

N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.

Item 17: Resolution on guidelines for remuneration to senior executives

The Board of Directors proposes guidelines for remuneration and other employment terms to senior executives as follows:

Guidelines for remuneration to the senior executives

The senior management, which consists of nine people, and the CEO are regarded as senior executives. The guidelines' purpose is to ensure that Balco can attract, motivate and retain senior executives. The aim of the remuneration is to be competitive in comparison with prevailing market standards and at the same time in accordance with the shareholders' interests. The remuneration to senior executives shall consist of fixed and variable remuneration, the opportunity to participate in a long-term incentive program as well as pension contributions. These components shall together create a well-balanced remuneration, which reflects individual competence, responsibility and performance, both short-term and long-term, as well as the Company's total performance.

Fixed and variable remuneration

The fixed remuneration shall be competitive in comparison with prevailing market standards and shall be based on the individual senior executive's competence, responsibility and performance.

Senior executives shall be able, in addition to fixed remuneration, to receive variable remuneration. Such variable remuneration may not exceed 50 per cent of the fixed remuneration. The variable remuneration shall be based on pre-defined and documented financial and individual targets.

Other benefits and pension

The Group offers other benefits to the senior executives in accordance with local practice. Such other benefits can for example consist of a company car and health services. If applicable, accommodation is offered during a limited time. The senior executives shall be offered pension contributions in line with market terms in the country where they are employed. Pension obligations are secured through payments of premiums to insurance companies.

Deviations from the guidelines

In special circumstances, the Board of Directors may deviate from the above guidelines, for example in relation to additional variable remuneration after exceptional achievements. In such a case, the Board of Directors is obligated to give account for the reason for the deviation at the following Annual General Meeting.

Notice periods and severance compensation

For the CEO a notice period of twelve months applies in case of termination by the Company and six months in the case of termination by the CEO. The CEO is bound by a non-competition clause, which is valid for two years after the termination. For the other senior executives, the mutual notice period is between three and twelve months.

Växjö in April 2019
BALCO GROUP AB (PUBL)
Board of Directors

Other information

A description of Balco's long-term incentive program resolved by the Extraordinary General Meeting in 2017 can be found in the Company's annual report 2018, Note 7.

The Company has, prior to the listing on Nasdaq Stockholm, entered into an agreement including variable remuneration with a senior executive of Balco, which gives the opportunity to an annual performance-based remuneration in excess of 50 per cent of the fixed annual remuneration. The agreement is valid for an indefinite period.

Item 18: Resolution on issue authorisation for the Board of Directors

The Board of Directors proposes that the Annual General Meeting shall decide to authorize the Board of Directors to, at one or several occasions until the next Annual General Meeting, resolve to issue, with or without preferential rights for the shareholders, against payment in cash, payment in kind or payment through set-off, shares or share warrants or convertibles referring to such shares, signifying an increase or potential increase of the Company's share capital with a maximum of ten (10) per cent or 2,142,877 shares.

The purpose of the authorization and the reasons for a possible deviation from the shareholders' preferential rights is that new issues of shares shall be able to occur to finance company acquisitions or to finance further growth in the Company in other ways.

The Board of Directors, or any person appointed by the Board of Directors, is authorized to make such minor adjustments to this resolution that may be necessary in connection with the registration with the Swedish Companies Registration Office or due to other formal requirements.

The resolution needs to be assisted by shareholders representing a minimum of two thirds of both the cast votes and the shares represented at the Annual General Meeting to be valid.

Växjö in April 2019
BALCO GROUP AB (PUBL)
Board of Directors

Item 19 (a): Resolution regarding authorization for the Board of Directors to resolve on acquisition of own shares

The Board of Directors proposes that the Annual General Meeting shall decide to authorize the Board of Directors to, at one or several occasions until the next Annual General Meeting, on the following terms, acquire own shares in the share class that at the time of the authorization is admitted to trading on Nasdaq Stockholm.

Any shares purchased shall be purchased on Nasdaq Stockholm. The number of shares that may be acquired shall not exceed a number implying that the Company's total shareholding of own shares after acquisition corresponds to more than 10 per cent of all shares in the Company at any time. The shares in the Company on Nasdaq Stockholm shall be acquired only within the price range applicable, *i.e.* the spread between the highest purchase price and the lowest selling price.

The purpose of the authorization to acquire own shares is to enable an improvement of the Company's capital structure and to give the Board of Directors an increased scope of action.

The Board of Directors, or any person appointed by the Board of Directors, is authorized to make such minor adjustments to this resolution that may be necessary due to formal requirements.

The resolution needs to be assisted by shareholders representing a minimum of two thirds of both the cast votes and the shares represented at the Annual General Meeting to be valid.

Växjö in April 2019
BALCO GROUP AB (PUBL)
Board of Directors

Item 19 (b): Resolution regarding authorization for the Board of Directors to resolve on transfer of own shares

The Board of Directors proposes that the Annual General Meeting shall decide to authorize the Board of Directors to, at one or several occasions until the next Annual General Meeting, on the following terms, resolve on transfers of own shares in the share class that, at the time of the utilization of the authorization, is admitted to trading on Nasdaq Stockholm.

Transfers of own shares may be carried out on Nasdaq Stockholm or by other means. Transfers of own shares may be made without preferential rights for the shareholders. 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 of Directors' resolution to transfer the shares. Transfers made on Nasdaq Stockholm shall be carried out at a price within the price range applicable, *i.e.* the spread between the highest purchase price and the lowest selling 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 of Director's resolution to transfer the shares. Payment for own shares that are transferred can be made in cash, in kind or through set-off. The Board of Directors is entitled to determine the other terms and conditions of the transfer which, however, shall be in accordance with the market practice.

The purpose of the authorization to acquire own shares and transfer own shares and the reason for the deviation from the shareholders' preferential rights is to enable an improvement of the Company's capital structure and to give the Board of Directors an increased scope of action in relation to future acquisitions by facilitating a fast and cost-effective financing through the disposition of own shares.

The Board of Directors, or any person appointed by the Board of Directors, is authorized to make such minor adjustments to this resolution that may be necessary due to formal requirements.

The resolution needs to be assisted by shareholders representing a minimum of two thirds of both the cast votes and the shares represented at the Annual General Meeting to be valid.

Växjö in April 2019
BALCO GROUP AB (PUBL)
Board of Directors