

N.B. The English text is an in-house translation.

**Protokoll fört vid årsstämma med
aktieägarna i Balco Group AB, 556821-2319,
den 25 maj 2021.**

*Minutes kept at the Annual General Meeting of the
shareholders of Balco Group AB, 556821-2319,
25 May 2021.*

§ 1 Öppnande av årsstämman / Opening of the Annual General Meeting

Styrelsens ordförande, Tomas Johansson, förklarade stämman öppnad.

The Chairman of the Board of Directors, Tomas Johansson, declared the meeting opened.

**§ 2 Val av ordförande vid årsstämman / Election of Chairman for the
Annual General Meeting**

Utsågs Tomas Johansson till ordförande vid stämman. Antecknades att Fredrik Haräng, advokat vid Gernandt & Danielsson advokatbyrå, ombetts att fullgöra uppgiften att vara sekreterare vid stämman och föra dagens protokoll.

Tomas Johansson was elected Chairman of the meeting. It was noted that Fredrik Haräng, attorney at Gernandt & Danielsson advokatbyrå, had been asked to fulfill the task of being secretary of the meeting and be the keeper of today's minutes.

Det antecknades att stämman hållits enligt 20 och 22 §§ lagen (2020:198) om tillfälliga undantag för att underlätta genomförandet av bolags- och föreningsstämmor varför deltagande i stämman endast kunnat ske genom poströstning.

It was noted that the meeting had been held pursuant to sections 20 and 22 of the Swedish Act (2020:198) on Temporary Exemptions of General Meetings in Companies and Associations and that participation at the meeting was only possible by postal voting.

En sammanställning av det samlade resultatet av poströsterna, på varje punkt som omfattas av poströstningen, bifogas som bilaga 1, vari framgår de uppgifter som anges i 26 § i ovan angivna lag.

A compilation of the aggregate result of the postal votes, on each matter subject to the voting by post, is attached as appendix 1, by which the information according to section 26 of the above mentioned act is presented.

**§ 3 Val av en eller två protokolljusterare / Election of one or two persons to
verify the minutes**

Beslöts att utse två protokolljusterare att jämte ordföranden justera dagens protokoll samt att välja Marianne Flink, representant för fonder förvaldade av Swedbank Robur Fonder, och Claes Murander, representant för fonder förvaldade av Lannebo Fonder, till protokolljusterare.

It was resolved to appoint two persons to certify the minutes together with the Chairman and that Marianne Flink, representative of funds managed by Swedbank Robur Fonder, and Claes Murander, representative of funds managed by Lannebo Fonder, was appointed as person to verify the minutes.

§ 4 Upprättande och godkännande av röstlängd / Preparation and approval of the voting list

Beslöts att godkänna den upprättade förteckningen över till stämman i föreskriven tid anmälda och innan stämman, själva eller genom i förteckningen antecknade ombud, röstande aktieägare att gälla såsom röstlängd vid stämman, bilaga 2.

It was resolved to approve the prepared list of shareholders who, within the prescribed time, had given notice of their participation and that also, in person or by proxy registered in the prepared list, had voted prior to the meeting as the voting list of the meeting, appendix 2.

§ 5 Godkännande av dagordning / Approval of the agenda

Godkändes den i kallelsen intagna dagordningen för stämman.

The agenda for the meeting presented in the notice was approved.

§ 6 Prövning av om årsstämman blivit behörigen sammankallad / Determination of whether the Annual General Meeting has been duly convened

Antecknades att kallelse till årsstämman hade varit införd i Post- och Inrikes Tidningar den 22 april 2021 och publicerad på bolagets webbplats den 20 april 2021. Antecknades vidare att notis om att kallelse hade skett hade varit införd i Dagens industri den 22 april 2021.

It was noted that notice to attend the meeting had been published in the Swedish Official Gazette on 22 April 2021 and on the Company's website on 20 April 2021. It was further noted that an announcement that notice had been made had been published in Dagens industri on 22 April 2021.

Konstaterades därefter att stämman var i behörig ordning sammankallad.

The meeting was thereafter declared properly convened.

§ 7 Framläggande av årsredovisningen och revisionsberättelsen samt koncernredovisningen och koncernrevisionsberättelsen / Presentation of the annual report and the auditors' report and the consolidated accounts and the auditor's report on the consolidated accounts

Det antecknades att årsredovisningen och revisionsberättelsen samt koncernredovisningen och koncernrevisionsberättelsen för räkenskapsåret 2020 hade framlagts genom att handlingarna funnits tillgängliga på bolagets huvudkontor och på bolagets webbplats.

It was noted that the annual report and the auditor's report as well as the consolidated accounts and the auditor's report on the consolidated accounts for the financial year 2020 had been submitted by being available at the company's headquarters and website.

§ 8 Beslut om (a) fastställande av resultaträkningen och balansräkningen samt koncernresultaträkningen och koncernbalansräkningen, (b) dispositioner beträffande bolagets vinst enligt den fastställda balansräkningen, samt (c) ansvarsfrihet för styrelseledamöterna och den verkställande direktören för räkenskapsåret 2020 / Resolutions regarding (a) adoption of the profit and loss statement and the balance sheet as well as the consolidated profit and loss statement and consolidated balance sheet, (b) disposition of the company's profits according to the adopted balance sheet, and (c) discharge from liability for the members of the Board of Directors and the CEO for the financial year 2020

Beslöts, i enlighet med revisorns tillstyrkan, att fastställa den framlagda resultaträkningen och balansräkningen samt den framlagda koncernresultaträkningen och koncernbalansräkningen för räkenskapsåret 2020.

It was resolved, in accordance with the auditor's recommendation, to adopt the profit and loss account, the balance sheet and the consolidated profit and loss account and the consolidated balance sheet presented for the financial year 2020.

Beslöts att ingen utdelning ska lämnas för räkenskapsåret 2020 och att belopp som står till årsstämman förfogande överförs i ny räkning.

It was resolved that no dividend shall be paid for the financial year 2020 and that funds at the disposal of the meeting are carried forward.

Det antecknades att styrelsen kommer utvärdera förutsättningarna för att kalla till en extra bolagsstämma under hösten 2021 när covid-19-pandemins konsekvenser blivit tydligare och marknadsförutsättningarna stabilare för att aktieägarna ska kunna ta ställning till frågan om utdelning.

It was noted that the Board of Directors will evaluate the conditions for convening an Extraordinary General Meeting in fall 2021 when the consequences of the Covid-19 pandemic becomes more clear and the market conditions more stabilized, at which the shareholders will be able to decide on dividend.

Beslöts, i enlighet med revisorns tillstyrkan, att bevilja styrelsens ledamöter och verkställande direktören ansvarsfrihet för förvaltningen av bolaget för räkenskapsåret 2020. Antecknades att beslutet fattades med vederbörlig majoritet.

It was resolved, in accordance with the auditor's recommendation, to grant the members of the Board of Directors and the CEO discharge from liability for their management of the Company for the financial year 2020. It was noted that the resolution was adopted by the necessary majority.

§ 9 Framläggande av ersättningsrapport för godkännande / Presentation of remuneration report for approval

Beslöts att godkänna styrelsens ersättningsrapport avseende 2020, bilaga 3.
It was resolved to approve the board of directors' remuneration report for 2020, appendix 3.

§ 10 Beslut om antal styrelseledamöter / Determination of the number of Board members

Beslöts, i enlighet med valberedningens förslag, att antalet bolagsstämموالدا styrelseledamöter ska uppgå till sex styrelseledamöter utan styrelsesuppleanter.
It was resolved, in accordance with the proposal of the Nominating Committee, that the number of members of the Board of Directors elected by the meeting shall be six Board members, without deputies.

§ 11 Beslut om antal revisorer / Determination of the number of auditors

Beslöts, i enlighet med valberedningens förslag, att antalet revisorer ska vara en utan revisorssuppleant.
It was resolved, in accordance with the proposal of the Nominating Committee, that the number of auditors shall be one without any deputy member.

§ 12 Beslut om arvode till styrelseledamöter / Determination of remuneration to the Board members

Beslöts, i enlighet med valberedningens förslag, att arvode ska utgå med 500 000 kronor till styrelsens ordförande, 200 000 kronor till var och en av övriga styrelseledamöter, 80 000 kronor till revisionsutskottets ordförande, 40 000 kronor till övriga ledamöter i revisionsutskottet, 40 000 kronor till ersättningsutskottets ordförande samt 25 000 kronor till övriga ledamöter i ersättningsutskottet. Beslutet innebär ett totalt styrelsearvode uppgående till 1 750 000 kronor.

It was resolved, in accordance with the Nomination Committee's proposal, that a remuneration of SEK 500,000 shall be paid to the Chairman of the Board, SEK 200,000 shall be paid to each of the other members of the Board, SEK 80,000 shall be paid to the Chairman of the Audit Committee, SEK 40,000 shall be paid to the other members of the Audit Committee, SEK 40,000 shall be paid to the Chairman of the Remuneration Committee and SEK 25,000 shall be paid to the other members of the Remuneration Committee. The resolution implies a total board remuneration of SEK 1,750,000.

§ 13 Beslut om arvode till revisor / Determination of remuneration to the auditor

Beslöts, i enlighet med valberedningens förslag, att arvode till bolagets revisor ska utgå enligt godkänd räkning.

It was resolved, in accordance with the proposal of the Nominating Committee, that remuneration of the Company's auditor shall be paid according to the amount invoiced and approved.

§ 14 Val av styrelseledamöter och styrelseordförande / Election of Board members and chairman

Beslöts, i enlighet med valberedningens förslag, om omval av Mikael Andersson, Ingalill Berglund, Carl-Mikael Lindholm, Johannes Nyberg och Vibecke Hverven som styrelseledamöter samt nyval av Thomas Widstrand som styrelseledamot. Ingalill Berglund nyvaldes som styrelseordförande.

It was resolved, in accordance with the proposal of the Nominating Committee, to re-elect Mikael Andersson, Ingalill Berglund, Carl-Mikael Lindholm, Johannes Nyberg and Vibecke Hverven as Board members and elect Thomas Widstrand as a new Board member. Ingalill Berglund was elected as new Chairman of the Board.

Antecknades att en redogörelse för de föreslagna styrelseledamöternas bakgrund och övriga uppdrag i god tid före stämman funnits tillgänglig på bolagets webbplats.

It was noted that a presentation of the proposed members of the Board of Directors with respect to their background and other assignments had been available on the Company's website well in advance of the meeting.

§ 15 Val av revisor / Election of auditor

Beslöts, i enlighet med valberedningens förslag, att omvälja revisionsbolaget Öhrlings PricewaterhouseCoopers AB ("PwC") som bolagets revisor för tiden fram till slutet av nästa årsstämma. Noterades att PwC hade informerat valberedningen om att den auktoriserade revisorn Martin Odqvist kommer att fortsätta som huvudansvarig revisor.

It was resolved, in accordance with the proposal of the Nominating Committee, to re-elect the registered public accounting firm Öhrlings PricewaterhouseCoopers AB ("PwC") as auditor of the Company for the period until the end of the next Annual General Meeting. It was noted that PwC had informed the Nominating Committee that the certified public accountant Martin Odqvist will continue as auditor in charge.

§ 16 Beslut om införande av incitamentsprogram 2021/2024 / Resolution on introduction of incentive program 2021/2024

Beslöts, i enlighet med styrelsens förslag, om införandet av incitamentsprogram 2021/2024, bilaga 4.

It was resolved, in accordance with the proposal by the Board of Directors, on the introduction of incentive program 2021/2024, appendix 4.

Antecknades att beslutet var enhälligt.

It was noted that the resolution was unanimously adopted.

§ 17 Beslut om emissionsbemyndigande för styrelsen / Resolution on issue authorisation for the Board of Directors

Beslöts, i enlighet med styrelsens förslag, att bemyndiga styrelsen att vid ett eller flera tillfällen, före nästa årsstämma, besluta om emission, med eller utan företrädesrätt för aktieägarna, av aktier, teckningsoptioner eller konvertibler, bilaga 5.

It was resolved, in accordance with the proposal by the Board of Directors, 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, shares, share warrants or convertibles, appendix 5.

Antecknades att beslutet var enhälligt.

It was noted that the resolution was unanimously adopted.

§ 18 (a) Beslut om bemyndigande för styrelsen att besluta om förvärv av egna aktier / Resolution regarding authorization for the Board of Directors to resolve on acquisition of own shares

Beslöts, i enlighet med styrelsens förslag, att bemyndiga styrelsen att vid ett eller flera tillfällen, före nästa årsstämma, besluta om förvärv av egna aktier, bilaga 6.

It was resolved, in accordance with the proposal by the Board of Directors, to authorize the Board of Directors to at one or several occasions, during the period until the next annual general meeting, resolve upon acquisition of own shares, appendix 6.

Antecknades att beslutet var enhälligt.

It was noted that the resolution was unanimously adopted.

§ 18 (b) Beslut om bemyndigande för styrelsen att besluta om överlåtelse av egna aktier / Resolution regarding authorization for the Board of Directors to resolve on transfer of own shares

Beslöts, i enlighet med styrelsens förslag, att bemyndiga styrelsen att fram till nästa årsstämma, vid ett eller flera tillfällen, fatta beslut om överlåtelse av egna aktier, bilaga 6.

It was resolved, in accordance with the proposal by the Board of Directors, to authorize the Board of Directors to, at one or several occasions during the period until the next annual general meeting resolve upon transfer of own shares, appendix 6.

Antecknades att beslutet var enhälligt.

It was noted that the resolution was unanimously adopted.

§ 19 Beslut om antagande av ny bolagsordning / Resolution to amend the company's articles of association

Beslöts, i enlighet med styrelsens förslag, om ändring av bolagsordningen, bilaga 7.

It was resolved, in accordance with the proposal by the Board of Directors, on amending the articles of association, appendix 7.

Antecknades att beslutet var enhälligt.

It was noted that the resolution was unanimously adopted.

§ 20 Stämmans avslutande / Closing of the Annual General Meeting

Ordföranden förklarade stämman avslutad.

The Chairman of the meeting declared the meeting closed.

* * *

Vid protokollet / *Secretary*:

Fredrik Haräng

Justerat / *Certified*:

Tomas Johansson

Marianne Flink

Claes Murander

Bilaga 1 / Appendix 1

Sammanställning av poströster / *Compilation of postal votes*

Dagordnings- punkt Agenda item	Röster / Votes					Aktier / Shares					
	(% nedan avser andel av de på stämman avgivna rösterna) (% below refers to part of cast votes at the meeting)					(% nedan avser andel av de på stämman företrädda aktierna) (% below refers to part of represented shares at the meeting)				Aktier för vilka röster har avgetts (antal) ("Avgivna") Shares where votes have been cast (amount) ("Cast")	Andel av det totala antalet aktier i bolaget som de Avgivna representerar (%) (Part of the total amount of shares in the company the Given shares represent (%))
	Ja (antal) Yes (amount)	Ja (%) Yes (%)	Nej (antal) No (amount)	Nej (%) No (%)	Avstår (antal) Abstain(amount)	Ja (antal) Yes (amount)	Ja (%) Yes (%)	Nej (antal) No (amount)	Nej (%) No (%)		
2	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
3	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
4	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
5	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
6	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
8 a	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
8 b	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
8 c i	15 442 498,0	100,000%	0,0	0,000%	12 500,0	15 442 498	99,919%	0	0,000%	15 442 498	70,484%
8 c ii	15 442 498,0	100,000%	0,0	0,000%	12 500,0	15 442 498	99,919%	0	0,000%	15 442 498	70,484%
8 c iii	15 442 498,0	100,000%	0,0	0,000%	12 500,0	15 442 498	99,919%	0	0,000%	15 442 498	70,484%
8 c iv	15 442 498,0	100,000%	0,0	0,000%	12 500,0	15 442 498	99,919%	0	0,000%	15 442 498	70,484%
8 c v	15 442 498,0	100,000%	0,0	0,000%	12 500,0	15 442 498	99,919%	0	0,000%	15 442 498	70,484%
8 c vi	15 442 498,0	100,000%	0,0	0,000%	12 500,0	15 442 498	99,919%	0	0,000%	15 442 498	70,484%
8 c vii	15 442 498,0	100,000%	0,0	0,000%	12 500,0	15 442 498	99,919%	0	0,000%	15 442 498	70,484%
9	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
10	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
11	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
12	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
13	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
14 i	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
14 ii	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
14 iii	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
14 iv	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
14 v	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
14 vi	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
14 vii	15 442 498,0	100,000%	0,0	0,000%	12 500,0	15 442 498	99,919%	0	0,000%	15 442 498	70,484%
15	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
16	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
17	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
18 a	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
18 b	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%
19	15 454 998,0	100,000%	0,0	0,000%	0,0	15 454 998	100,000%	0	0,000%	15 454 998	70,541%

Bilaga 3 / Appendix 3

Ersättningsrapport 2020 / Remuneration report 2020

Remunerations Report 2020

Corporate governance at Balco is aimed at generating value for shareholders through active risk control and a sound corporate culture. Ongoing efforts to achieve well-functioning governance, control and monitoring have been a priority since Balco's IPO in 2017.

Introduction

This report details how the guidelines for the remuneration of senior executives in Balco Group AB, adopted by the 2020 Annual General Meeting, were applied during 2020. The report also includes information on the remuneration of the CEO and a summary of the Company's outstanding share and share price-related incentive programmes. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

Further information on the remuneration of senior executives can be found in Note 8 (Remunerations to employees, etc.) on pages 85-87 in the 2020 Annual Report. Information on the work of the Remuneration Committee in 2020 can be found in the Corporate Governance Report on pages 59-60 of the 2020 Annual Report.

Board fees are not covered by this report. Such fees are determined annually by the Annual General Meeting and are reported in Note 8 on pages 85-86 of the 2020 Annual Report.

Developments in 2020

The CEO summarizes the Company's overarching results in his comments on pages 6-8 of the 2020 Annual Report.

The Company's remuneration guidelines: scope, objectives and deviations

A prerequisite for the successful implementation of the Company's business strategy and for fostering its long-term interests, including its sustainability, is the Company's capacity to recruit and retain qualified employees. This requires that the Company be able to offer competitive remuneration. The company's remuneration guidelines provide opportunities to offer competitive total remuneration to senior executives. The guidelines require remunerations to senior executives to be market-based and allow the inclusion of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. It may comprise individually adapted quantitative or qualitative targets.

The criteria shall be designed to foster the Company's business strategy and long-term interests, including its sustainability, being, for example, clearly linked to the business strategy or furthering the executive's long-term development.

The guidelines are presented on page 60 in the 2020 Annual Report. In 2020, the Company adhered to the applicable remuneration guidelines adopted by the Annual General Meeting. No deviations from the guidelines occurred, nor were any deviations made from the decision-making process applied in accordance with the guidelines to determine remunerations. The auditor's opinion on the Company's compliance with the guidelines is available at <https://balcogroup.se/bolagsstyrning/bolagsstamma/arsstamma-2021/>. No demands have been made for the repayment of any remunerations. In addition to the remunerations covered by the guidelines, the Company's Annual General Meetings have resolved to introduce long-term share-based incentive programmes.

Share-based remuneration***Share-related and share price-related incentive programmes currently outstanding***

At an Extraordinary General Meeting held on 24 November 2020, it was decided to introduce a long-term incentive programme for the Company's senior executives and other key employees, in total 25 individuals. In total, the incentive programme encompasses at most 400,000 warrants, entitling holders to subscribe for at most the same number of shares. Balco's total expenses for the incentive programme during its term are not expected to exceed SEK 4 million. The programme entails a dilution corresponding to approximately 1.8 percent of the Company's total number of shares. Balco's senior executives have acquired 236,000 warrants with a total value of SEK 2,673,880.

The purpose of the incentive programme is to encourage a broad ownership of shares among the Company's key employees, to facilitate recruitment, to retain competent and talented employees, to increase the interests shared between key employees and the Company, and to increase the motivation to achieve or exceed the Company's financial targets.

To encourage participation in the programme, it was determined that this would be subsidized by means of a gross salary supplement. The size of the salary supplement will correspond at most to the gross amount invested by the participant. Should the Board of Directors approve this participation subsidy, it will be disbursed on the exercise of the warrants, assuming

e.g. that participants then remain in the employment of the Company, or in equivalent employment within the Balco Group, and retain their warrants. For each participant, the subsidy shall correspond at most to the premium paid for the warrants held by the participant on the payment date.

Application of performance criteria

The performance criteria for the CEO's variable remuneration have been selected to realize the Company's strategy and to encourage action in the long-term interests of the Company. In the selection of performance criteria, strategic targets, as well as short and long-term business priorities for 2020 have been taken into account. The non-financial performance criteria further foster the Company's values and its realignment to sustainable operations.

Remunerations from other Balco Group companies

The CEO did not receive any remunerations from any other company within the Balco Group during the preceding financial year.

Total remuneration of the CEO in 2020 (SEK thousands) *

Name of executive (position)		Fixed remuneration		Variable remuneration		Non-recurring items	Pension expenses	Total remuneration	Proportion of fixed and variable remunerations respectively*****
		Basic salary**	Other benefits***	Single-year	Multi-year****				
Kenneth Lundahl, CEO	2020	2,818	149	799	0	0	1,031	4,798	79%/21%
	2019	2,708	140	190	0	0	847	3,885	94%/6%

* With the exception of multi-year variable remuneration, the table details total remunerations for 2020. Multi-year variable remunerations are reported to the extent vested (or earned) in 2020, in accordance with what is stated in Table 2, column 10 and in Table 3, column 8 below (where applicable). This applies regardless of whether payment has, or has not, been made in the same year.

** Including holiday pay of SEK 46 thousand (44)

*** Company car

**** Vested share rights as shown in Table 3, column 8 below

***** Pension expenses (column 4), pertaining in their entirety to basic salary and defined-contribution in nature, have been fully reported as fixed remuneration

The Balco Group's incentive programme 2017/2020 expired on October 5 and led to 286,037 shares being subscribed for, corresponding to a dilution of 1.3 percent.

At an Extraordinary General Meeting held on 24 November 2020, it was decided to introduce a long-term incentive programme for the Company's senior executives and other key employees, in total 25 individuals. In total, the incentive programme encompasses at most 400,000 warrants,

entitling holders to subscribe for at most the same number of shares. Balco's total expenses for the incentive programme during its term are not expected to exceed SEK 4 million. The programme entails a dilution corresponding to approximately 1.8 percent of the Company's total number of shares. Balco's senior executives have acquired 236,000 warrants with a total value of SEK 2,673,880.

The purpose of the incentive programme is to encourage

a broad ownership of shares among the Company's key employees, to facilitate recruitment, to retain competent and talented employees, to increase the interests shared between key employees and the Company, and to increase the motivation to achieve or exceed the Company's financial targets.

Stock option programme (CEO)

Name of executive	Principal terms of the stock option programmes							Data for financial year reported*					
	Name of programme	Vesting period	Date of allocation	Date of vesting	End of lock-in period	Exercise period	Redemption price (SEK)	Opening balance		Over the year		Closing balance	
								Stock options, 1 Jan	Stock options allocated	Stock options vested	Stock options subject to performance terms	Stock options allocated but yet to be vested	Stock options subject to lock-in period
Kenneth Lundahl, CEO	2017/2020	Sep 2017 - Oct 2020	13 Sep 2017	5 Oct 2020	5 Oct 2020	6 Sep 2020 - 5 Oct 2020	69.70	80,358	-	-	-	-	-
	2020/2023	Dec 2020 - Dec 2023	16 Dec 2020	16 Dec 2023	16 Dec 2023	16 Dec 2023 - 15 Jan 2024	99.20	-	120,000	-	-	-	-
Total								80,358	120,000	0	0	0	0

* Stock Option Programme 2017/2020 expired in 2020 with the CEO having subscribed for 25,760 shares. Under Stock Option Programme 2020/2023, the CEO was allocated 120,000 options in 2020.

** On the allocation date, the total market value of the underlying shares was SEK 10,824 thousand. The total redemption price is SEK 11,904 thousand

Performance of the CEO during the financial year reported: variable cash remuneration*

Name of executive (position)	Description of criteria attributable to the remuneration component	Relative weighting of performance criteria	a) Measured performance and b) actual allocation/remuneration outcome
Kenneth Lundahl, CEO	1. If order intake exceeds SEK 1,400 million, one additional monthly salary is payable (Budget, SEK 1,427 million)	16.6%	a) SEK 1,349.1 million b) SEK 222.0 thousand
	2. If invoiced sales exceed SEK 1,200 million, one additional monthly salary is payable, and if they exceed SEK 1,300 million, two additional monthly salaries are payable, with straight-line equivalence applied between these levels. (Budget, SEK 1,286 million)	33.3%	a) SEK 1,220.6 million b) SEK 261.960 thousand
	3. If EBITDA exceeds SEK 150 million, one additional monthly salary is payable, and if it exceeds SEK 183 million, two additional monthly salaries are payable. (Budget, SEK 183 million)	33.3%	a) - b) SEK 315.240 thousand
	4. If the Company completed one or more acquisitions during the year, one additional monthly salary is payable - this component being at the discretion of the Board of Directors.	16.6%	a) 0 items b) SEK 0 thousand

* Pertains to the parameters applicable in 2019 and was disbursed in 2020.

Change in remunerations and in the Company's earnings over the past five financial years

Annual change (SEK thousands)	2016 v. 2015		2017 v. 2016		2018 v. 2017		2019 v. 2018		2020 v. 2019		2020
Total remuneration of the CEO	555	17.6%	-208	-5.6%	271	7.7%	114	3.0%	913	23.5%	4,798
Consolidated operating profit	-1,366	-2.1%	28,735	45.2%	13,289	14.4%	34,733	32.9%	-24,980	-17.8%	115,378
Average remuneration based on the number of full-time equivalents employed* in the Group	4	0.0%	-1,964	-15.9%	-352	-3.4%	-596	-6.0%	1,963	20.9%	11,370

* Excluding members of Senior Management

Regarding guidelines for remuneration to senior executives adopted by the 2020 Annual General Meeting

The 2020 Annual General Meeting resolved to adopt the following guidelines concerning the remuneration of senior executives.

“Senior executive” means the CEO and members of the Senior Management team. These guidelines shall apply to contractual remuneration and to changes made to previously agreed remunerations following the adoption of the guidelines by the 2020 Annual General Meeting. Remunerations approved by shareholders at General Meetings fall beyond the scope of these guidelines. Thus, share-related incentive programmes for senior executives or remunerations to Board Members for Board work are not covered by these guidelines.

The guidelines’ contribution to the Company’s business strategy, long-term interests and sustainability

Put briefly, the Company’s business strategy is aimed at strengthening the Company’s leading market position as a supplier of high-quality balcony solutions tailored to the customer’s specific needs and demands. For more information about the Company’s business strategy, see the Company’s website, www.balco.se. Successful implementation of the Company’s business strategy and realization of its long-term interests, including its sustainability, are conditional on the Company being able to attract, incentivize and retain senior executives. The objective with the Company’s remuneration is that it shall be competitive, while being in line with the shareholders’ interests. The types of remuneration provided by the Company shall, together, create well-

balanced remuneration which reflects individual skills, responsibility and performance, in both the short-term and long-term, as well as the Company’s overall performance.

Decision-making process

The Board has established a Remuneration Committee, whose duties include preparing remuneration-related issues and proposals for the Board with respect to senior executives, as well as any decisions regarding deviations from the guidelines. The Board shall prepare a proposal for new guidelines when the need for significant amendment arises (although at least once every four years) and shall present its proposal for adoption by the Annual General Meeting. The guidelines shall apply until such time as new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and assess current and concluded programmes for variable remuneration to senior executives, the application of the guidelines for remuneration to senior executives, as well as applicable remuneration structures and remuneration levels in Balco. Senior executives do not participate in the Board’s discussions and decisions on matters of remuneration insofar as these pertain to the senior executive.

Types of remuneration

Remunerations for senior executives may comprise fixed and variable salary as well as pension and other benefits. In addition, notwithstanding these guidelines

the General Meeting may, among other things, decide on share-related remuneration.

Fixed and variable salary

The executives’ fixed annual salary shall be competitive and based on the individual executive’s skills, responsibilities and performance. In addition to fixed annual salary, the executive shall be able to receive variable remuneration.

In addition to fixed annual salary, executives shall be able to receive variable remuneration. Such variable remuneration shall be based on predetermined and measurable criteria which may be financial and non-financial. The variable salary may be linked directly or indirectly to the achievement of the financial targets set by Balco’s Board of Directors, which among other things relate to the Group’s operating profit. The non-financial criteria may be linked to sustainability. The variable salary is normally paid out based on performance during 12 months (the calendar year) and is based on the Company’s most recently published financial information. The variable cash remuneration is thus linked to the Company’s business strategy, long-term interests and sustainability.

The criteria must be established, followed up and evaluated annually by the board. For each senior executive, the variable remuneration may not exceed 50 percent of the fixed annual salary.

Other benefits and pension

The Group offers senior executives other benefits in accordance with local practices. Such other benefits may include, for example, company cars and occupational health care. For a limited period, company accommodation can also be offered, where relevant. The senior executives shall be entitled to pension benefits based on what is customary in the country where they are employed. Pension obligations shall be premium-defined and secured through payment of premiums to an insurance company, except where the individual in question is covered by a defined benefit pension in accordance with the provisions of an applicable collective agreement. Variable remuneration shall only constitute the basis for pension benefits if it is in accordance with the provisions of an applicable collective agreement. For each senior executive, pensions may not exceed 30 percent of the fixed annual salary to the extent that a higher provision does not follow from the applicable collectively agreed pension plan.

With regard to employment conditions that are subject to rules other than Swedish ones, with regard to pension benefits and other benefits, appropriate adjustments may be made to comply with mandatory such rules or local practices, whereby the overall purpose of these guidelines shall be met.

Salary and employment terms for employees

When preparing the Board's proposal for guidelines for remuneration, salary and employment terms for the Company's employees have been taken into consideration in as much as information regarding the total remuneration paid to employees, the components of the remuneration and the increase and rate of increase of the remuneration over time have constituted an element in the information on which the decisions of the Remuneration Committee and the Board of Directors are taken when assessing the reasonableness of the guidelines and the limitations which follow from them.

Termination and severance compensation

Employment agreements entered into between the Company and senior executives generally apply until further notice. If the Company terminates the employment of a senior executive, the termination period may not exceed 12 months. Severance compensation is payable only upon termination by the Company and shall not exceed an amount corresponding to the fixed annual salary during the termination period. In the event of termination by the senior executive, the termination period may not exceed six months and severance compensation shall not be paid in the event of termination by the senior executive.

Deviations from the guidelines

The Board is entitled to deviate from these guidelines, wholly or in part, where special reasons so justify and a deviation is necessary to meet the Company's long-term interests, including sustainability, or to ensure the Company's financial viability. As stated above, the duties of the Remuneration Committee in preparing decisions for the Board on the issue of remuneration includes the taking of decisions regarding deviations from the guidelines.

Bilaga 4 / Appendix 4

Styrelsens förslag till införande av incitamentsprogram 2021/2024 / *The board's proposal on introduction of an incentive programme 2021/2024*

Item 16: The board's proposal on introduction of an incentive programme 2021/2024

The incentive programme in short

The Board of Directors proposes that the Annual General Meeting resolves on implementing an incentive programme under which the company offers approximately 15 persons within the group to acquire warrants in the company. The right to acquire warrants shall accrue to the company's CEO, senior executives and other key employees in the group with the ability to directly affect the group's earnings.

The members of the Board of Directors of the company shall not be granted warrants.

The Board's proposal means that the Annual General Meeting resolves (i) to implement an incentive programme, (ii) on a directed issue of a maximum of 200,000 warrants, and (iii) to approve that the wholly owned subsidiary which has subscribed for the warrants transfers the warrants to the participants in the incentive programme.

The purpose of the proposed incentive programme is to create conditions for retaining and recruiting competent staff for the group, provide competitive compensation and align the interests of the participants with those of the shareholders as well as promote own shareholding in the company and thereby promote shareholder value and the company's creation of long-term value.

Issue of warrants 2021/2024

The Board of Directors proposes that the Annual General Meeting resolves on an issue of warrants in accordance with the terms and conditions set out below.

Number of warrants to be issued

The company shall issue a maximum of 200,000 warrants.

Right to subscription

The right to subscribe for warrants shall, with deviation from the shareholder's preferential rights, accrue to one of the company's wholly owned subsidiaries Nordiska Balco AB.

Reasons for deviation of the shareholder's preferential rights

The reason for deviation from the shareholder's preferential rights is to – through an incentive programme – create conditions for retaining and recruiting competent staff for the group, provide competitive compensation and align the interests of the participants with those of the shareholders as well as promote own shareholding in the company and thereby promote shareholder value and the company's creation of long-term value.

Subscription period

The warrants shall be subscribed for on a separate subscription list no later than 22 June 2021.

Over-subscription

Over-subscription shall not be permitted.

Subscription price and payment

The warrants shall be issued free of charge to the wholly owned subsidiary.

Terms and conditions for the warrants

- (i) Each warrant entitles the participant to acquire one new share in the company.

- (ii) The subscription price for each new share shall amount to an amount corresponding to 115 per cent of the volume-weighted price of the company's share on Nasdaq Stockholm during the ten trading days that occurs before (but not including) the day that the board for the first time decides on transfer of the warrants from the wholly owned subsidiary Nordiska Balco AB to the participants. The subscription price, calculated in accordance with the above, shall be rounded off to the nearest SEK 0.10, of which SEK 0.05 shall be rounded downwards. The thus described first transfer may be carried out no later than 6 months from the date of the resolution of the general meeting to issue warrants.
- (iii) The option right may be exercised during the period from and including the date that occurs three (3) years following the date that the board for the first time decides to transfer the warrants to the participants up to and including the day that falls 30 calendar days thereafter, though no later than from and including the date that occurs 3 years and six months from the date of the resolution of the general meeting to issue the warrants. According to the terms and conditions of the warrants, the period during which the warrants may be exercised shall be possible to extend if participants are prevented from exercising their warrants due to applicable laws on insider trading or the equivalent.
- (iv) The new shares shall entitle to dividend for the first time on the record date for dividends that falls immediately following the execution of the subscription.
- (v) The full terms and conditions for the warrants will be available on the company's website, www.balco.se, from and including 4 May 2021, at the latest. According to the terms and conditions for the warrants, the subscription price and the number of shares each warrant entitles subscription for, may be subject to customary recalculation in certain cases.

Increase of the share capital

When exercising all 200,000 warrants, the company's share capital may be increased by SEK 1,200,047.20 (estimated on a quotient value (Sw. *kvotvärde*) of SEK 6.000236), subject to the recalculation of the number of shares for which each warrant entitles the holder to subscribe for that can be made in accordance with the full terms and conditions of the warrants.

Authorisation

The board of directors shall have the right to extend the time for subscription of the warrants.

Allocation to potential participants outside Sweden is dependent on tax effects and that there otherwise are no legal obstacles to such allocation and that such allocation may occur with reasonable financial and administrative resources. In the event of such an allocation, the Board is authorised to make such minor adjustments as may be necessary with regard to foreign applicable law.

Approval of transfer of warrants to participants in the incentive programme

The board of directors proposes that the annual general meeting resolves to approve that the subsidiary entitled for subscription transfers a maximum of 200,000 warrants 2021/2024 to the company's CEO, senior executives and other key employees in the group who have a direct ability to influence the company's earnings or retains and later transfers warrants to such persons in accordance with the terms and conditions below.

Price and valuation

Payment for the warrants shall be made in cash and be acquired at market price. For those warrants that shall be acquired at market price, the price (the warrant premium) shall be determined according to Black & Scholes' valuation model in connection with the time of the transfer.

Allocation

The allocation of the warrants shall be determined by the board of directors in accordance with the following guidelines.

- (i) The warrants may be granted to the company's CEO, senior executives and other key personnel in the group who have a direct ability to influence the Group's earnings. In this case, the company's CEO may be granted a maximum of 50,000 warrants. Other participants, a total of approximately 14 persons, are divided depending on seniority into different categories that may be granted a total of a maximum of 150,000 warrants. However, the maximum number of warrants granted to the participants may not exceed 200,000 warrants. The company's board members may not be granted warrants. The first transfer to the participants in the programme may occur no later than 6 months from the date of the resolution of the general meeting to issue the warrants.
- (ii) Allocation of warrants to the participants may take place during the period from the date of the resolution of the general meeting to issue the warrants and for a period of 6 months thereafter. Allocation may only occur to the extent that the total number of warrants according to the programme does not exceed 200,000 warrants. However, the last day of allotment and transfer under this item (ii) does not apply to warrants not transferred under item (iii) or that have been repurchased under item (iv).
- (iii) If a person who has been granted a right to acquire warrants does not wish to acquire his or her full share, the non-acquired warrants shall be included in the number of unallocated warrants that may be offered to other existing and newly employed persons belonging to the categories specified in item (i) above.
- (iv) In connection with the transfer of warrants to the participants in the incentive programme, the company shall reserve the right to repurchase the warrants under certain circumstances. The company will thus have a right but not an obligation to repurchase warrants from the participant during the term of the incentive programme. Repurchases of warrants must be done at a price that at all times corresponds to no more than the market value. Repurchase of warrants may not, however, be made during such period when trading in financial instruments in the company is prohibited due to applicable laws on insider trading or the equivalent. Such repurchased warrants may be transferred in accordance with item (ii) above.

Dilution effect

If all 200,000 warrants 2021/2024 are exercised for subscription of 200,000 new shares, a dilution effect of approximately 0.9 per cent will arise (estimated based on the number of shares at the time of this notice).

Subsidies

In order to encourage participation in the programme, 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 warrant. In such cases, the subsidy will be paid out in connection with the exercise of the warrants, subject to the participant at such point in time is remaining in his/her employment or another corresponding employment within the Balco-group and still holding warrants. If a participant has disposed a part of its warrants, the participant should receive a subsidy maximum corresponding to the premium paid for the warrants held by the participant at the time of payment.

The company has the right but not any obligation to repurchase warrants that the participant does not wish to exercise as per the participant's notification to the company and part of each participant's warrants at a price corresponding to no more than the market value, with the purpose of facilitating the participant's exercise of the remaining warrants acquired under the programme. Repurchase may in such case be carried out in connection with the exercise of the warrants, however, warrants 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.

The Board of Directors shall, within the framework of the above terms and conditions, be responsible for the preparation and management of the programme.

Costs

The transfers of the warrants will take place at a price that corresponds to the market value of the warrants at the time of the transfer, which means that no social security contributions should arise for the group in connection with the issue and transfer of the warrants.

Warrants transferred to participants will be accounted for in accordance with IFRS 2 and will be recorded as a personnel expense in the income statement over the duration of the incentive programme.

The total cost for the incentive programme, including social security costs, if any, the subsidies according to the previous heading and advisory fees, amounts to approximately SEK 2 million.

The programme is estimated to entail only limited direct costs for the company. Therefore, no measures to secure the programme are planned to be made.

Effect on key ratios

If the incentive programme had been established in 2020, subject to the assumptions set out above, the impact on earnings per share would have been approximately SEK 0.04.

Subject to the assumptions set out above, the total cost of the incentive programme, including social security, is estimated to be approximately SEK 2 million over the duration of the incentive programme. This cost may be compared to the company's total salary costs, including social security costs, of approximately SEK 235 million in 2020.

Preparation of the proposal

The incentive programme has been prepared by the board of directors and the remuneration committee and has been discussed at the board meeting in April 2021.

Majority requirement

Resolution in accordance with the Board of Directors' proposals requires that shareholders representing a minimum of 9/10 of both the votes cast and the shares represented at the Annual General Meeting approve the proposal.

Authorisation

The Board of Directors, or any person appointed by the Board of Directors, is authorised to make such minor adjustments to the Annual General Meeting's resolution that may be necessary in connection with the registration with the Swedish Companies Registration Office, Euroclear Sweden AB or due to other formal requirements.

Växjö in April 2021
Balco Group AB (publ)
The Board of Directors

**Beslut om emissionsbemyndigande för styrelsen / *Resolution on issue
authorisation for the Board of Directors***

Item 17: Resolution on issue authorisation for the Board of Directors

The Board of Directors proposes that the Annual General Meeting shall decide to authorise 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 per cent or 2,190,934 shares.

The purpose of the authorisation 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 acquisitions of companies, to raise capital, or to finance further growth in the company in other ways.

Majority requirement

Resolution in accordance with the Board of Directors' proposal requires that shareholders representing a minimum of 2/3 of both the votes cast and the shares represented at the Annual General Meeting approve the proposal.

Authorisation

The Board of Directors, or any person appointed by the Board of Directors, is authorised to make such minor adjustments to the Annual General Meeting's resolution that may be necessary in connection with the registration with the Swedish Companies Registration Office, Euroclear Sweden AB or due to other formal requirements.

Växjö in April 2021
Balco Group AB (publ)
The Board of Directors

Beslut om bemyndigande för styrelsen avseende förvärv och överlåtelse av aktier / *Resolution on authorisation for the Board of Directors concerning acquisition and transfer of shares*

Item 18: Resolution on authorisation for the Board of Directors concerning acquisition and transfer of shares

Item 18 a): Resolution on authorisation 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 authorise 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 utilisation of the authorisation, are admitted to trading on Nasdaq Stockholm.

Acquisitions of shares in the company may be carried out 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 one tenth of all shares in the company at any time. The shares in the company on Nasdaq Stockholm shall be acquired only within the from time to time registered price range, *i.e.* the spread between the highest purchase price and the lowest selling price.

The purpose of the proposed authorisation 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, including to be able to use own shares as payment in connection with the acquisition of companies.

Item 18 b): Resolution on authorisation 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 authorise 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 utilisation of the authorisation, are 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 with deviation from the preferential rights of 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 of own shares on Nasdaq Stockholm shall be carried out at a price within the from time to time registered price range, *i.e.* the spread between the highest purchase price and the lowest selling price. Transfers 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 Directors' 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 proposed authorisation to 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.

Majority requirement

Resolution in accordance with the Board of Directors' proposals requires that shareholders representing a minimum of 2/3 of both the votes cast and the shares repre-

sented at the Annual General Meeting approve the proposal.

Authorisation

The Board of Directors, or any person appointed by the Board of Directors, is authorised to make such minor adjustments to the Annual General Meeting's resolution that may be necessary in connection with the registration with the Swedish Companies Registration Office, Euroclear Sweden AB or due to other formal requirements.

Växjö in April 2021
Balco Group AB (publ)
The Board of Directors

The Board of Directors' statement in accordance with Chapter 19, Section 22 of the Swedish Companies Act (2005:551)

Regarding the Board of Directors' proposal to authorise the Board of Directors to, at one or several occasions until the next Annual General Meeting, resolve on acquisition of own shares to the extent that the Company's holdings of own shares is in total not higher than one tenth of all shares in the Company, the Board of Directors hereby makes the following statement in accordance with Chapter 19, Section 22 of the Swedish Companies Act.

The proposals regarding the authorisation to resolve on acquisition of own shares are in accordance with the provisions of Chapter 17, Section 3, paragraphs 2 and 3 of the Swedish Companies Act for the reasons set out below.

The assets and liabilities have been valued at their true value in accordance with Chapter 4, Section 14 a of the Annual Reports Act (1995:1554). As the Company only uses financial instruments to a limited extent, only an insignificant part of the Company's equity is affected by the application of such valuation.

The Company and the Group's financial position as per 31 December 2020 is stated in the most recent annual report. The annual report also states which accounting principles have been applied in the valuation of assets, allocations and liabilities. The proposed authorisation to repurchase own shares does not jeopardise the completion of investments which are deemed to be necessary.

It is the Board of Directors' assessment that the Board of Director's proposal to authorise the Board of Directors to resolve on acquisition of own shares is justifiable taking into account the requirements that the nature and scope of the business, as well as the risks associated with it, places on the Group's equity and financial position. Against the background and in view of the above, the Board of Directors is of the opinion that the proposal to authorise the Board of Directors to resolve on acquisition of own shares, is justifiable in view of the requirements set forth in Chapter 17 Section 3 paragraphs 2 and 3 of the Swedish Companies Act, that the value transfers shall be deemed justifiable in view of the requirements that the nature and scope of the business, as well as the risks associated with it, places on the Group's equity and the Company's and the Group's financial strength, liquidity and position in general.

Växjö in April 2021
Balco Group AB (publ)
The Board of Directors

Bilaga 7 / Appendix 7

**Beslut om antagande av ny bolagsordning / *Resolution on amending the
company's articles of association***

Item 19: Resolution on amending the company's articles of association

The Board of Directors proposes that the Articles of Association be amended regarding an editorial change, regarding shortening the notice period for extraordinary general meetings, where the issue of changes to the articles of association will not be dealt with, from four weeks to three weeks and to enable postal voting and proxy collection at general meetings even after the Swedish Act (2020:198) on Temporary Exemptions of General Meetings in Companies and Associations has ceased to apply. The complete new articles of association are appended to this proposal.

In the Board's proposal below, **underlined bold text** means additions to the now registered articles of association and ~~crossed-out text~~ means deleted text.

§ 1 Company name~~Company name~~

The Company's name is Balco Group AB. The Company is a public company (publ).

§ 8 Notice of shareholder meetings, participation etc.

Notice of shareholders' meetings shall be given through advertisement in the Official Gazette (Post- och Inrikes Tidningar) and through notice being given on the Company's website. The Company shall place an advertisement in Dagens Industri stating that notice has been given. Notice of the annual general meeting and extraordinary general meetings, **where the issue of changes to the articles of association will be dealt with**, shall be issued not earlier than six, and not later than four, weeks prior to the meeting. **Notice of other extraordinary general meetings shall be issued not earlier than six, and not later than three, weeks prior to the meeting.**

Shareholders who wish to participate at shareholders' meetings must give notice of such to the company not later than the date stated in the notice of the meeting. The latter-mentioned date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve, or New Year's Eve and may not be earlier than the fifth weekday prior to the shareholders' meeting.

Shareholders may be accompanied at shareholders' meetings by a maximum of two assistants, provided the shareholder has given notice to the company in the manner stated in the preceding paragraph of the number of assistants.

The board of directors may collect powers of attorney in accordance with the procedure specified in Chapter 7, Section 4, second paragraph of the Swedish Companies Act (2005:551).

The board of directors may decide before a general meeting that the shareholders shall be able to exercise their voting rights by post before the general meeting.

Majority requirement

Resolution in accordance with the Board of Directors' proposal requires that shareholders representing a minimum of 2/3 of both the votes cast and the shares represented at the Annual General Meeting approve the proposal.

Authorisation

The Board of Directors, or any person appointed by the Board of Directors, is authorised to make such minor adjustments to the Annual General Meeting's resolution that may be necessary in connection with the registration with the Swedish Companies Registration Office, Euroclear Sweden AB or due to other formal requirements.

Växjö in April 2021
Balco Group AB (publ)
The Board of Directors

New articles of association

Articles of Association

Articles of Association for Balco Group AB, company reg. no. 556821-2319, adopted at the annual general meeting held on 25 May 2021.

§ 1 Company name

The Company's name is Balco Group AB. The Company is a public company (publ).

§ 2 Registered office

The registered office shall be located in the municipality of Växjö, in the County of Kronoberg.

§ 3 Objects

The Company shall directly, and indirectly through subsidiaries, carry out business in the manufacturing and supply of balcony solutions and glazed balconies and activities associated therewith. In addition, the Company shall own and manage property and conduct activities associated therewith.

§ 4 Share capital

The share capital shall be not less than SEK 100,000,000 and not more than SEK 400,000,000.

§ 5 Number of shares

There shall be not less than 15,000,000 shares and not more than 60,000,000 shares.

§ 6 Board of Directors

The Company's board of directors shall consist of not less than three and not more than ten directors without any alternate directors. The directors shall be elected annually at the annual general meeting to serve until the close of the next annual general meeting.

§ 7 Auditors

The Company shall have not less than one and not more than two auditors and an equal number of alternate auditors. An authorized public accountant or a registered accounting company shall be appointed as auditor and, where applicable, alternate auditor.

§ 8 Notice of shareholder meetings, participation etc.

Notice of shareholders' meetings shall be given through advertisement in the Official Gazette (Post- och Inrikes Tidningar) and through notice being given on the Company's website. The Company shall place an advertisement in Dagens Industri stating that notice has been given. Notice of the annual general meeting and extraordinary general meetings, where the issue of changes to the articles of association will be dealt with, shall be issued not earlier than six, and not later than four, weeks prior to the meeting. Notice of other extraordinary general meetings shall be issued not earlier than six, and not later than three, weeks prior to the meeting.

Shareholders who wish to participate at shareholders' meetings must give notice of such to the Company not later than the date stated in the notice of the meeting. The latter-mentioned date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve, or New Year's Eve and may not be earlier than the fifth weekday prior to the shareholders' meeting.

Shareholders may be accompanied at shareholders' meetings by a maximum of two assistants, provided the shareholder has given notice to the Company in the manner stated in the preceding paragraph of the number of assistants.

The board of directors may collect powers of attorney in accordance with the procedure specified in Chapter 7, Section 4, second paragraph of the Swedish Companies Act (2005:551).

The board of directors may decide before a general meeting that the shareholders shall be able to exercise their voting rights by post before the general meeting.

§ 9 Annual general meetings

The following business shall be addressed at annual general meetings:

- (1) Election of a chairperson for the meeting.
- (2) Preparation and approval of the voting register.
- (3) Approval of the agenda.
- (4) Election of one or two persons to attest the minutes.
- (5) Determination of whether the shareholders' meeting was duly convened.
- (6) Resolutions regarding:
 - (i) adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;
 - (ii) allocations of the Company's profit or loss according to the adopted balance sheet; and
 - (iii) discharge from liability of the directors and CEO.
- (7) Determination of the fees to be paid to the directors and auditors.
- (8) Election of the board of directors and, where applicable, auditors.
- (9) Decisions regarding guidelines for remuneration to be paid to senior management.
- (10) Resolution regarding the nominations process.
- (11) Other matters which, pursuant to the Swedish Companies Act or the articles of association, must be addressed by the shareholders' meeting.

§ 10 Financial year

The Company's financial year shall be 1 January – 31 December.

§ 11 CSD provision

The Company's shares shall be registered in a CSD register pursuant to the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*Sw. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

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