

English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.

THE BOARD'S PROPOSAL FOR A RESOLUTION ON A PERFORMANCE-BASED STOCK SAVINGS PROGRAM FOR SENIOR EXECUTIVES

The Board proposes that the general meeting resolve to adopt a performance-based stock savings program ("LTI 2018") for senior executives of Alimak Group AB (publ) and its group companies. If the general meeting adopts LTI 2018, the Board intends to subsequently provide notice of target levels and results not later than at the 2020 annual general meeting. LTI 2018 does not entail any dilution for the existing shareholders of the Company.

The Board's intention is that the incentive program will run over a long-term period, thus the Board intends to propose the general meeting in the coming years to resolve upon similar incentive programs.

Summary and reasons

The program covers 50 senior executives and key employees within the Alimak group. In order to participate in the program, a personal investment in the Company's shares is required. After the qualifying period, the participants will be allotted shares in the Company without any payment of consideration provided that certain qualifying terms and conditions have been fulfilled. In order for these so-called Performance Share Rights to entitle the participant to receive shares in the Company, continued employment with the Alimak group is required during the qualifying period and the employee's own investment in shares in the Company must have been maintained in its entirety throughout the same period of time. In order for allotment of shares to take place, a financial performance target related to the average earnings per share for the Alimak group during the 2018 and 2019 financial years must also be achieved.

The reasons for the proposal by the Board regarding LTI 2018 are to strengthen the Alimak group's ability to recruit and maintain employees, to broaden and increase share ownership amongst the key employees, and to ensure a common focus on long-term growth in shareholder value which ensures that shareholders and the relevant employees will have the same targets. Through a performance-based stock savings program, the rewards provided to key employees can be linked to the Alimak group's future earnings and growth thereby prioritizing long-term growth and ensuring that the shareholders and relevant employees have the same targets.

Performance Share Rights

Performance Share Rights mean that participants in the program are entitled, for each Performance Share Right, to receive one share in the Company free of charge provided that the below qualifying terms and conditions have been fulfilled ("**Performance Share Right**"). Performance Share Rights are allotted without payment of any consideration.

Participant terms and conditions for LTI 2018

LTI 2018 covers 50 senior executives and key employees within the Alimak group (the "**Participants**") who are broken down into three categories as follows:

- Category 1: 1 participant – the CEO
- Category 2: 20 participants – group management and certain country managers
- Category 3: 29 participants – country managers and key persons

In order to receive an allotment of Performance Share Rights, the Participants must acquire the following number of shares in the Company on the market ("**Savings Shares**"):

- Category 1: 1,500 Savings Shares
- Category 2: 1,000 Savings Shares
- Category 3: 500 Savings Shares

For each acquired Saving Share as set forth above, the Participant is entitled to receive allotment of Performance Share Rights as follows:

- Category 1: 1 acquired Savings Share entitles the holder to three Performance Share Rights (4,500 Performance Share Rights).
- Categories 2 and 3: 1 acquired Savings Share entitles the holder to two Performance Share Rights (40,000 or 29,000 Performance Share Rights).

In the event the Participant has insider information and he/she is therefore prohibited from acquiring Savings Shares in the Company at the time of the application to participate in the program, the acquisition of Savings Shares shall take place as soon as possible but within three months of submitting the application.

Qualifying terms and conditions

In order for the Participant to be able to exercise their Performance Shares Rights and receive allotment of shares in the Company, the following qualifying terms and conditions must be fulfilled:

Retention

The participant may not have sold any of the originally held Savings Shares during the time of the acquisition of the Savings Shares until the day after publication of the Company's interim report for the first quarter of 2021 (the "**Qualifying Period**").

Employment

The Participant must remain an employee of the Alimak group during the Qualifying Period.

Performance

The Alimak group must achieve a financial performance target (the "**Performance Target**").

The number of Performance Share Rights which entitle the holder to allotment depends on the degree of target fulfilment of an interval established by the Board regarding the Alimak group's earnings per share during the 2018 and 2019 financial years. The results will be measured between the established minimum level and the established maximum level and need not be linear. In the event the minimum level in the interval is not achieved, the Performance Share Rights will not entitle the holder to any shares and if the maximum level of the interval is achieved, each Performance Share Right will entitle the holder to one share. The Board will provide notice regarding target levels and results not later than at the 2020 annual general meeting.

Other terms and conditions and profit limits

The following terms and conditions otherwise apply to the Performance Share Rights:

Participants are not entitled to transfer, pledge, or sell the Performance Share Rights, or to exercise any shareholder rights with respect to the Performance Share Rights, during the qualifying period.

The profit per allotted share is limited to a maximum amount corresponding to an increase in value of approximately 300% of the share price during the application period of the program. In the event the profit exceeds this limit, an adjustment shall be made by recalculating downwards to a corresponding extent the number of shares the participant will receive.

Structure and administration

The Board is responsible for the more detailed structure and administration of LTI 2018 as well as the detailed terms and conditions which shall apply between the Company and the Participant under the program, within the scope of the terms and conditions and guidelines set forth herein. In conjunction with this, the Board shall be entitled to establish different terms and conditions for the program regarding, among other things, the Qualifying Period and allotment of shares, in the event of termination of employment during the Qualifying Period as a consequence of, for example early retirement. The Board shall also be entitled to make adjustments in order to fulfil specific rules or market conditions abroad.

In the event delivery of shares to individuals outside of Sweden cannot be made at a reasonable cost and with reasonable administrative effort, the Board shall be entitled to decide that the participating person will be offered cash settlement instead.

In certain cases, the Board shall be entitled to reduce the final allotment of shares or to terminate the program early, in whole or in part, without payment of any compensation to the Participants in the event of significant changes in the Alimak group or on the market.

Maximum quantity

The maximum number of Performance Share Rights which may be issued according to LTI 2018 is 73,500, corresponding to approximately 0.14% of the outstanding shares and votes in the Company.

According to the specific conditions adopted by the Board, the number of shares covered by LTI 2018 may be subject to recalculation due to a bonus issue, reverse share split or share split, rights issue, or similar measures carried out by the Company, taking into consideration customary practice for corresponding incentive programs. Recalculation may also be made so that extraordinary payments of dividends are taken into consideration. Upon recalculation, the profit limit per share may also be subject to any corresponding recalculation.

Security measures

In order to secure delivery of shares under LTI 2018, the Board proposes that the Board be entitled to resolve to carry out alternative methods for transfers of shares under the program. Consequently, the Board proposes that it be entitled to transfer repurchased shares to the Participants (according to section 15 c) or to enter into share swap agreements with third parties in order to fulfil the obligations under the program. To the extent delivery of shares is secured through share swap agreements, it is proposed that the Board be entitled to transfer repurchased shares on Nasdaq Stockholm in order to finance potential costs related to the agreement and the program (according to section 15 b). The Board is of the opinion

that the first alternative, i.e. transfers of repurchased shares to the Participants, is the most cost-efficient and flexible method for delivery of shares and for covering certain costs, primarily employer payroll taxes.

Costs for LTI 2018

Assuming full results for the Performance Target and a share price at the end of the Qualifying Period of a maximum of SEK 560 (300% increase based on a starting share price of SEK 140), the total cost for LTI 2018, including employer payroll taxes, is estimated to amount to a maximum of approximately SEK 23.3 million which corresponds on an annual basis to approximately SEK 7.8 million. Assuming results for the performance target of 50% and a share price at the close of the Qualifying Period of a maximum of SEK 560, the total cost for LTI 2018, including employer payroll taxes, is estimated to amount to a maximum of SEK 16.8 million, which on an annual basis corresponds to SEK 5.6 million.

The costs of the program are booked as personnel costs in the income statement during the Qualifying Period in accordance with IFRS 2 – Share-based payment. Employer payroll taxes will be booked on the income statement according to UFR 7 during the qualifying period. The amount of these costs will be calculated based on the share price performance during the Qualifying Period and the allocation of the Performance Share Rights.

The Board believes that the positive earnings effects which can be achieved from the fact that senior executives and individuals with high-ranking management positions will increase their shareholdings, and also be permitted to further increase their shareholdings through the program, outweigh any costs related to LTI 2018.

Preparation of the matter

LTI 2018 was initiated by the Board of the Company and has been prepared in consultation with Advokatfirman Westermark Anjou AB. The program was prepared in the Board's Remuneration Committee and addressed at meetings of the Board during the first months of 2018.

Other long-term incentive programs

The Company does not currently have any outstanding long-term incentive programs.

The Board's proposal for a resolution

In consideration of the aforementioned description, the Board proposes that the annual general meeting resolve to implement LTI 2018.

Majority requirement

The Board's proposal for a resolution implementing LTI 2018 requires that the resolution be supported by shareholders representing more than one half of the votes cast at the annual general meeting.

Stockholm, April 2018
Alimak Group AB (publ)
The Board of Directors