

## **The Board of Directors' proposal regarding guidelines for the remuneration of Board members and Company Management**

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The Board of Directors of Byggmax Group AB (publ), Corp. Reg. No. 556656-3531 (the "**Company**") proposes that the Annual General Meeting passes a resolution on, with some minor adjustments, unchanged guidelines for determining remuneration and other terms of employment for Board members and senior executives ("**Company Management**") according to the following.

### **Application and validity period**

The guidelines apply to members of the Board and senior executives. The guidelines shall be valid until further notice, but no longer than until the 2028 Annual General Meeting, and shall apply to future remuneration that is agreed upon, and changes to remunerations already agreed upon, from the time the guidelines have been adopted by the 2024 Annual General Meeting. The guidelines do not comprise remuneration resolved by the General Meeting.

### **The guidelines' contribution to business strategy, long term interests and sustainability**

An overall objective of the business of the Company is to create a long-term increase of value for the shareholders. The Company holds a strong market position in the Nordic do-it-yourself-market and the objective is to continue to grow with good profitability. The business idea is in short to sell construction products and related products to homeowners at the lowest price. Since the Company is part of society and will continue to exist for a long time to come, the Company also contributes to a sustainable development. The Company will do so by, among other things, decreasing the Company's carbon dioxide emissions over time. Further information regarding the Company's business strategy, long term interests and sustainability work can be found on the Company's website ([www.byggmax.com](http://www.byggmax.com)).

The implementation of the Company's business strategy and the safeguard of the Company's long-term interests and sustainability requires that the Company, in relation to each country of employment, has competitive and market-based remunerations and terms of employment, in order to retain, and when needed, recruit senior executives with the competence and experience required. The overall remuneration shall be based on the position, the individual performance, the Group's earnings and that the remuneration shall be market based and competitive in the country of employment.

### **Process for preparation, monitoring and evaluation of the guidelines**

The Board shall set up a Remuneration Committee with the main task of preparing the resolutions of the Board regarding principles of remuneration, remuneration and other employment terms for senior executives. The Remuneration Committee shall thus prepare proposals to guidelines regarding remuneration to members of the Board and senior executives, to be submitted before the Annual General Meeting for resolution at least every fourth year. The Remuneration Committee shall also monitor and evaluate ongoing programs and programs that have terminated during the year regarding variable remunerations for the Company Management and monitor and evaluate the application of the guidelines for remuneration for members of the Board and senior executives resolved by the General Meeting and structures of remuneration as well as levels of remuneration in the Company. The Chairman of the Board may be the Chairman of the Committee. Other Board members elected by the General Meeting shall be independent in relation to the Company and the Company Management. If the Remuneration Committee hires an

external consultant for its work, the Committee must ensure that no conflict of interest exists in relation to other assignments for the Company or the Company Management.

If the Board finds it more appropriate in relation to the purpose, the entire Board may fulfill the tasks of the Remuneration Committee, with the prerequisite that members of the Board of Directors who are part of the Company Management do not take part in the work. When the Board prepares and resolves upon questions related to remuneration, the Managing Director and other members of the Company Management shall not be attending, to the extent that they are affected by the questions.

## **Remuneration**

In the preparation of the Board of Directors' 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 income, the components of the remuneration and increase and growth rate over time, in the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Total remuneration to senior executives may comprise a fixed salary, variable salary in the form of short-term incentives (STIs) based on annual performance targets, long-term incentives (LTIs) based on performance over a multi-year period as well as pension and other benefits. In addition to the aforementioned come the terms for notice of termination and severance pay. Fixed salaries should be set below market averages. However, overall remuneration, including STIs and LTIs, entails that the market average may be exceeded. Total remuneration should be reviewed annually to ensure that it reflects market rates and is competitive. Comparisons should take into consideration the position, the Company's size, the level of salary and the individual's experience.

### *Fixed salary*

Fixed salary comprises the basis for total remuneration. The fixed salary should relate to the relevant market and reflect the scope of the responsibility entailed by the position.

### *Variable salary (Short-Term Incentives "STI")*

In addition to fixed salaries, senior executives may receive STIs for performance that surpasses one or more predetermined performance targets during the fiscal year. The performance targets shall be designed so as to contribute to the Company's business strategy, long-term interests and sustainability. Remuneration from the STI program is limited to a maximum of 100 percent of the fixed salary for the Managing Director and 40 percent of the fixed salary for other senior executives, which means that the Company can immediately calculate the maximum variable remuneration level. STI shall to an extent of at least 40 percent be dependent on EBITA or other quantitative measures. The remaining part of the STI may be dependent on individualized qualitative measures. The maximum cost of the Byggmax Group's STI program is estimated to amount to SEK ten million (excluding social security contributions). The Board of Directors is responsible for determining the criteria and to assess if the criteria have been met.

### *Long-Term Incentives "LTI"*

Senior executives may be offered incentive programs which mainly shall be share-related or share price-related. An incentive program shall be aimed at improving the participants' commitment to the further development of the Company and be implemented on market terms. Share-related and share price-related incentive programs shall be resolved by the General Meeting and are therefore not comprised by these guidelines.

### *Pension*

Where possible, pension agreements should be premium-based and designed in accordance with the levels and practices applicable in the country where the senior executive is employed. Pension provisions shall be made for senior executives equal to a maximum of 30 percent of the fixed yearly salary, unless mandatory rules or local practices require further pension provisions. The retirement age for the Managing Director and other senior executives is 65.

#### *Other benefits*

Other benefits, in the form of for example health insurance and car benefit, may be provided in accordance with the conditions that apply in the country where the senior executive is employed. However, the value of all such benefits should be as limited in scope as possible relative to the total remuneration, unless mandatory rules or local practices require further benefits.

#### **Notice period and severance pay**

Senior executives should be offered terms complying with prevailing legislation and practices in the country of employment of the senior executive. Upon cessation of the employment the notice period may not exceed 12 months. Salary during the notice period and severance payment may not exceed the fixed salary for 12 months. If the notice of termination of employment is made by the senior executive, the notice period may not exceed 6 months and there shall be no right to severance pay. During the notice period, senior executives should be prevented from working in a competing business. In specific cases, a non-compete clause against continued compensation may be applicable for a period of up to 24 months after termination of the notice period. Such monthly remuneration may not exceed 60 percent of the fixed monthly salary and may be paid only to the extent that the previous senior executive lacks the right to severance pay.

#### **Board member's work**

If a Board member carries out work on behalf of the Company besides board work, consultancy fees and other remuneration for such work may be paid following a specific decision by the Board. No remuneration shall be paid for board work apart from the remuneration resolved by the General Meeting.

#### **Derogation from the guidelines**

The Board may 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. If the Board resolves to derogate from the guidelines for the remuneration of the Board members and Company Management, this shall be accounted for at the next Annual General Meeting.

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Stockholm, April 2024

**Byggmax Group AB (publ)**

*The Board of Directors*