

Notice of the Annual General Meeting of Bufab AB (publ)

The shareholders in Bufab AB (publ), Reg. No. 556685-6240, are hereby invited to attend the Annual General Meeting, which will be held on Thursday 21 April 2022, at 10.30 a.m., at Vandalorum, Skulpturvägen 2, Värnamo.

The Board of Directors has decided that shareholders shall be able to exercise their voting rights at the Annual General Meeting also by postal voting in accordance with the regulations in Bufab's Articles of Association.

A. RIGHT TO ATTEND THE ANNUAL GENERAL MEETING

A.1 Participation in the meeting room

Shareholders who intend to attend the meeting room in person or through a representative must:

- be registered in the register of shareholders as maintained by Euroclear Sweden AB on Monday 11 April 2022; and
- notify the Company of their intention to participate no later than on Wednesday 13 April 2022, by mail to Bufab AB, "Annual General Meeting 2022", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, or by telephone at +468-402 91 33, or via the Company's website www.bufab.com. The notification should include the shareholder's name, personal or Company registration number, address, telephone number and number of assistants (no more than two).

For shareholders wishing to participate through an authorised representative, the Company will provide proxy templates on the Company's website, www.bufab.com. If the power of attorney has been issued by a legal entity, a certificate of incorporation or a corresponding document for the legal entity must be attached. Shareholders participating through an authorised representative should submit the proxy to the above address prior to the date of the Annual General Meeting.

A.2 Participation by postal vote

Shareholders who intend to attend the meeting through postal vote must:

- be registered in the register of shareholders as maintained by Euroclear Sweden AB on Monday 11 April 2022; and
- notify the Company of their intention to participate in the Annual General Meeting no later than on Wednesday 13 April 2022, by submitting their postal votes in accordance with the instructions below, so that the postal vote is received by Euroclear Sweden AB no later than that day.

Anyone who wants to attend the meeting room in person or through an authorised representative must give notice according to the instructions stated under A.1 above. This means that a notice of participation only through postal vote is not enough for those who want to attend the meeting room.

A special form shall be used for postal voting. The form is available on the Company's website, www.bufab.com. The postal voting form is considered as the notification of participation at the Annual General Meeting. The completed and signed voting form must be received by Euroclear Sweden AB no later than Wednesday 13 April 2022. The completed and signed form shall be sent to Bufab AB, "Annual General Meeting 2022", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. The completed form may alternatively be submitted electronically and is then to be sent to generalmeetingservice@euroclear.com. Shareholders can also submit their postal votes electronically by verifying with BankID via Euroclear Sweden AB's website <https://anmalan.vpc.se/EuroclearProxy/>.

The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (in its entirety) is invalid. Further instructions and conditions are included in the postal voting form.

If the shareholder postal votes by proxy, a power of attorney shall be enclosed with the form. Proxy form is available upon request and on the Company's website www.bufab.com. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document for the legal entity shall be enclosed with the form.

Nominee-registered shares

Shareholders whose shares are nominee registered through a bank or other nominee must, in addition to giving notice of participation, request that their shares be temporarily registered in their own name in the share register kept by Euroclear Sweden AB (so called voting right registration) in order to be entitled to participate at the Annual General Meeting. The shareholders' register for the Annual General Meeting as of the record date Monday 11 April 2022 will take into account voting right registrations completed no later than Wednesday 13 April 2022. Shareholders concerned must, in accordance with each nominee's routines, request that the nominee makes such voting right registration well in advance of that date.

B. AGENDA ITEMS ON THE ANNUAL GENERAL MEETING

Proposed agenda

1. Opening of the Annual General Meeting
2. Election of Chairman of the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Determination as to whether the meeting has been duly convened
7. Presentation of the annual report and the audit report as well as the consolidated financial statements and the audit report of the group
8. Speech by the CEO
9. Resolutions regarding
 - a. adoption of the profit and loss statement and the balance sheet as well as the consolidated profit and loss statement and the consolidated balance sheet,
 - b. appropriation of the Company's profit pursuant to the adopted balance sheet
 - c. discharge from liability of the Board members and the CEO
10. Report on the work of the Nomination Committee
11. Determination of the number of Board members
12. Determination of the number of auditors and deputy auditors
13. Determination of the remuneration to the Board members
14. Determination of the remuneration to the auditors
15. Election of members and Chairman of the Board
 - Proposal by the Nomination Committee:
 - a. Bengt Liljedahl (re-election)
 - b. Hans Björstrand (re-election)
 - c. Johanna Hagelberg (re-election)
 - d. Eva Nilsagård (re-election)
 - e. Anna Liljedahl (re-election)
 - f. Per-Arne Blomquist (re-election)
 - g. Bertil Persson (re-election)
 - h. Bengt Liljedahl as Chairman (re-election)
16. Election of auditor
17. Resolution on principles for the appointment of the Nomination Committee and its assignment
18. Resolution on approval of remuneration report
19. Resolution on the Board of Directors' proposal to implement a long-term share based incentive program by (A) issuing call options for shares in Bufab, (B) authorising of the Board of Directors to resolve on acquisition of own shares and (C) transferring repurchased shares to participants of the Company's incentive programs

20. Resolution on authorization to transfer shares in the Company

21. Closing of the meeting

C. THE NOMINATION COMMITTEE'S PROPOSED RESOLUTIONS WITH RESPECT TO ITEMS 2 AND 11-17

In accordance with the principles for appointing the Nomination Committee, adopted by the Annual General Meeting 2021, the Chairman of the Board of Directors contacted the four largest shareholders of the Company as per 31 August 2021, who accepted to take part of the Nomination Committee's work and appointed members who, together with the Chairman of the Board of Directors, will constitute the Nomination Committee ahead of the Annual General Meeting 2022.

The Nomination Committee consists of Fredrik Liljedahl (Liljedahl Group), Johan Ståhl (Lannebo Fonder), Adam Gerge (Didner & Gerge Fonder), Niklas Johansson (Handelsbanken Fonder) and Bengt Liljedahl, co-opted (Chairman of the Board of Directors). Fredrik Liljedahl is the Chairman of the Nomination Committee. The Nomination Committee represent approximately 47 per cent of the votes and capital in the Company. The Nomination Committee presents the following proposals to the Annual General Meeting 2022:

Election of Chairman of the meeting (item 2)

The Chairman of the Board, Bengt Liljedahl, is proposed as Chairman of the Annual General Meeting.

Determination of the number of Board members (item 11)

The Nomination Committee proposes that the number of Board members should continue to comprise of a total of seven Board members to be elected by the meeting, and no deputies.

Determination of the number of auditors and deputy auditors (item 12)

The Nomination Committee proposes that a registered public accounting firm will be appointed as external auditor and that no deputies should be appointed.

Determination of remuneration to the Board members (item 13)

The Nomination Committee proposes the following remuneration:

- SEK 650,000 (600,000) to the Chairman of the Board and SEK 290,000 (275,000) to each of the other Board members elected by the Annual General Meeting and not employed by the Company.
- For work within the Audit Committee, SEK 60,000 (60,000) to each member and for work within the Remuneration Committee, SEK 10,000 (0) to each member.

The Nomination Committee's proposal results in total fees to the Board of Directors of SEK 2,600,000 (2,430,000) including the fees to three members of the Audit Committee and three members of the Remuneration Committee. If the Board of Directors decide to change the number of members in the Audit Committee, the total fees to the Board of Directors will change.

Determination of remuneration to the auditors (item 14)

The Nomination Committee proposes that the fees to the auditors is paid according to approved invoice.

Election of members and Chairman of the Board (item 15)

The Nomination Committee proposes re-election of the Board members Bengt Liljedahl, Hans Björstrand, Johanna Hagelberg, Eva Nilsagård, Anna Liljedahl, Per-Arne Blomquist and Bertil Persson.

Bengt Liljedahl is proposed as Chairman of the Board.

All of the proposed Board members are presented on the Company's website.

The Nomination Committee has submitted a separate reasoned statement concerning its proposal for the Board of Directors.

Election of auditor (item 16)

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, re-election of Öhrlings PricewaterhouseCoopers AB as the Company's auditor up until the end of the Annual General Meeting 2023. Öhrlings PricewaterhouseCoopers AB has informed that, provided that the Annual General Meeting resolves in accordance with the Nomination Committee's proposal, authorised public accountant Fredrik Göransson will remain as auditor in charge.

Resolution on principles for the appointment of the Nomination Committee and its assignment (item 17)

The Nomination Committee proposes that the following principles for appointment of Nomination Committee and for the Nomination Committee's assignment, which correspond to the current principles, are resolved by the Annual General Meeting 2022.

1. The Company shall have a Nomination Committee consisting of four persons, each one appointed by each of the four largest owner-registered shareholders (with regard to the number of votes held) in the share register maintained by Euroclear Sweden AB as per 31 August of the year before the Annual General Meeting¹, who upon inquiry has expressed a wish to participate in the Nomination Committee's Work. The Chairman of the Board shall convene the Nomination Committee to its first meeting and shall also be co-opted to the Nomination Committee. The names of the four members of the Nomination Committee and the names of the shareholders who have appointed the respective member shall be announced at the Company's website at the latest six months before the Annual General Meeting. The term of office for the Nomination Committee shall be for the period until a new Nomination Committee has been appointed. Unless the members of the Nomination Committee agree otherwise, the Chairman of the Nomination Committee shall be the member appointed by the largest shareholder with regard to the number of votes held.
2. If, during the term of office of the Nomination Committee, a shareholder who have appointed a member of the Nomination Committee is no longer among the four largest shareholders with regard to the number of votes held (who upon inquiry has expressed a wish to participate in the nomination committee work), the member appointed by such shareholder shall resign and the shareholder who have become one of the four largest shareholders with regard to the number of votes held shall be offered to appoint a member of the Nomination Committee. If there are only marginal changes in the number of votes held or if the change occurs later than three months before the Annual General Meeting, no changes shall be made in the composition of the Nomination Committee unless there are special circumstances. A shareholder who has appointed a member of the Nomination Committee has the right to dismiss such member and appoint a new person as member of the Committee. Changes in the composition of the Nomination Committee shall be announced at the Company's website as soon as they have occurred.
3. The Nomination Committee shall prepare the below proposals to be submitted to the Annual General Meeting for resolution:
 - a) proposal regarding Chairman of the Annual General Meeting,
 - b) proposal regarding number of Board members,
 - c) proposal regarding Chairman and other members of the Board of Directors,

¹ If there are nominee registered shareholdings, such shareholdings shall only be considered if the nominee has reported the identity of the underlying shareholder to Euroclear Sweden or if the Company – without taking any measures on its own – receives other information that evidences the identity of the underlying shareholder.

- d) proposal regarding remuneration to the Board members elected by the Annual General Meeting and not employed by the Company, divided between the Chairman of the Board and other members of the Board, and remuneration for committee work, divided between each Committee member,
 - e) proposal regarding auditor,
 - f) proposal regarding auditor's fees, and
 - g) to the extent deemed necessary, proposals for amendments to this instruction for the Nomination Committee.
4. The Nomination Committee, when performing its duties, shall fulfil the tasks that rest upon the Nomination Committee under the Swedish Corporate Governance Code, including i.a. to provide the Company with certain information in order to enable the Company to fulfil its disclosure obligation under the Swedish Corporate Governance Code. The Company shall, upon request from the Nomination Committee, provide personnel resources such as secretary function for the Nomination Committee to facilitate the work of the Committee. The members of the Nomination Committee shall receive no compensation from the Company for their work. If needed, the Company shall also pay necessary expenses for the work of the Nomination Committee and reasonable costs for external consultants that the Nomination Committee deems necessary in order for the Committee to be able to fulfil its assignment.

D. THE BOARD OF DIRECTOR'S PROPOSED RESOLUTIONS WITH RESPECT TO ITEMS 9 b AND 18-20

Appropriation of the Company's profit pursuant to the adopted balance sheet (item 9 b)

The Board of Directors proposes a dividend of SEK 3.75 per share, corresponding to approximately MSEK 140, to be paid to the shareholders and that the remaining unappropriated earnings, approximately MSEK 354, should be carried forward.

The Board of Director proposes 25 April 2022 as record date for the dividend.

If the Annual General Meeting resolves in accordance with the Board of Directors' proposal, the estimated date for payment of the dividend from Euroclear Sweden AB, to those who are recorded in the share register on the record date, is 28 April 2022.

Resolution on approval of remuneration report (item 18)

The Board of Directors proposes that the Annual General Meeting resolves to approve the Board of Directors' report regarding compensation pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

Resolution on the Board of Directors' proposal to implement a long-term share based incentive program by (A) issuing call options for shares in Bufab, (B) authorising of the Board of Directors to resolve on acquisition of own shares and (C) transferring repurchased shares to participants of the Company's incentive programs (item 19)

Like previous years, the Board of Directors proposes that the Annual General Meeting 2022 resolves to adopt a long-term share based incentive program (the "**Program**"), on terms and conditions in line with the 2021 incentive program. The Program, which is proposed to comprise approximately 30 key employees within the Bufab group, essentially involves that the participants are given the opportunity to acquire, at market price, call options relating to shares in Bufab AB (publ) ("**Bufab**" or the "**Company**") repurchased by the Company and that participants who remain as employees within the group after three years and still hold call options may receive a subsidy in the form of gross salary additions corresponding to the premium paid for the call options held at the time of payment.

Formally, the Program consists of (A) the issuing of call options for shares in Bufab, (B) an authorisation of the Board of Directors to resolve on acquisition of own shares and (C) transfer of repurchased shares to participants of the Company's incentive programs in accordance with the following.

(A) Resolution on issuing call options for shares in Bufab

- a) The number of call options to be issued shall not exceed 210,000, corresponding to approximately 0.6 per cent of the total number of shares and votes in the Company. Each call option entitles the holder to acquire one (1) repurchased share in the Company during the period from and including 15 May 2025 up to and including 15 November 2025. However, shares may not be purchased during any such period when trading in the Company's shares is prohibited in accordance with regulation (EU) no 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "**market abuse regulation**") or any other equivalent legislation which applies at any given time.
- b) The purchase price for shares upon exercise of the call option shall correspond to 115 per cent of the volume-weighted average closing prices for the Company's share on Nasdaq Stockholm during the five trading days before the Board of Directors' resolution on allotment of call options.
- c) The right to acquire the call options shall be granted to the CEO of Bufab group, to senior executives and to other key employees within the group who are directly able to influence the group's profit. The CEO shall be offered a maximum of 30,000 call options. Other participants are divided into two categories depending on seniority, each comprising approximately 15 persons, who shall be offered a maximum of 10,000 and 5,000 call options, respectively, per person.
- d) If a participant refrains in full or in part from acquiring offered call options, such un-acquired call options shall be allocated on a pro rata basis between those participants who have, in writing, expressed their interest in acquiring additional call options. Participants are not entitled in this manner to acquire more than an additional 30 per cent of the original number of call options offered.
- e) The call options shall be allotted against payment in accordance with the Board of Directors' resolution to the CEO, senior executives and other key employees within the Bufab group, in accordance with the guidelines stated in items c) and d) above. Allotment is expected to take place during the second or third quarter 2022.
- f) Allotment of call options according to item e) shall be made at market value calculated by Ernst & Young AB as an independent valuation institute, applying the Black & Scholes valuation method. The calculation is based on the variables risk-free interest rate, volatility, the term of the call options, expected dividends during the term of the call options, current share price and the acquisition price for shares when exercising the call options (strike price). Since the call options are acquired at market price, no criteria for allocation in the Program are established.
- g) The issuance of call options to employees outside of Sweden is dependent on tax effects, that there is no legal impediment, and that the Board of Directors determines that such allocation can be carried out with reasonable administrative and financial resources. The Board of Directors shall be entitled to make such minor amendments to the Program as required by applicable foreign legislation and regulations.
- h) The call options are freely transferable.
- i) The number of shares which the call options bring entitlement to acquire, as well as the exercise price, may be recalculated as a result of e.g. bonus issues, revers splits or splits of shares, new share issues, a reduction of the share capital, or similar actions. The time of transfer of shares may be brought forward as a result of any merger or similar actions.

- j) In order to encourage participation in the Program, the Board of Directors is authorised to resolve on a subsidy in the form of gross salary additions, maximum corresponding to the premium paid for each call option. In such cases, the subsidy will be paid in June 2025, subject to the participant at such point in time is remaining in his/her employment or another corresponding employment within the Bufab group and still holding call options. If a participant has disposed a part of its call options, the participant should receive a subsidy maximum corresponding to the premium paid for the call options held by the participant at the time of payment.
- k) The Company has the right but not any obligation to, on its own or through a third party, repurchase call options at a price corresponding to no more than the market value, with the purpose of facilitating the participant's exercise of the remaining call options acquired under the Program. However, call options may not be repurchased during any such period when trading in the Company's shares is prohibited in accordance with Article 19 of the market abuse regulation or any other equivalent legislation which applies at any given time.
- l) The Board of Directors shall, within the framework of the above terms and conditions, be responsible for the preparation and management of the Program.

(B) Resolution on authorisation of the Board of Directors to resolve on repurchase of own shares

In order to hedge Bufab's delivery of shares to the participants of the Program, the Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to acquire, during the period until the next Annual General Meeting, a maximum of 210,000 shares in the Company. Acquisition shall be made on Nasdaq Stockholm in accordance with stock exchange regulations at a price within the registered price interval from time to time, which is the interval between the highest purchase price and the lowest sale price. Acquired shares shall be paid in cash and acquisitions may be made on one or several occasions.

(C) Resolution on transfer of repurchased shares to participants of the Company's incentive programs

The Board of Directors' proposal also implies that the Annual General Meeting approves that the Company, with deviation from the shareholders' preferential right, transfer a maximum of 210,000 of the Company's repurchased shares to the participants of the Program at the fixed exercise price (subject to any recalculation). Transfer shall take place during the time the participants have the right to exercise call options to acquire shares in accordance with the terms and conditions for the Program. The reason for deviation from the shareholders' preferential right at transfer of own shares is to enable Bufab to deliver shares in the Company to the participants of the Program.

Shares that have been acquired by the Company, and which are not transferred to participants in the Program may be transferred to participants in previous incentive programs or future incentive programs decided on by the General Meeting of the Company. Also such shares acquired by the Company within previous years' incentive programs may be transferred to participants in the Program, previous incentive programs or future incentive programs decided on by the General Meeting. Transfer shall take place in accordance with applicable rules for the current incentive program.

Dilution, costs and impact on important key ratios

The Program does not cause any dilution of the existing shareholders' share of the votes and capital in the Company since it is based on call options for shares already issued by the Company. The Program corresponds to approximately 0.6 per cent of the total number of shares and votes in the Company. Based on actual participation in the 2019, 2020 and 2021 incentive programs, these programs correspond, together with the Program proposed for the Annual General Meeting 2022, to a total of 2.2 per cent of the total number of shares and votes in the Company.

The costs of the Program consist of the subsidy that during June 2025 may be paid as per the above, the social security charges payable on this subsidy and the financing costs for repurchased shares. The total cost has been estimated to approximately MSEK 10 after corporation tax over the duration of the Program. To be compared with the subsidy, the option premium which the Company will receive on transfer of the call options corresponds to a total of approximately MSEK 9.

During its duration, the Program will impact the key ratio earnings per share positively through the Company's repurchase of shares and negatively because of the Company's transfer of the repurchased shares to the participants in the Program. The net effect on the key ratio earnings per share will be maximum 0.5% during the duration of the Program. The cost for the Company's repurchase of own shares is estimated to amount to approximately MSEK 69 and will affect the cash flow, liquidity and equity in connection with the repurchase during the duration of the Program. After the duration of the Program, the above effects are expected to be neutralised. The Program is considered to only result in immaterial impact on other important key ratios.

Reason for the Program and its preparation

Since 2017, the Company has, after a resolution by the Annual General Meeting each year, implemented a yearly recurring long-term incentive program comprising call options, on terms and conditions in all material aspects corresponding to the proposed Program. In the Board of Directors' assessment, the previously resolved incentive programs have so far fulfilled their purposes. Therefore, the Board of Directors proposes that the Annual General Meeting 2022 resolves on a corresponding incentive program. The reason for implementing the Program is that key employees within the Bufab group should be able to benefit from and strive for, through their own investment, an increase in the price of the Company's shares, thus more closely aligning the interests of key employees and the Company's shareholders. The purposes of the Program is also to contribute towards key employees increasing their long-term shareholding in Bufab. The Program is also expected to create conditions for retaining and recruiting competent personnel for the Bufab group, to provide competitive remuneration and to align the interest of the executive management and shareholders. The Board of Directors considers that the Program is reasonable in scope and cost effective. The key employees included in the Program is the group of persons that, in an otherwise heavily decentralised organisation, can create positive effects for the Bufab group. On the basis of this, the Board of Directors believes that the Program has a positive effect on the continued development of the Bufab-group, and that the Program benefits both the shareholders and the Company.

The proposal for the Program has been prepared by the Company's Remuneration Committee in consultation with the Board of Directors of the Company. The Company's management has not been involved in the preparation. The resolution to propose the Program to the Annual General Meeting has been taken by the Board of Directors. Members of the Board of the Company are not included in the Program.

Majority requirement

The Board of Directors' proposal pursuant to items 19 (A) – (C) above shall be resolved on as one resolution with application of the majority rules in Chapter 16 of the Swedish Companies Act, meaning that shareholders representing at least nine-tenths of both the votes cast and shares represented at the meeting must support the resolution.

Resolution on authorization to transfer shares in the Company (item 20)

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to, on one or more occasions during the period up until the next Annual General Meeting, resolve upon transfer of the Company's own shares according to the following terms.

- The maximum number of shares to be transferred may not exceed the number of own shares held by the Company at the time of the Board of Directors' resolution, provided that the Company always holds such a number of shares that the Company needs to ensure delivery of shares under the Company's ongoing call option-based incentive programs (including any recalculation).

- Transfer of the Company's own shares may only take place on Nasdaq Stockholm at a price within the share price interval registered at each point in time, meaning the interval between the highest purchase price and the lowest selling price.

The purpose of the authorization is to enable the Company to transfer such shares that the Company has repurchased in order to ensure delivery of shares within the framework of one of the Company's call option-based incentive programs, but which, partly as a result of the structure of the incentive programs, have not been used for delivery of shares to participants in such incentive programs.

The resolution by the meeting requires the support of shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting.

E. NUMBER OF SHARES AND VOTES IN THE COMPANY

At the time of the issue of this convening notice, the total number of shares in the Company amounts to 38,110,533 shares corresponding to 38,110,533 votes in total. Of these shares, 621,407 are held in treasury and may not be represented at the Annual General Meeting.

F. RIGHT TO REQUEST INFORMATION

The Board of Directors and the CEO shall, upon request of a shareholder, and if the Board of Directors deems this can be done without causing material harm to the Company, inform about matters which might affect the assessment of an item on the agenda or about Bufab's or its subsidiaries' financial situation or about Bufab's relation to another group entity in relation to the consolidated financial statements.

G. AVAILABLE DOCUMENTS

The annual report and the audit report as well as the Board of Directors' complete proposals pursuant to items 9b (including the Board of Directors' reasoned statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act), 18 (including statement from the auditor pursuant to Chapter 8, Section 54 of the Swedish Companies Act), 19-20, as well as the Nomination Committee's proposals pursuant to items 2 and 11-17 (including its reasoned statement), will be available at the Company, Bufab AB (publ), Stenfalksvägen 1, SE-331 02 Värnamo, Sweden, and at the Company's website; www.bufab.com, and will, on request, be sent to shareholders who state their address, no later than from 31 March 2022.

H. PROCESSING OF PERSONAL DATA

For information about the processing of your personal data, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Värnamo in March 2022
Bufab AB (publ)

THE BOARD OF DIRECTORS