

Proposal by the Board of Directors for resolution at the Annual General Meeting on 11 May 2022 regarding amendment of the guidelines for determining remuneration and other terms of employment for senior management and resolution on a one-off bonus for 2022/2023

Resolution regarding amendment of the guidelines for determining remuneration and other terms of employment for senior management

The Board of Directors has reviewed the current guidelines for determining remuneration and other terms of employment for senior management and proposes that the Annual General Meeting resolves to amend the guidelines with respect to the criteria for variable remuneration and a clarification regarding share-based remuneration as follows.

Current wording	Proposed wording
The variable remuneration shall be linked to one or more predetermined and measurable criteria set by the Board of Directors, which may be financial, such as the growth in earnings, profitability and cash flow of the Group and/or its area of responsibility, or non-financial, such as sustainability, customer satisfaction and quality.	The variable remuneration shall be linked to one or more predetermined and measurable criteria set by the Board of Directors, which may be financial, such as the growth of the Group's and/or its area of responsibility's performance, profitability and cash flow, or non-financial, such as customer satisfaction, quality, environment, working environment and safety.
-	In the case of share-based payment, information on acquisition periods and, where applicable, information on the obligation to retain shares after a certain period after acquisition shall be disclosed.

In addition to the above, some drafting adjustments are proposed. The proposed guidelines in their entirety are set out below.

The Board of Directors of the Company proposes that the Annual General Meeting on 11 May 2022 resolves on guidelines for remuneration and other terms of employment for senior management as follows. The guidelines shall apply to remuneration agreed after the 2022 Annual General Meeting and to changes thereafter in remuneration already agreed. The guidelines do not apply to remuneration decided by the General Meeting of Shareholders. As regards employment relationships governed by other than Swedish rules and that refer to pension benefits and other benefits, appropriate adjustments may take place to comply with mandatory rules or established local standards, which should satisfy, as far as possible, the overarching purpose of these guidelines. Items stipulated for the Company also apply for the Group, where applicable.

The guidelines promotion of the Company's business strategy, long-term interests and sustainability

The successful implementation of the Company's business strategy and protection of the Company's long-term interests, including its sustainability, requires that Momentum Group can recruit and

retain qualified employees. This requires that the Company can offer competitive total remuneration, which is made possible through these guidelines. Total remuneration is to be in line with market conditions and competitive and be linked to responsibility and authority.

Forms of remuneration etc.

Remuneration shall be in line with market conditions and shall consist of the following components: fixed salary, any variable salary according to separate agreement, pension and other benefits. A General Meeting of Shareholders may in addition – and independent of these guidelines – resolve on, for example, share and share price-based remuneration.

Fixed salary

The fixed salary shall consist of a fixed cash salary and be reviewed on an annual basis. The fixed salary shall be competitive and reflect the requirements placed on the role in terms of qualifications, responsibility, complexity and the manner in which it contributes to achieving the business targets. The fixed salary shall also reflect the performance of the senior executive and thus be individual and differentiated.

Variable salary

In addition to fixed salary, the President & CEO and other senior management may from time to time, by separate agreement, receive variable salary upon fulfilment of decided criteria. Any variable salary may consist of an annual cash salary, which may correspond to a maximum of 50 per cent of the fixed annual salary.

A fundamental balance must exist between fixed and variable salary to avoid unhealthy risk taking. The fixed salary is to account for a sufficient portion of the senior executive's total remuneration to allow the variable portion to be reduced to zero. The variable remuneration shall be linked to one or more predetermined and measurable criteria set by the Board of Directors, which may be financial, such as the growth of the Group's and/or its area of responsibility's performance, profitability and cash flow, or non-financial, such as customer satisfaction, quality, environment, working environment and safety. The targets link the senior executive's remuneration to the Company's earnings, and thus promote the implementation of the Company's business strategy, long-term value creation and competitiveness. The terms and bases of calculation of variable salary shall be determined for each financial year. Fulfilment of the criteria for payment of variable salary must be measurable over a period of one financial year. Variable salary is regulated the year after qualification.

The degree to which the criteria were met is assessed when the measurement period for fulfilling the criteria for the payment of variable salary ends. The Board of Directors is responsible for determining variable cash payments to the President & CEO. Variable cash payments to other senior executives are determined by the Remuneration Committee. As regards financial targets, the assessment should be based on the Company's latest published financial information.

The terms for variable salary should be designed so that the Board, in the event of exceptional financial conditions, is able to limit or refrain from disbursing variable salaries should such action be deemed reasonable. In drawing up variable remuneration for the Company's management, the Board must consider including provisions that

- (i) impose conditions on the payment of a portion of such remuneration requiring that the achievements on which the payment was based is shown to be sustainable over time; and
- (ii) enable the Company to reclaim such remuneration paid on the basis of information that is later shown to be manifestly erroneous.

Further variable cash payments may be paid in extraordinary circumstances, assuming that such extraordinary arrangements are of limited duration and are only introduced at an individual level either to recruit or retain senior executives, or as remuneration for extraordinary work duties beyond the individual's ordinary work duties. Such remuneration may not exceed an amount corresponding to 20 percent of the fixed annual salary and not be paid more than once per year and per individual. A decision on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Pension

The President & CEO and other senior executives are covered by a defined-contribution pension, whose size depends on the outcome of the pension insurance policies taken out. Premiums for the defined-contribution pension must not exceed 40 percent of the fixed annual salary.

Other benefits

Other benefits, including company car, travel concessions, extra healthcare insurance and occupational health services, shall be in line with market conditions and only constitute a limited share of total remuneration. Premiums and other costs pursuant to such benefits shall amount to not more than 10 percent of the fixed annual salary in total.

Conditions in the case of termination

All senior executives must observe a period of notice of up to 6 months if notice is given by the employee. If employment is terminated by the Company, the period of notice applied is up to 12 months. If employment is terminated by the Company, senior executives may be entitled, in addition to salary and other employment benefits during the period of notice, to severance pay corresponding to up to 12 months fixed salary. Severance pay is not offset against other income. No severance pay is to be paid if notice is given by the employee.

In addition to severance pay, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid when the former executive is not entitled to severance pay. Remuneration shall be based on the fixed salary paid on the date of termination and shall amount to not more than 60 percent of the fixed salary on the date of termination, subject to mandatory collective agreement provisions, and be paid for the period covered by the non-compete undertaking, which shall amount to not more than 12 months after the end of employment.

Salary and terms of employment

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Preparation and decision-making process

The Board of Directors has decided to set up a Remuneration Committee. The Committee's duties include, inter alia, preparing principles for remuneration of senior executives and the Board's decision on proposals for guidelines for remuneration of senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting of Shareholders. The Remuneration Committee shall also monitor and evaluate the programme for variable remuneration of senior executives, the application of the guidelines for the remuneration of senior executives, as well as the current remuneration structures and compensation levels in the Company. Remuneration to the President & CEO shall be decided by the Board of Directors after being prepared and recommended by the Remuneration Committee, within the scope of established remuneration

principles. Remuneration of other senior executives shall be decided by the Remuneration Committee, within the scope of established remuneration principles and after consulting with the President & CEO. The President & CEO and other senior executives do not participate in the Board's or Remuneration Committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Share-related incentive programmes resolved by the General Meeting of Shareholders

The Board of Directors shall each year assess the need for a share-based incentive programme and when necessary present proposals for a decision to the Annual General Meeting. A decision on any share and share price-based incentive programme addressed to senior executives shall be made by a General Meeting of Shareholders and contribute to long-term value growth. Senior executives may be offered an equivalent incentive to that which would have been paid under a share or sharebased incentive programmes, if such a programme is impracticable in the country where a senior executive is tax resident, or if in the Company's view such participation cannot take place at a reasonable administrative cost or economic contribution. In the case of share-based payment, information on acquisition periods and, where applicable, information on the obligation to retain shares after a certain period after acquisition shall be disclosed. The cost and investment for the Company and the incentive and financial outcome for such senior executives shall under such circumstances essentially correspond to the share or share price-based incentive programme.

Deviation from the guidelines

The Board of Directors may temporarily resolve to deviate from the guidelines in part, if in a specific case there is special cause for the derogation and deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee's duties include the preparation of the Board's decision on remuneration issues, which also refers to decisions on deviation from the guidelines. If the Board resolves to deviate from the guidelines, the decision shall be reported at the next Annual General Meeting.

Resolution on a one-time cash bonus for the Group's President and CFO

The Board of Directors proposes that the Group's President and CFO receive a one-time cash bonus in addition to any fixed and variable remuneration that may be received in accordance with the remuneration guidelines under item 17(a). The purpose of the bonus is to promote integration within the Group between Swedol and Tools. The bonus shall be equivalent to a maximum of one (1) annual salary (based on fixed salary) and shall be measured against the specific EBITA targets for 2022/2023 and other parameters determined by the Board of Directors.

This document is in all respect a translation of the Swedish original. In the event of any differences between this translation and the Swedish original, the latter shall prevail.