	1,080	-	1,166	6,702	56.8/43.2
	2020	3,540	131	0	0	-	1,090	4,761	100/0

* Including vacation pay.

** Insurance benefit and car benefit.

***Pension costs (column 4), which are based in their entirety on Basic Salary and are defined-contribution, have been fully recognized as fixed remuneration in column 6.

Share-based remuneration

Bulten had no outstanding share-based or share price-based incentive programs in the 2021 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 2021 is presented on page 68 of the 2021 Annual Report.

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

1. Growth, corresponding to 20% of maximum award
2. EBITA, corresponding to 60% of maximum award and
3. ROCE, corresponding to 20% 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)

	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2021
Remuneration to Anders Nyström (CEO)* From 2/8/2019	-	-	4,452	+ 309 (+6.9%)	+ 1,941 (+40.8%)	6,702
Remuneration to Tommy Andersson (CEO)* To 2/7/2019	+769 (+13.2%)	-515 (-7.8%)	-5,130 (-84.6%)	-934 (-100.0%)	-	-
Group operating profit	+9,995 (+5.0%)	-328 (-0.2%)	-111,241 (-53.0%)	+17,599 (+17.9%)	+115,722 (+99.7%)	231,806
Average remuneration* based on number of full-time equivalents employed** in the Group (SEK)	+30,368 (+8.6%)	+54,646 (+14.2%)	+8,125 (+1.9%)	+21,610 (+4.8%)	+40,418 (+8.6%)	508,391

*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, April 2022

The Board of Directors of Bulten AB (publ)