

## Notice of Annual General Meeting 2025 Fagerhult Group AB (publ)

Shareholders of Fagerhult Group AB (publ), Corporate Identity Number 556110-6203 (“Fagerhult Group” or the “Company”), are hereby given notice of the Annual General Meeting of the Company to be held on Monday 28 April 2025 at 5:00 p.m. in Fagerhult, Fagerhults Belysning AB’s offices, Åvägen 1, SE-566 92, Habo, Sweden (the “AGM”).

Shareholders who will attend the AGM are invited by Fagerhults Belysning AB to visit the Experience Center before the AGM starts. The Experience Center is located at the same address as above and the doors are open 28 April 2025, between 3:00 – 4:45 p.m.

### **A. REGISTRATION**

Shareholders wishing to take part in the AGM must be registered in the shareholders’ register kept by Euroclear Sweden AB no later than Wednesday, 16 April 2025 and register their attendance with Fagerhult Group no later than 22 April 2025.

Registration can be done via <https://anmalan.vpc.se/euroclearproxy> or by telephone on +46 (0)8-402 90 19 or by post to Fagerhult Group AB, Årsstämma, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. When registering, shareholders are required to indicate their name, personal/corporate identity number, address, telephone number, registered shareholding along with information on any proxies and assistants. Persons attending the AGM under a power of attorney are required to submit the power of attorney to Fagerhult Group before the meeting by sending in the power of attorney through the website above or by ordinary post on the address above.

**Holders of nominee-registered shares must, to be entitled to attend the AGM, temporarily have their shares registered in their own name through their nominee to ensure that they are registered in the shareholders’ register before 16 April 2025.**

### **Documents**

Fagerhult Group’s annual & sustainability report and auditor’s report, consolidated accounts and consolidated auditor’s report, the board’s remuneration report and the auditor’s opinion regarding the remuneration guidelines are presented by keeping them available at the Company, at Åvägen 1, 566 80 Habo, Sweden and at [www.fagerhultgroup.com](http://www.fagerhultgroup.com). The AGM share register is provided by the Company at the above address.

### **Privacy policy for processing of personal data in conjunction with general meeting**

For information on how your personal data is processed, see: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

## **B. PROPOSED AGENDA**

1. Opening of the AGM
2. Election of a Chairman for the AGM
3. Election of minute-checkers
4. Approval of the agenda
5. Preparation and approval of the list of voters
6. Determination of whether the AGM has been duly convened
7. Presentation of the annual & sustainability report and audit report and the consolidated accounts and consolidated audit report
8. Resolution on adoption of the income statement and balance sheet and the consolidated income statement and balance sheet
9. Resolution on the distribution of the Company's profit or loss according to the adopted balance sheet
10. Resolution on release from liability for each of the Directors and the CEO
11. Determination of the number of Directors and Deputy Directors
12. Determination of fees to be paid to the Directors and auditors
13. Election of a Chairman and Vice Chairman of the Board and other Directors
14. Election of auditors
15. Principles for the composition of the Nomination Committee
16. Determination of principles for remuneration to senior management
17. Submission of the remuneration report for approval
18. Resolution on a performance-based share-savings plan for invited participants being employed in the Fagerhult Group (2025 Performance-based Share-Savings Plan)
19. (a) Authorisation to purchase own shares, (b) authorisation to transfer own shares, and (c) transfer of own shares to the participants in the 2025 Performance-based Share-Savings Plan
20. Closure of the AGM

## **Item 2 Proposed election of a Chairman for the AGM**

A Nomination Committee consisting of Jan Svensson as Chairman of the Board of Fagerhult Group AB (co-opted not entitled to vote), Anders Mörck representing Investment AB Latour, Jan Särllvik representing The Fourth Swedish National Pension Fund (AP4), Björn Henriksson representing Nordea Funds and Sussi Kvart representing Handelsbanken Funds (the "Nomination Committee") proposes that Jan Svensson be appointed to chair the AGM, or in his absence, the one appointed instead by the Nomination Committee.

## **Item 9 Proposed dividend**

The Board proposes that a dividend of SEK 1.40 per share, or a total of SEK 246,865,368, be paid and that the remaining funds, MSEK 5,120, be carried forward. The proposed record day is 30 April 2025. If the shareholders attending the AGM approve the proposal, it is estimated that the dividend will be distributed by Euroclear Sweden AB beginning on 6 May 2025.

## **Item 11 Proposal for the number of Directors**

The Nomination Committee proposes that the AGM appoint six Directors with no Deputy Directors.

## **Item 12 Proposal for fees to be paid to the Directors and auditors**

The Nomination Committee proposes that fees to be paid to the members of the Board of Directors, are as follows: SEK 1,160,000 to the Chairman of the Board and SEK 450,000 to each of the other Directors. It is thus proposed that total Directors' fees of SEK 3,410,000 be paid. It is proposed that the Chairman of the Audit Committee be paid SEK 200,000 and other member(s) of the Audit Committee be paid SEK 112,000. It is proposed that the Chairman of the Remuneration Committee be paid SEK 56,000 and the other member(s) of the Remuneration Committee be paid SEK 28,000.

It is proposed that fees be paid to the auditors on the basis of approved invoices, as in previous years.

## **Item 13 Proposal for election of a Chairman of the Board, a Vice Chairman of the Board and other Directors**

The Nomination Committee, representing owners holding approximately 65.9 per cent of the capital and votes, proposes that the regular directors Jan Svensson, Eric Douglas, Cecilia Fasth, Magnus Meyer and Annica Bresky be re-elected to the Board.

The Nomination Committee further proposes to elect Heléne Mellquist as director.

Heléne Mellquist, born 1964, has extensive industrial and international experience and is Executive Vice President and Chief Operating Officer in Investment AB Latour. She is Chairman of the board of directors in Hultafors Group, Innovalift, Caljan and Latour Industries. In addition, she is a board member of Atlas Copco Group, Alimak and Nord-Lock International. Her previous roles include President of Volvo Penta, Senior Vice President of Volvo Trucks Europe and Senior Vice President of Volvo Trucks International. Heléne Mellquist has also been managing director of TransAtlantic.

The Nomination Committee further proposes that Jan Svensson be appointed Chairman and that Eric Douglas be appointed Vice Chairman.

## **Item 14 Election of auditors**

The Nomination Committee proposes, based on the Audit Committee's recommendation, that the registered auditing firm KPMG AB be re-appointed auditors for the period until the next AGM. The auditing firm has announced that Authorized Public Accountant Mathias Arvidsson will serve as chief auditor, provided that the firm is re-elected.

## **Item 15 Proposal regarding principles for the composition of the Nomination Committee**

The Nomination Committee proposes that the AGM adopts the following principles for the composition of the Nomination Committee:

The task of the Nomination Committee is to submit proposals to the Annual General Meeting regarding the number of Board members and the composition of the Board, the remuneration (including any special remuneration for committee work) to the Board members, to the Chairman of the Board, to the Chairman of the Annual General Meeting, if applicable, the election of auditor and auditor's remuneration and changes to the instructions to the Nomination Committee.

Fagerhult Group AB is to have a Nomination Committee comprising of a member of each of the four largest shareholders or owner groups in terms of the number of votes plus the Chairman of the Board who shall be co-opted (*Sw. adjungerad*) without the right to vote.

The Nomination Committee is to be formed after the Chairman of the Board has identified the four largest shareholders in the Company in terms of the number of votes that are to make up the Nomination Committee along with the Chairman. The identity of these shareholders is to be based on the shareholders' register and list of nominees maintained by Euroclear Sweden AB and refer to those shareholders registered under their own names or as members of an owner group as per 31 August each year.

If any of these shareholders choose to waive their right to appoint a representative, this right is then transferred to the next shareholder that has the largest shareholding of the shareholders not identified as one of the four largest shareholders on the same date. The chairman of the Nomination Committee shall be the member appointed by the largest shareholder, unless the members agree otherwise. The composition of the Nomination Committee shall be announced no later than when the Company publishes the interim report for the third quarter, together with information on how to contact the Nomination Committee.

If a shareholder that has appointed a member of the Nomination Committee during the term of office is no longer one of the four largest shareholders, then the member appointed by such shareholder shall make his or her office in the Nomination Committee available. The shareholder that has become one of the four largest shareholders shall then be entitled to appoint a member. However, if only marginal changes in the number of shares and votes have taken place or if the change occurs later than three months prior to the Annual General Meeting, then no changes shall be made to the composition of the Nomination Committee, unless special circumstances exist. If a member chooses to leave his or her office in the Nomination Committee prior to its work is completed, then the shareholder that appointed the member shall be entitled to appoint a new member. Changes in the composition of the Nomination Committee shall be announced as soon as they occur. The term of office of the Nomination Committee is until a new Nomination Committee is appointed.

## **Item 16 Proposal for principles for remuneration to senior management**

## Introduction

At the Annual General Meeting 2024, the following guidelines for remuneration to senior executives were approved to be applied until the Annual General Meeting 2028. The Board proposes to re-iterate the guidelines as follows.

Senior executives refer to the CEO and other members of the senior management of the Fagerhult Group. The guidelines shall apply for the time being, but no longer than until the 2028 Annual General Meeting. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the AGM.

The guidelines do not cover Board remuneration or other compensation resolved upon by a general meeting of shareholders, such as performance-based share-savings plans.

To the extent a Board member performs work for the Company, in addition to Board work, consultancy fees and other remuneration may be granted for such work in accordance with these guidelines.

For employments governed by rules other than Swedish, appropriate adjustments may be implemented to adhere to mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

## The guidelines' promotion of Fagerhult Group's business strategy, long-term interests and sustainability

The Company has set several long-term targets for its operations in terms of financial performance, as well as the Company's shared sustainability agenda. Fagerhult Group conducts targeted efforts in sustainability, generating value for both society and the business operations of the Fagerhult Group. The sustainability agenda is an integrated part of the Company's business strategy and defines four focus areas with long-term ambitions and activities: responsible relations, responsible operations, circular solutions, and knowledge leader. The Company's value chain is characterised by sustainability in every step, from design and development, through manufacturing in its own factories close to customers, and to sales and after-market services. Further, the Fagerhult Group applies a sustainability perspective to all parts of its operations by a smart use of resources and high energy efficiency. The results are reported in detail in the Company's annual sustainability report.

For further information regarding Fagerhult Group's business strategy, long-term interests and sustainability, please see the Company's website, [www.fagerhultgroup.com](http://www.fagerhultgroup.com).

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified employees within the group management with the right competence and experience. To this end, it is necessary that the Company offers market-based and competitive remuneration levels and terms of employment. The goal is to create incentives to promote Fagerhult Group's business strategy and long-term interests, deliver exceptional results and to link incentives for key persons within Fagerhult Group with the shareholders' interests. These guidelines enable this objective and ensure that senior executives can be offered a competitive total remuneration.

## Types of remuneration, etc.

The total compensation for senior executives is based on position, individual performance and the Fagerhult Group's earnings. The total compensation may consist of a fixed base salary, variable compensation, pension benefits and other benefits.

The total compensation shall be reviewed yearly to safeguard that the total compensation is in line with the going rate in the market and is competitive. Consideration shall then be taken with regard to position, the size of the Company, salary and the executive's experience and responsibilities.

## Fixed base salary

The fixed base salary shall be related to the relevant market and shall reflect the degree of responsibility involved in the position. The fixed based salary shall constitute the basis for total remuneration.

## Variable compensation

In addition to fixed base salary, variable compensation may be payable to senior management of the Fagerhult Group. The balance between fixed base salary and variable compensation is to be in proportion to the employee's responsibilities and authority. The variable compensation is aimed at improving the overall result of the Company. The variable compensation may amount to a maximum of 50 percent of the base salary for the CEO, and a maximum of 30 - 50 percent of the base salary for other senior management of the Fagerhult Group .

## Pension benefits

The CEO has a defined contribution pension plan. The pension premium for the CEO may not exceed 35 percent of the fixed base salary. Pension benefits for other senior executives are paid within the framework of applicable supplementary pension plans (ITP) or similar. For the CEO and other senior executives, a retirement age of 65 shall apply.

## Criteria for awarding variable compensation, etc.

The variable compensation shall be linked to predetermined and measurable criteria, both relating to the Group's performance, share price and individual targets , which can be financial or non-financial. The targets, established by the Remuneration Committee and the Board, shall be formulated to promote the Company's business strategy, long-term interests and sustainability. For financial objectives, the evaluation shall be based on the latest financial information made public by Fagerhult Group.

When the current measurement period for meeting the criteria for variable compensation has ended, the Remuneration Committee, regarding compensation to the CEO, and the CEO together with the Remuneration Committee, regarding compensation to other senior executives, shall evaluate the extent to which the criteria has been met. The Board shall, upon proposal from the CEO and the Remuneration Committee, decide on the payment of variable compensation.

The Board shall ensure that in the design of the parameters for variable compensation for senior executives, it is considered to introduce conditions that (i) require the payment of a certain portion of such variable compensation to be contingent upon the performances on which the earnings are based proving to be sustainable over time, and (ii) provide the Company with the opportunity to reclaim such compensation paid on the basis of information that later proves to be obviously inaccurate. Furthermore, the Board shall continuously assess whether there are grounds to invoke such conditions or to utilize opportunities, pursuant to law or under agreements entered into, to reclaim paid compensation.

## Salary and employment conditions for employees

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for all employees of Fagerhult Group have been taken into account.

In the evaluation of whether the guidelines and the limitations set out herein are reasonable, the following has formed the basis for the Remuneration Committee's and the Board's decision-making:

- i) Information on the employees' total compensation,
- ii) the components of the remuneration, and
- iii) the increase in compensation and the growth rate over time.

Fixed annual basic salary for senior executives and other employees are reviewed simultaneously, thereby ensuring consistency of levels of increase. The development of the gap between the remuneration to senior executives and remuneration to other employees will be disclosed in the remuneration report.

## Notice period and severance pay

In the event of termination of a senior management employee or the CEO, a notice period of a maximum of twelve months applies if initiated by the Company, and three - six months if initiated by a senior management employee or the CEO. If termination is initiated by the Company without reason for termination, the CEO is entitled to severance pay corresponding to twelve months' salary. Severance pay shall be deducted against other earned income. No separate agreements exist regarding severance pay to Board members or to other senior executives.

## The decision-making process for adopting, reviewing and implementing the guidelines

The Board has established a Remuneration Committee. The Remuneration Committee's tasks include preparing the Board's decision to propose guidelines for compensation of senior executives. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the CEO and other senior executives, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Fagerhult Group.

The guidelines shall be in force until new guidelines are adopted by the Annual General Meeting. The Board shall prepare a proposal for new guidelines where material changes of the guidelines become necessary, and in any case at least every fourth year and submit it to the general meeting.

The Chairman of the Board can serve as chairman of the Remuneration Committee. Other members of the Remuneration Committee shall be independent of the Company and its senior executives. The CEO and other senior executives do not participate in the Board's processing of and resolutions regarding remuneration-related matters if they are affected by such matters.

## Other information

Fagerhult Group has annually, since 2012 (with the exemption of 2020), implemented performance-based share-savings plan for the CEO, senior management and a number of key employees within the Fagerhult Group. Participation in the plans

requires a personal investment in Fagerhult Group shares. Under normal circumstances, following a three-year vesting period, a cost-free allocation of shares in Fagerhult Group can be made to the participants, provided that certain conditions are met. Since share-based and share price-related incentive programmes are resolved by a general meeting of shareholders, these performance-based share-savings plans are not covered by these guidelines.

More information about these plans, including the criteria for the outcome, are available on the Company's website, [www.fagerhultgroup.com](http://www.fagerhultgroup.com).

## Temporary deviation from the guidelines

The Board may temporarily resolve to deviate from the guidelines entirely or partly if the Board deems that in a specific case there is special cause for the deviation and a deviation is deemed necessary to safeguard the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. It is part of the Remuneration Committee's duties to conduct preparatory work for the Board's decision to deviate from the guidelines.

If the Board resolves to deviate from the guidelines, this (if applicable) shall be specified in the Board's remuneration report, which should include the reasons for the deviation and information on what specific parts of the guidelines from which deviations have been made.

## **Item 17 Submission of the remuneration report for approval**

The Board proposes that the AGM approve the Board's remuneration report for 2024. The remuneration report is held available in accordance with what is stipulated above in this notice under the section *Documents*.

## **Item 18 – Resolution on performance-based share-savings plan for invited participants being employed in the Fagerhult Group**

The Board proposes that the AGM resolve to approve a performance-based share-savings plan (the "2025 Performance-based Share-Savings Plan") for Fagerhult Group as well as the transfer of repurchased shares as part of the 2025 Performance-based Share-Savings Plan, in accordance with the below.

If the AGM resolves to approve the 2025 Performance-based Share-Savings Plan, the Board intends to subsequently present information on target levels and outcome at the Annual General Meeting in 2028.

### 2025 PERFORMANCE-BASED SHARE-SAVINGS PLAN

#### 1.1 Overview of the 2025 Performance-based Share-Savings Plan

The reasons for the proposed 2025 Performance-based Share-Savings Plan is to strengthen the Company's ability to recruit and retain employees, spread and expand share ownership among the employees and create a shared focus in the Group for the employees concerned.

Through a share-based incentive scheme, the employees' remuneration can be tied to the Company's future earnings and

capital growth. This places the emphasis on long-term capital growth, ensuring that shareholders and the employees concerned have the same goal.

The plan covers up to approximately 15 members of senior management and key individuals in the Fagerhult Group. To participate in the plan, participants will be required to invest in Fagerhult shares. After the vesting period, the participants will be allocated Fagerhult shares free of charge subject to fulfilment of certain terms and conditions. These “performance share awards” will entitle participants to receive Fagerhult shares provided that they have remained employees of Fagerhult Group during the vesting period and held their full investment in Fagerhult shares during that period. The allocation of shares is also subject to achievement of a financial performance target set in relation to Fagerhult Group’s earnings per share during the financial years 2025-2027.

## 1.2 Participants in the 2025 Performance-based Share-Savings Plan

Up to approximately 15 members of senior management and key individuals of the Fagerhult Group will be invited to participate in the 2025 Performance-based Share-Savings Plan. Additional senior management and key individuals that have been recruited but have not yet begun their employment at Fagerhult Group before the deadline for enrolment in the plan may be offered to participate on condition of commencement of employment.

## 1.3 Private investment and allocation of Performance Share Awards

To be entitled to participate in the plan, participants will be required to acquire Fagerhult shares at market price (“Savings Shares”) for a value representing at least 2.5 per cent and no more than 12 per cent of the participant’s annual base salary. References to the annual base salary means the participant’s base salary, i.e. pre-tax, effective from 1 January 2025. The maximum number of Saving Shares each participant may acquire is calculated using a share price of SEK 50.57, which equals the volume weighted average share price (VWAP) of the Fagerhult share on Nasdaq Stockholm during February 2025.

If the participant has access to insider information and is therefore prevented from acquiring Fagerhult shares in connection with enrolment in the plan he or she will be required to complete the acquisition of shares as soon as possible, but prior to the next Annual General Meeting.

For the participants, each Savings Share entitles the holder to four performance share awards (“Performance Share Awards”). Allocations of Fagerhult shares will be made no earlier than the day after publication of Fagerhult Group’s interim report for the first quarter of 2028 and, normally, no later than two weeks thereafter (the “Vesting Period”).

## 1.4 Terms and conditions for Performance Share Awards

Performance Share Awards are subject to the following terms and conditions:

- Performance Share Awards are allocated free of charge.
- Each Performance Share Award entitles the holder to obtain one Fagerhult share free of charge provided that the participant remains an employee of the Fagerhult Group and has not sold any of the Savings Shares which he or she originally held during the Vesting Period. The allocation of shares is also subject to achievement of a financial performance target.
- Participants do not have the right to transfer, pledge or sell Performance Share Awards or to exercise any shareholder

rights in respect of their Performance Share Awards during the Vesting Period.

- The gain per allocated share is limited to SEK 152 (excluding any compensation which participants may receive in any extraordinary dividends), which is approximately three times the volume weighted average share price (VWAP) of the Fagerhult share on Nasdaq Stockholm during February 2025. If the gain were to exceed this limit, the number of Fagerhult shares allocated to each participant will be reduced accordingly.

## 1.5 Performance Share Awards

The number of Performance Share Awards entitling the holder to an allocation of shares is contingent on achievement of a target range, as defined by the Board, for Fagerhult Group's earnings per share during the financial years 2025-2027. The outcome will be measured on a straight-line basis between a defined minimum level and a defined maximum level. If the minimum level of the target range is not achieved, the Performance Share Awards will not entitle the holder to any shares, and if the maximum level of the range is achieved, each Performance Share Award will entitle the holder to one share.

## 1.6 Design and administration

The Board, or a committee specially appointed by the Board, will be responsible for the precise design and administration of the 2025 Performance-based Share-Savings Plan as well as the detailed terms and conditions applying between Fagerhult Group and participants in the plan, subject to the terms and conditions and guidelines described herein. In connection therewith, the Board will have the right to define divergent terms and conditions for the plan in respect of aspects such as the Vesting Period and allocation of Fagerhult shares in the event of termination of employment during the Vesting Period that is due to early retirement, for instance. The Board will also have the right to make adjustments for the purpose of meeting specific rules or market conditions outside Sweden. In the event that it is not possible to deliver shares at reasonable cost and with a reasonable administrative input to persons outside Sweden, the Board will have the right to instead offer cash settlement to a participant. In case of significant changes in the Company or in the market, the Board will have the right to reduce the final allocation of Fagerhult shares or wholly or partly terminate the plan ahead of schedule without compensation to the participants.

## 1.7 Scope

The maximum number of shares of Fagerhult that may be allocated under the 2025 Performance-based Share-Savings Plan is limited to 444,900 or roughly 0.25 per cent of the total outstanding number of shares and votes.

In accordance with the precise rules to be defined by the Board, the number of shares and/or the performance targets covered by the 2025 Performance-based Share-Savings Plan may become subject to restatement due to a bonus issue, share split or reversed share split, rights issue, mergers, acquisitions, divestment of divisions or similar action taken by Fagerhult Group, having regard to generally accepted practice for equivalent incentive schemes and to the intent of the Performance-based Share-Savings Plan. The number of shares may also be restated for the purpose of compensating participants in case of payment of an extraordinary dividend. Any restatement of the number of shares may also result in the restatement of the limit on the gain per share.

## 1.8 Estimated costs for and value of the 2025 Performance-based Share-Savings Plan

Performance Share Awards cannot be pledged or transferred to other parties. It is, however, possible to calculate an estimated value for each right. The Board has estimated the average value of each Performance Share Award at about SEK

45.40. The estimate is based on generally accepted valuation models using the closing price for the Fagerhult share on 1 March 2025, the SEK 152 limit on the gain per share, performance data for the Fagerhult share and estimated future dividends.

Assuming that approximately 50 per cent of the persons that have been offered to participate in the plan choose to do so and a 50 per cent achievement of the financial performance targets, the total estimated value of the Performance Share Awards is approximately MSEK 2.8. The value represents around 0.035 per cent of Fagerhult Group's stock market capitalisation on 1 March 2025. Costs will be recognised as personnel costs in the income statement over the Vesting Period, in accordance with IFRS 2 Share-based Payment. In accordance with UFR 7, social security contributions will be charged to the income statement over the Vesting Period. Social security costs will be calculated based on Fagerhult Group AB's share price performance during the Vesting Period and the allocation of Performance Share Awards. Based on an annual share price growth of 10 per cent over the term of the plan and a Vesting Period of around three years, the cost of the 2025 Performance-based Share-Savings Plan, in terms of personnel costs is estimated at around KSEK 1,309, which on an annual basis represents about 0.046 per cent of Fagerhult Group's total personnel costs in the financial year 2024.

## 1.9 Effects on key performance indicators

In case of 50 per cent participation in the 2025 Performance-based Share-Savings Plan, Fagerhult Group's personnel costs are expected to increase by around KSEK 1,309 and on a pro forma basis for 2024, these costs represent a negative impact on Fagerhult Group's operating margin of about 0.016 percentage points and a decrease in earnings per share of about SEK 0.005. The Board deems, however, that the positive effects on earnings that are expected to result from increased share ownership among senior management and persons in senior managerial positions, which may be further increased through the plan, outweighs the costs related to the 2025 Performance-based Share-Savings Plan.

## 1.10 Hedging

To be able to implement the 2025 Performance-based Share-Savings Plan in a cost-effective and flexible manner, the Board has considered different methods for ensuring delivery of Fagerhult shares to participants in the 2025 Performance-based Share-Savings Plan. In view of these considerations, the Board intends, in the first hand, to ensure delivery of Fagerhult shares under the 2025 Performance-based Share-Savings Plan by transferring treasury shares held by Fagerhult Group to the participants as set out in the proposal in item 19 (c) on the agenda. Such transfer of repurchased Fagerhult shares is subject to qualified majority voting.

To the extent that the Board's proposed resolution on the transfer of repurchased shares to the participants does not obtain the required majority, the Board intends, in the second hand, to conclude a share swap agreement with a third party to ensure delivery of Fagerhult shares to the participants. Hence, it is proposed that the Board have the right to transfer shares repurchased on Nasdaq Stockholm in order to fund potential costs related to the agreement and plan, as set out in the proposal in item 19 (b) on the agenda.

Such transfer of repurchased Fagerhult shares is subject to qualified majority voting. If the required majority is not obtained,

the Board intends to conclude a share swap agreement and fund the agreement by other means than the transfer of repurchased shares.

## 1.11 Drafting of the proposal

The 2025 Performance-based Share-Savings Plan was initiated by the Board and has been formulated in consultation with external advisors. The plan has been drafted in the Board's Remuneration Committee and discussed at Board meetings in the first months of 2025.

## 1.12 Other incentive schemes in Fagerhult Group

At Fagerhult Group's AGMs from 2012 to 2019 (inclusive) and 2021 to 2024 it was resolved to introduce performance-based share-savings plans, which are similarly designed as the 2025 Performance-based Share-Savings Plan. A performance-based share-savings plan was not introduced in 2020. For a description of the performance-based share-savings plans adopted at the AGMs in 2012 to 2019 and 2021 to 2024, see the Company's 2024 annual & sustainability report. Apart from these, there are no other previous share-based incentive schemes in Fagerhult Group that the Company is participating in and paying for.

## 1.13 Resolutions proposed by the Board

With reference to the above description, the Board proposes that the AGM resolve to introduce the 2025 Performance-based Share-Savings Plan and to authorize the Board to enter into share-swap agreements in accordance with what is set out in section 1.10 (Hedging) above.

## 1.14 Majority requirement

The Board's proposed resolution on the introduction of the 2025 Performance-based Share-Savings Plan requires the support of shareholders representing more than half of the votes cast at the AGM.

## **Item 19 (a)–(c) Authorisation to purchase own shares, authorisation to transfer own shares and transfer of own shares to the participants in the 2025 Performance-based Share-Savings Plan**

### (a) AUTHORISATION TO PURCHASE OWN SHARES

The Board proposes that the AGM resolves to authorise the Board to purchase own shares, on one or several occasions, during the period until the next AGM, 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. Shares may be purchased on Nasdaq Stockholm at a price which is within the registered spread, defined as the spread between highest bid price and lowest ask price.
4. Payment shall be made in cash.

The purpose of the proposal is to be able to use repurchased shares in connection with possible acquisitions and/or for the company's share-related incentive program and to be able to adapt the company's capital structure and thereby contribute to increased shareholder value.

### (b) AUTHORIZATION TO TRANSFER OWN SHARES

The Board proposes that the AGM resolves to authorise the Board to resolve on transfer of own shares on one or several occasions during the period until the next AGM 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 of the pre-emption rights of existing shareholders.
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' quoted price 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 set-off.
6. The Board is 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 deviation from the shareholders' preferential rights are to use own shares in possible acquisitions and to cover costs relating to incentive schemes and, if necessary, to enable the implementation of the 2025 Performance-based Share-Savings Plan by funding potential costs related to the share swap agreement.

### (c) TRANSFER OF OWN SHARES TO THE PARTICIPANTS OF THE 2025 PERFORMANCE-BASED SHARE-SAVINGS PLAN

The Board proposes that the AGM resolves to approve the transfer of repurchased shares on the following terms: (i) A maximum of 444,900 Fagerhult shares may be transferred to participants in the 2025 Performance-based Share-Savings Plan (or such higher number as may result from restatement due to a bonus issue, share split or reverse share split, rights

issue, mergers, acquisitions, divestments of divisions or similar action taken by Fagerhult Group, in accordance with generally accepted practice for equivalent incentive schemes and to the intent of the 2025 Performance-based Share-Savings Plan), (ii) Shares will be transferred without payment at the time when and on the terms and conditions under which participants in the 2025 Performance-based Share-Savings Plan are entitled to receive allocations of shares. The reasons for disapplication of the pre-emption rights of existing shareholders is that the transfer of shares forms part of the implementation of the 2025 Performance-based Share-Savings Plan. Therefore, and in view of what is stated above, the Board considers that it will be to the benefit of Fagerhult Group to transfer shares in accordance with the proposal.

The Board may, prior to the Annual General Meeting in 2028, propose that the Annual General Meeting resolve to authorise the transfer of treasury shares on Nasdaq Stockholm for the purpose of covering costs such as social security contributions for the 2025 Performance-based Share-Savings Plan.

## MAJORITY REQUIREMENTS

The Board's proposed resolutions pursuant to section 19 (a) and (b) above, requires the support of shareholders representing at least two-thirds of the votes cast and shares represented at the AGM.

The Board's proposed resolution pursuant to section 19 (c) above requires the support of shareholders representing at least nine tenths of the votes cast and the shares represented at the AGM.

The Board's proposal pursuant to section 19 (c) is subject to approval by the AGM of the Board's proposal on the 2025 Performance-based Share-Savings Plan in accordance with item 18 of the agenda.

## **C. INFORMATION AT THE AGM**

The Board and CEO shall, if requested by a shareholder, and if the Board considers that this can be done without material damage to the Company, disclose information on circumstances which could influence the assessment of an agenda item, circumstances which could influence the assessment of the Company's or a subsidiary's financial situation and the Company's relationship to another company in the Group. Those wishing to submit questions in advance may do so by sending such inquiries to Michael Wood, CFO and IR contact, Fagerhult Group AB, Tegelviksgatan 32, 116 41 Stockholm, Sweden, or by e-mail to michael.wood@fagerhultgroup.com.

## **D. NUMBER OF SHARES AND VOTES IN THE COMPANY**

At the time of this notice, the total number of shares and votes in the Company is 177,192,843. Fagerhult Group AB currently holds 860,437 treasury shares, representing 860,437 votes, which cannot be represented at the AGM.

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Habo, 27 March 2025

Fagerhult Group AB (publ)  
The Board of Directors