

Remuneration report 2020

Introduction

This remuneration report describes how the guidelines for remuneration to senior executives of Bulten AB (publ) ('**Bulten**' or '**the Company**'), adopted by the 2020 AGM, have been applied in 2020. The report also provides information on remuneration to the President and a summary of the Company's outstanding share and share price-based incentive programs. 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 Programmes*.

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 78–79 of the 2020 annual report. Information about the work of the remuneration committee in 2020 can be found in the corporate governance report on page 113 of the 2020 annual report.

Remuneration to the Board is not covered by this report. Such remuneration is decided on annually at the AGM and reported in Note 8 on page 78 of the 2020 annual report. Incentive programs decided on by the general meeting are not detailed in this remuneration report; rather they are presented together with any outcomes, where applicable, in Bulten's annual report.

Developments in 2020

The President summarizes the Company's overall results in their statement on page 6 of the 2020 annual report.

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

One condition 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 is able to recruit and retain qualified employees. This 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 guidelines, remuneration to senior executives may consist of the following components: fixed pay, 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 shall be linked to meeting various financial targets. The performance targets shall be related to growth, operating profit (EBIT) in relation to sales, and parameters related 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 only in the form of cash payments.

The guidelines can be found on page 114 of the 2020 annual report and are also available via Bulten's website www.bulten.se. In 2020, the Company has followed the applicable remuneration guidelines as adopted by the general meeting of shareholders. No deviations have been made from the guidelines, or from the decision-making process which, according to the guidelines, should be applied to determine the remuneration. Due to the impact of the spread of COVID-19 in 2020, the Board decided not to offer any STI to senior executives for 2020. The auditor's statement on the Company's compliance with the guidelines can be found on the Company website, www.bulten.se. In addition to the remuneration covered by 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 fulfilling 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 performance targets have not been met for the 2020 financial year, which is why no bonus has been paid within the framework of the LTI program.

*Table 1 – Total remuneration to the President in 2020 (SEK 000)**

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)	2020	3,540	131	0	0	-	1,090	4,761	100/0
	2019	3,320	112	0	0	-	1,020	4,452	100/0
Helena Wennerström (Vice President and CFO)	2020	1,543	84	1*****	0	-	631	2,259	100/0
	2019	2,363	113	66	32	-	892	3,466	97.2/2.8

* Except for variable remuneration, the table shows remuneration for each financial year.

** Including vacation pay.

*** Insurance benefit, 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.

***** Allowances only.

Share-based remuneration

In the 2020 financial year, Bulten had no outstanding share-based or share price-based incentive programs.

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

The President and senior executives were not offered a variable cash payment program (STI) in 2020.

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. EBIT, 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

Table 3 – Changes in remuneration and the Company's results over the past five reported financial years (income statement) (SEK 000)

	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019
Remuneration to Anders Nyström (President) From February 8, 2019	-	-	-	4,452	+ 309 (+6.9%)
Remuneration to Tommy Andersson (President) To February 7, 2019	+1,607 (+38.2%)	+ 769 (+13.2%)	-515 (-7.8%)	-5,130 (-84.6%)	-934 (-100.0%)
Remuneration to Helena Wennerström (Vice President and CFO) To September 30, 2020	+709 (+24.4%)	+497 (+13.7%)	-694 (-16.9%)	+44 (+1.3%)	-1,207 (-34.8%)

Group operating profit	+35,116 (+21.3%)	+9,995 (+5.0%)	-328 (-0.2%)	-111,241 (-53.0%)	+17,599 (+17.9%)
Average remuneration based on number of full-time equivalents employed* in the Group	+5,699 (+1.7%)	+28,549 (+8.5%)	+52,958 (+14.5%)	+12,901 (+3.1%)	+18,659 (+4.3%)

*On the basis of Bulten's organizational structure and to increase transparency for shareholders, the figures for the whole Group have been presented instead of for just the Parent Company. The table shows the average pay for all employees in the Group excluding members of the executive management.

Gothenburg, March 2021

The Board of Directors of Bulten AB (publ)