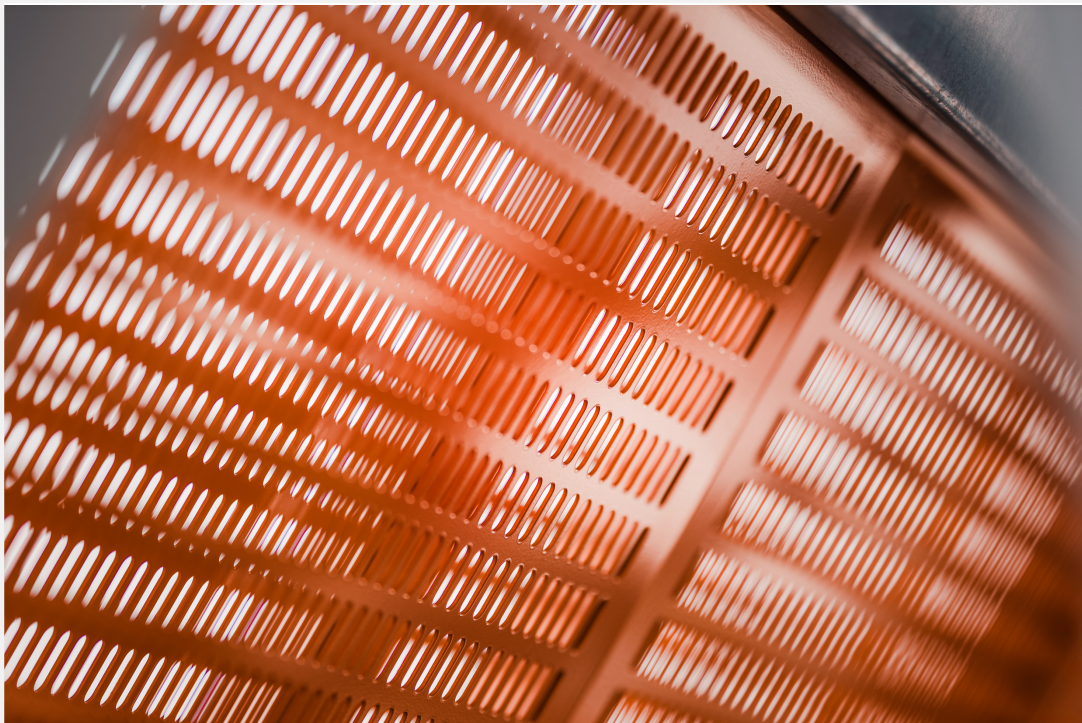


# Annual General Meeting 2020

*The Board's proposals*



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## **PROPOSED AGENDA**

1. Opening of the meeting
2. Election of Chair of the meeting
3. Preparation and approval of voting list
4. Approval of the agenda
5. Election of one or two persons to approve the minutes
6. Examination of whether the meeting has been duly convened
7. CEO's address
8. Presentation of the annual report and auditor's report, and also the group accounts and auditor's report for the group
9. Resolution on:
  - a) adoption of the profit and loss account and balance sheet, and also the consolidated profit and loss account and consolidated balance sheet;
  - b) allocation of the company's results in accordance with the adopted balance sheet and determination of the record day for dividends; and
  - c) discharge from liability towards the company for the Directors and the CEO for the financial year 2019
10. Resolution on number of Directors and number of auditors
11. Resolution on Directors' fees and auditor's fees
12. Election of Directors and Chair of the Board
13. Election of auditor
14. Resolution on guidelines for salary and other remuneration
15. Resolution on a performance-based stock savings program for senior executives
16. Resolution on
  - a) authorisation for the Board to resolve on acquisition of own shares,
  - b) authorisation for the Board to resolve on transfer of own shares,
  - c) transfer of own shares to participants in LTI 2020
17. Closure of the meeting

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## **THE BOARD'S PROPOSAL FOR RESOLUTION ON GUIDELINES FOR SALARY AND OTHER REMUNERATION**

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The Board proposes that the general meeting resolves on the following guidelines for salary and other remuneration to directors, President and Chief Executive Officer (CEO), Deputy CEO and other senior executives. Senior executives refer to senior executives of the Group executive management. These guidelines will be valid for agreements entered into after the general meeting's resolution and for changes made to existing agreements thereafter. These guidelines do not apply to any director fees decided or approved by the general meeting or such issues and transfers as are covered by Chapter 16 of the Swedish Companies Act (SFS 2005:551).

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

In short, the Company's business strategy is the following.

Alimak Group will improve its position as a global, market leading supplier of professional vertical access solutions in order to achieve sustainable, profitable growth. This is to be achieved through market expansion, growth in after sales business and through business optimisation.

For more information regarding the business strategy of the Group, please see [alimakgroup.com](http://alimakgroup.com), as well as the latest annual report including sustainability report.

It is of fundamental importance to the Group and its shareholders that these guidelines, in both a short- and long-term perspective, create good conditions to attract and retain senior executives and other employees with excellent competence. The purpose of these guidelines is to increase transparency in remuneration issues and through relevant remuneration structures, create incentives for senior executives, to execute strategic plans and deliver effective operational results to support the Group's business strategy and long-term interests, including its sustainability. To obtain this, it is important to sustain fair and internally balanced terms that are at the same time competitive on the market with respect to structure, scope and compensation levels. These guidelines ensure that senior executives, regardless of geographical market, may be offered a competitive total compensation.

### **Remuneration and forms of remuneration**

The terms of employment for senior executives should consist of a balanced combination of fixed remuneration, variable remuneration, pension and other benefits and terms for dismissal/ severance payment. Furthermore, the Board may prepare and the general meeting resolve, on share and share-price related incentive programs. Such a combination of compensation fosters and supports management and achievement of objectives in both a short and long-term perspective. The various types of remuneration that may be paid out are described below.

#### *Fixed remuneration*

The fixed remuneration shall be individually determined and shall be based on each individual's responsibility and role as well as the individual's competence and experience in the relevant position.

In the event of full payment of variable remuneration, the fixed remuneration comprises between 45-55 per cent of the total remuneration to senior executives.

#### *Variable remuneration*

Senior executives have an annual variable remuneration that is payable after each year end. The annual variable remuneration is structured as a percentage rate of the total compensation. Variable remuneration objectives shall primarily be based on the outcomes of financial objectives for the Group as well as clearly defined individual objectives with respect to specific assignments or the Group's sustainability efforts. The objectives shall be designed so as to promote the Group's business strategy and long-term interests, including its sustainability, through having a direct alignment to business strategy and promoting the long-term development of the senior executive.

The variable remuneration varies depending on position and may be up to 70 per cent of the fixed remuneration for the CEO and up to 50 per cent of the fixed remuneration for other senior executives. The objectives are constructed so that no variable remuneration will be paid if a certain minimum performance level is not achieved. In the event of full payment of variable remuneration, the variable remuneration comprises between 25-30 per cent of the total remuneration to senior executives.

At the end of the annual measurement period, an overall performance evaluation shall be made to determine the extent to which the objectives have been achieved. The Remuneration Committee is responsible for the evaluation with respect to variable compensation to the CEO and other senior executives. With regards to financial objectives, the evaluation will be based on the latest audited financial information made public by the Group.

The Group does not have any potential deferral periods or, according to agreements, any possibility to reclaim variable remuneration.

#### *Pension*

The main principle is that pension contributions are based on collective bargaining agreement provisions in each geographical market. On entering into new pension agreements, senior executives entitled to pension will have defined contribution pension agreements based on fixed remuneration. Variable remuneration shall constitute pensionable salary to the extent necessary to comply with mandatory collective bargaining agreement provisions applicable to the senior executive. Pensioning of senior executives takes place in accordance with the respective country's pension rules.

Pension agreements for the CEO may exceed applicable local collective bargaining agreements, but must be defined contribution based, and must not exceed between 30-40 per cent of the fixed remuneration.

For employments governed by rules other than Swedish, pension benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

In the event of full payment of variable remuneration, pensions comprise between 15-20 per cent of the total remuneration to senior executives.

#### *Other benefits*

Other benefits, such as company car, housing allowance, compensation for healthcare, and health and medical insurance must comprise a minor part of the total compensation and must correspond to what may be deemed market practice in each geographical market.

For employments governed by rules other than Swedish, other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

In the event of full payment of variable remuneration, other benefits comprise between 5-10 per cent of the total remuneration to senior executives.

#### *Special remuneration*

Further special remuneration, provided that such extraordinary arrangements are limited in time and do not exceed 36 months, and may only be awarded on an individual basis, either for the purpose of recruiting or retaining executives, or to induce individuals to move to new places of service or accept new positions, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. These must not exceed an amount equivalent to two times the remuneration the senior executive would have received in the absence of such an agreement on special remuneration. Such remuneration may not be awarded more than once per year and per individual. Any resolution on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee.

#### **Long-Term incentive program**

This year, as twice previously, the Board has proposed that the general meeting adopts a performance-based stock option program, as the Board believes that such a program offers the best means of tying rewards to senior executive and key employees, to the Company's future earnings and value development.

The program mentioned requires a personal investment in the Company's shares, and that these shares are retained during a three-year period of service. At the end of the period of service, participants will be allotted shares in the Company at no cost, on the condition that certain terms of service such as continued employment and a specific financial performance objective, are fulfilled. Please see the appendix for more information about the unredeemed programs.

These long-term incentive programs foster the Group's business strategy, long-term interests, including its sustainability, through improving the ability of the Group to recruit and retain employees, spread and increase share ownership among key employees, and ensure a united focus on long-term value increase for shareholders.

There will be no allotment under the Company's long-term incentive program during the year 2020, as no previous incentive program comes to an end at this time.

#### **Terms for dismissal etc.**

Terms for dismissal and severance pay shall correspond to what may be deemed market practice on each geographical market. The CEO has a notice period of 6 months on their part and 12 months on the part of the Company. Other senior executives have a notice period up to 6 months. On entering into new employment agreements, agreement may be made with senior executives on severance pay corresponding to a maximum of 12 months' fixed remuneration. The foregoing applies only to notice given by the Company and, in general, the established practice in each geographical market where the executive works, applies.

#### **Remuneration payable to Directors**

In certain cases, Directors re-elected by the general meeting, should be able to receive fees and other remuneration for work carried out on behalf of the Group, alongside their Board work. Fees at market rates, approved by the other Board members, may be payable for such services.

**Remuneration and employment conditions for other employees**

In the preparation of this proposal for guidelines, remuneration and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, 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 the reasonableness of the guidelines and appurtenant limitations.

**The decision-making process to determine, review and implement the guidelines**

The Board resolves, after preparation by the Remuneration Committee, on the structures of remuneration systems, as well as levels and forms of remuneration to senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting for adoption. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall monitor and evaluate programs for variable remuneration for the Group executive management, the application of the guidelines as well as the current remuneration structures and compensation levels in the Group.

The members of the Remuneration Committee are independent of the Group and the executive management of the Group. The CEO and other members of the Group executive management do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. Conflicts of interest are counteracted in all resolutions and any potential conflicts of interest are handled in accordance with the Group's framework for governance, consisting out of a code of conduct, policies and guidelines.

**Derogation from the guidelines**

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

**Description of material changes to the guidelines and how the views of shareholders' have been taken into consideration**

The content of the guidelines has been reviewed and adapted to the legal requirements imposed by Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards encouragement of the long-term shareholder engagement.

**Miscellaneous**

Total remuneration and other benefits paid to senior executives during the year are stated in the annual report.

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Stockholm in February 2020  
**Alimak Group AB (publ)**  
*The Board of Directors*

## **Appendix - Information on previously decided remuneration that has not been due**

### Performance-based stock saving program for senior executives (LTI 2018)

The 2018 general meeting adopted a performance-based stock option program for senior executives, LTI 2018, in accordance with a proposal of the Board. The program has a term of approximately three years and will be offered to a Group of 50 people comprising key employees within the Alimak Group, together with senior executives of Alimak.

A personal investment in Alimak shares is a prerequisite for participation. Every Alimak share acquired gives the participant the right to an allotment of a certain number of shares free of charge after a three-year period, on the condition that specific performance objectives tied to profit per share are fulfilled.

No more than a total of 73,500 Alimak shares may be allotted to participants which corresponds to approximately 0.14 per cent of outstanding shares and votes in Alimak. The profit for participants is limited to the extent that participants may be credited with a value increase of a maximum of 300 per cent of the average share price during the program's signing up period.

Assuming full achievement of objectives, and an average share price of SEK 140 during the program's signing-up period (which means that the maximum profit per share which may be credited to participants is SEK 560), the cost for LTI 2018, including employer payroll taxes, will be approximately MSEK 23.3 at a maximum, which corresponds to approximately MSEK 7.8 per year. Assuming 50 per cent achievement of objectives and an average share price of SEK 140 during the program's signing-up period, the total cost for LTI 2018, including employer payroll taxes, will be up to approximately MSEK 16.8, which corresponds to approximately MSEK 5.6 per year.

### Performance-based stock saving program for senior executives (LTI 2019)

The 2019 general meeting adopted a performance-based stock option program for senior executives, LTI 2019, in accordance with a proposal of the Board. The program has a term of approximately three years and will be offered to a Group of 50 people comprising key employees within the Alimak Group, together with senior executives of Alimak.

A personal investment in Alimak shares is a prerequisite for participation. Every Alimak share acquired gives the participant the right to an allotment of a certain number of shares free of charge after a three-year period, on the condition that specific performance objectives tied to profit per share are fulfilled.

No more than a total of 73,500 Alimak shares may be allotted to participants which corresponds to approximately 0.14 per cent of outstanding shares and votes in Alimak. The profit for participants is limited to the extent that participants may be credited with a value increase of a maximum of 300 per cent of the average share price during the program's signing up period.

Assuming full achievement of objectives, and an average share price of SEK 135 during the program's signing-up period (which means that the maximum profit per share which may be credited to participants is SEK 540), the cost for LTI 2019, including employer payroll taxes, will be approximately MSEK 22 at a maximum, which corresponds to approximately MSEK 7 per year. Assuming 50 per cent achievement of objectives and an average share price of SEK 135 during the program's signing-up period, the total cost for LTI 2019, including employer payroll taxes, will be up to approximately - MSEK 11, which corresponds to approximately MSEK 4 per year.



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

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The Board proposes that the general meeting resolves to adopt a performance-based stock savings program ("LTI 2020") for senior executives and key employees within the Group. If the meeting adopts LTI 2020, the Board intends to subsequently provide notice of target levels and results not later than at the annual general meeting in 2023. LTI 2020 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, consequently the Board intends to propose the general meeting in the coming years to resolve upon similar incentive programs.

### **Summary and reasons**

The program covers maximum 50 senior executives and key employees within the 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 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 Group during the 2020 and 2021 financial years must also be achieved.

The reasons for the proposal by the Board regarding LTI 2020 are to strengthen the Group's ability to recruit and maintain employees, to broaden and increase share ownership amongst senior executives and 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 senior executives and key employees can be linked to the 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 2020**

LTI 2020 covers maximum 50 senior executives and key employees within the Group (the "**Participants**") who are divided into three categories as follows:

Category 1: 1 participant – the CEO

Category 2: 14 participants – group management and certain country managers

Category 3: 35 participants – country managers and key employees

The Board may reallocate the number of participants between categories 2 and 3, provided that the total number of Performance Share Rights for these two categories is not exceeded (see below).

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: 250 - 1,500 Savings Shares

Category 2: 250 - 1,000 Savings Shares

Category 3: 250 or 500 Savings Shares

Each stake in the program is 250 shares and the participants in each category can choose how many stakes the participant wants to buy up to the ceiling stated for the category the person belongs to. A participant in category 2 can thus choose between buying 250, 500, 750 or 1,000 Savings Shares and a participant in category 3 can choose between buying 250 or 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 four Performance Share Rights (Maximum 6,000 Performance Share Rights).

Category 2: 1 acquired Savings Share entitles the holder to three Performance Share Rights (Maximum 42,000 Performance Share Rights).

Category 3: 1 acquired Savings Share entitles the holder to two Performance Share Rights (Maximum 35,000 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 2023 (the "**Qualifying Period**").

#### *Employment*

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

#### *Performance*

The 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 Group's earnings per share during the 2020 and 2021 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 annual general meeting in 2023.

#### **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 per cent 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 2020 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.

If the Participant's acquisition of Saving Shares or the company's delivery of shares cannot be made at a reasonable cost or with reasonable administrative effort due to circumstances abroad, the Board is authorised to decide that the Participant will be offered a comparable cash-based alternative 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 Group or on the market.

#### **Maximum quantity**

The maximum number of Performance Share Rights which may be issued according to LTI 2020 is 83,000, corresponding to approximately 0.15 per cent 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 2020 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 2020, 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 16 c) or to enter into share swap agreements with third parties in order to fulfil the obligations under the program. If 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 16 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 2020**

Assuming full results for the Performance Target and a share price at the end of the Qualifying Period of a maximum of SEK 520 (300 per cent) increase based on a starting share price of SEK 130), the total cost for LTI 2020, including employer payroll taxes, is estimated to amount to a maximum of approximately MSEK 24 which corresponds on an annual basis to approximately MSEK 8. Assuming results for the performance target of 50 per cent and a share price at the close of the Qualifying Period of a maximum of SEK 520, the total cost for LTI 2020, including employer payroll taxes, is estimated to amount to a maximum of MSEK 12, which on an annual basis corresponds to circa MSEK 4.

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 and the outcome of the qualifying terms and conditions during the Qualifying Period.

The Board believes that the positive earnings effects which can be achieved from the fact that senior executives and key employees will increase their shareholdings, and also be permitted to further increase their shareholdings through the program, outweigh any costs related to LTI 2020.

**Preparation of the matter**

LTI 2020 was initiated by the Board of the company and has been prepared in consultation with Advokatfirman Westermarck Anjou AB. The program was prepared in the Board's Remuneration Committee and at the Board meeting in February 2020.

**Other long-term incentive programs**

The company currently have two outstanding long-term incentive programs in place, LTI 2018 and LTI 2019.

**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 2020.

**Majority requirement**

The Board's proposal for a resolution implementing LTI 2020 requires that the resolution be supported by shareholders representing more than one half of the votes cast at the annual general meeting.

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Stockholm in February 2020

**Alimak Group AB (publ)**

*The Board of Directors*

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## **THE BOARD'S PROPOSAL FOR RESOLUTION ON AUTHORISATION FOR THE BOARD TO RESOLVE ON ACQUISITION OF OWN SHARES**

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The Board proposes that the general meeting authorises the Board to resolve acquisition of own shares on one or several occasions during the period up to the annual general meeting 2021 in accordance with the following.

1. Acquisition of own shares must be made on Nasdaq Stockholm.
2. Own shares may be acquired to the extent the company's holdings of own shares in total amounts to no more than one tenth of all shares in the company.
3. Acquisition of own shares on Nasdaq Stockholm shall be made in cash and at a price within the stock market price interval registered at any given time, such interval being the interval between the highest purchase price and the lowest sales price.

The reasons for the proposed authorisation to repurchase own shares are:

- (i) to increase the flexibility of the Board in connection to potential future corporate acquisitions,
- (ii) to enable share transfers of own shares to participants in LTI 2018, LTI 2019, LTI 2020 as well as to participants in future incentive programs, and
- (iii) to enable divest holdings of shares to cover costs for LTI 2018, LTI 2019, LTI 2020 and future incentive programs.

A resolution passed by the general meeting in accordance with this proposal is valid only when supported by shareholders holding at least two thirds of the votes cast as well as of the shares represented at the annual general meeting.

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Stockholm in February 2020  
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## **THE BOARD'S PROPOSAL FOR RESOLUTION ON AUTHORISATION FOR THE BOARD TO RESOLVE ON TRANSFER OF OWN SHARES**

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The Board proposes that the general meeting authorises the Board to resolve on transfer of own shares on one or several occasions during the period up to the annual general meeting 2021 in accordance with the following.

1. Transfer of own shares must be made either on Nasdaq Stockholm or in another manner.
2. Transfer of own shares may be made with disapplication from the shareholders' pre-emption rights.
3. The maximum number of shares that may be transferred is the total number of own shares held by the company at the time of the Board's resolution to transfer the shares.
4. Transfer of own shares on Nasdaq Stockholm shall be made at a price within the stock market price interval registered at any given time, such interval being the interval between the highest purchase price and the lowest sales price, transfer of own shares in another manner shall be made at a minimum price that shall be determined in close connection with the shares' market value at the time of the Board's resolution to transfer the shares.
5. Payment for the transferred shares may be made in cash, by contribution in kind or by way set-off.
6. The Board will be entitled to determine the other terms and conditions of the transfer which, however, shall be in accordance with the market practice.

The reasons for the proposed authorisation to transfer own shares and for the disapplication from the shareholders' pre-emption rights are:

- (i) to cover costs relating to LTI 2018, LTI 2019 and LTI 2020, and
- (ii) to increase the flexibility of the Board in connection to potential future corporate acquisitions by facilitating a fast and cost-efficient financing by divesting holdings of own shares.

A resolution passed by the general meeting in accordance with this proposal is valid only when supported by shareholders holding at least two thirds of the votes cast as well as of the shares represented at the annual general meeting.

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## **THE BOARD'S PROPOSAL FOR RESOLUTION ON TRANSFER OF OWN SHARES TO PARTICIPANTS IN LTI 2020**

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The Board proposes that the general meeting resolves on transfer of own shares in accordance with the following.

1. The maximum number of shares that may be transferred is 83,000.
2. The participants in LTI 2020 are, with disapplication from the shareholders' pre-emption rights, entitled to acquire the shares with right for each of the participants to acquire no more than the maximum number of shares allowed under the terms and conditions for LTI 2020.
3. The participants' right to acquire shares are conditional upon the fulfilment of all of the conditions set up in LTI 2020.
4. The shares must be transferred within the time period set out in the terms and conditions of LTI 2020.
5. The shares must be transferred free of charge to the participants in LTI 2020 under the established terms and conditions of LTI 2020.
6. The number of shares that may be transferred to the participants in LTI 2020 may be recalculated due to bonus issue, share split, rights issue and similar events in accordance with the terms and conditions of LTI 2020.

The reason for the proposed transfer and for the disapplication from the shareholders' pre-emption rights is to enable delivery of shares under LTI 2020.

The Board proposes that a resolution under this proposal is to be subject to the general meeting having resolved to pass the Board's proposal on LTI 2020 under item 15 on the agenda.

A resolution passed by the general meeting in accordance with this proposal is valid only when supported by shareholders holding at least nine tenths of the votes cast as well as of the shares represented at the annual general meeting.

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Stockholm in February 2020  
**Alimak Group AB (publ)**  
*The Board of Directors*



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## **REPORT BY THE BOARD ON THE REMUNERATION COMMITTEE'S EVALUATION OF REMUNERATION PAYABLE TO SENIOR EXECUTIVES**

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The Board has appointed a Remuneration Committee for the purpose of performing the duties incumbent on a Remuneration Committee under the Swedish Corporate Governance Code. Among other things, the Remuneration Committee is tasked with monitoring and evaluating schemes offering variable remuneration to the Company's management, implementation of the Company's guidelines for remuneration payable to senior executives, and the current remuneration structure and remuneration levels at the Company.

In accordance with Rule 10.3 of the Swedish Corporate Governance Code, the Board hereby presents the following report on the results of the Remuneration Committee's evaluation.

The Remuneration Committee, in accordance with its mandate, continuously monitored and evaluated the Company's program for variable remuneration to the CEO and other senior executives, as well as applicable guidelines for remuneration to the CEO and other senior executives. The Remuneration Committee has established that the Company's program for variable remuneration has been effective and that the current guidelines for remuneration to the CEO and other senior executives have been correctly applied and fulfilled their objectives and worked well. The Remuneration Committee has also followed and evaluated the remuneration structures and remuneration levels existing in the Company, whereby the Remuneration Committee finds that these are on market terms and well balanced.

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Stockholm in February 2020  
**Alimak Group AB (publ)**  
*The Board of Directors*

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

## **STATEMENT BY THE BOARD PURSUANT TO CHAPTER 18, SECTION 4, SWEDISH COMPANIES ACT**

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The Board has proposed that the annual general meeting resolve to a dividend per share of SEK 1.75. Accordingly, the Board issues the following statement in accordance with Chapter 18, Section 4, of the Swedish Companies Act.

The meeting has at its disposal profits carried forward of MSEK 2,527 (including MSEK 1,751 in the share premium reserve (*överkursfond*)), which is increased with the net profit for the year of MSEK 110. Thus, the general meeting has in total a non-restricted equity of MSEK 2,637 at its disposal. The proposed dividend totals MSEK 94, representing 3.3 per cent of the Company's equity and 2.6 per cent of the Group's equity. If the dividend resolution is passed at the meeting, the Company's equity/assets ratio will decrease from 79.6 per cent to 76.9 per cent and the Group's equity/assets ratio will decrease from 57.4 per cent to 55.9 per cent.

The Company's dividend policy is that dividends should equal approximately 50 per cent of the Group's net earnings over an economic cycle. Before arriving at the dividend proposal the Board has taken into account that the proposed dividend of MSEK 94 comprises 23.9 per cent of the Group's net earnings.

The financial position of the Company and the Group as of 31 December 2019 will be described in the annual report of 2019. The annual report will furthermore set out the principles applied when valuing assets, allocations and liabilities. The equity of the Company and the Group is considered to be sufficient in relation to the nature, scope and risks of the business, notwithstanding the dividend payment to the shareholders. The Board has taken into account factors including the historical performance of the Company and the Group, their budgeted performance and the economic situation. As of the balance sheet date the Company did not own any financial instruments that have been valued at their fair value in accordance with Chapter 4, section 14 a of the Annual Reports Act. Material events subsequent the balance sheet date do not affect the Company's ability to pay a dividend.

The Board has made an assessment of the financial position of the Company and the Group, and also of the ability of the Company and the Group to meet their commitments in the near and long term. After the dividend it is considered that the equity/assets ratio of the Company and the Group will remain good in relation to the sector in which the Company and the Group operate.

The ability of the Company and the Group to meet their payment obligations will not be affected by the dividend. The Company and the Group have good access to both short and long-term credit. These are available at short notice, for which reason the Board considers that the Company and the Group are well prepared to cope with changes in liquidity and other unforeseen events. The liquidity of the Company and the Group is also good in relation to the sector in which the Company and the Group operate.

The Board considers that the Company and the Group have the ability to take business risks in the future and also to withstand potential losses. The ability of the Company and the Group to make further commercially justified investments in accordance with the Board's plans will not be adversely affected by the dividend.

In view of the above, and also based on other factors of which the Board is aware, and following an assessment of the financial position of the Company and the Group, the Board considers that the proposed dividend is defensible in light of the provisions of Chapter 17, section 3, second and third paragraphs of the Swedish Companies Act. The proposed dividend is considered to be defensible taking into account the demands made of the amount of equity by the nature, scope and risks associated with the business and the consolidation requirements, liquidity and general financial position of the Company and the Group.

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Stockholm in April 2020  
**Alimak Group AB (publ)**  
*The Board of Directors*

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## **STATEMENT BY THE BOARD PURSUANT TO CHAPTER 19, SECTION 22, SWEDISH COMPANIES ACT**

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The Board has proposed that the annual general meeting to resolve on acquisition of shares in the Company on one or several occasions during the period up to the annual general meeting in 2021. The Board's proposal on acquisition of own shares allows for own shares to be acquired to the extent that the Company's holdings of own shares in total amounts to no more than one tenth of all shares in the Company. Acquisition of own shares under the Board's proposal must be made in cash and at a price within the stock market price interval registered at any given time, such interval being the interval between the highest purchase price and the lowest sales price. Following the Board's proposal, the Board makes the following statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

The meeting has at its disposal profits carried forward of MSEK 2,527 (including MSEK 1,751 in the share premium reserve (*överkursfond*)), increased with the net profit for the year of MSEK 110. Thus, the general meeting has in total a non-restricted equity of MSEK 2,637 at its disposal. If the proposed repurchase mandate is fully utilised it totals MSEK 717<sup>1</sup>, representing 25 per cent of the Company's equity and 19 per cent of the Group's equity. If the authorisation for the Board is fully utilised, the Company's equity/assets ratio will decrease from 79.6 per cent to 59.7 per cent and the Group's equity/assets ratio will decrease from 57.4 per cent to 46.2 per cent.

The financial position of the Company and the Group as of 31 December 2019 will be described in the annual report of 2019. The annual report will furthermore set out the principles applied when valuing assets, allocations and liabilities. The equity of the Company and the Group is considered to be sufficient in relation to the nature, scope and risks of the business, even if the authorisation for the Board is fully utilised. The Board has taken into account factors including the historical performance of the Company and the Group, their budgeted performance and the economic situation. As of the balance sheet date the Company did not own any financial instruments that have been valued at their fair value in accordance with Chapter 4, section 14 a of the Annual Reports Act. Material events subsequent the balance sheet date do not affect the Company's ability to fully utilise the repurchase mandate.

The Board has made an assessment of the financial position of the Company and the Group, and also of the ability of the Company and the Group to meet their commitments in the near and long term. Even if the authorisation for the Board is fully utilised it is considered that the equity/assets ratio of the Company and the Group will remain good in relation to the sector in which the Company and the Group operate.

The ability of the Company and the Group to meet their payment obligations will not be affected if the authorisation for the Board is fully utilised. The Company and the Group have good access to both short and long-term credit. These are available at short notice, for which reason the Board considers that the Company and the Group are well prepared to cope with changes in liquidity and other

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<sup>1</sup> Based on the presumption that the share price is SEK 140.

unforeseen events. The liquidity of the Company and the Group is also good in relation to the sector in which the Company and the Group operate.

The Board considers that the Company and the Group have the ability to take business risks in the future and also to withstand potential losses. The ability of the Company and the Group to make further commercially justified investments in accordance with the Board's plans will not be adversely affected if the authorisation for the Board is fully utilised.

In view of the above, and also based on other factors of which the Board is aware, and following an assessment of the financial position of the Company and the Group, the Board considers that the proposed repurchase authorisation is defensible in light of the provisions of Chapter 17, section 3, second and third paragraphs of the Swedish Companies Act. The proposed repurchase authorisation is considered to be defensible taking into account the demands made of the amount of equity by the nature, scope and risks associated with the business and the consolidation requirements, liquidity and general financial position of the Company and the Group.

The Board will also propose that the general meeting resolve on dividend of SEK 1.75 per share. The Board's assessment in this statement applies even if the Company pays dividend, in accordance with the Board's proposal. The Board has issued a separate statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act by reason of the dividend proposal.

The proposed dividend and a full utilisation of the repurchase authorisation (of MSEK 717<sup>2</sup>) total MSEK 811, which comprises 28.6 per cent of the Company's equity and 22.0 per cent of consolidated equity. If the meeting resolves on the proposed dividend and the authorisation for the Board is fully utilised, the Company's equity to assets ratio is reduced from 79.6 per cent to 57.1 per cent and the Group's equity to assets ratio is reduced from 57.4 per cent to 44.8 per cent.

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Stockholm in April 2020  
**Alimak Group AB (publ)**  
*The Board of Directors*

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<sup>2</sup> Based on the presumption that the share price is SEK 140.