

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.

The Board of Directors' report on the Remuneration Committee's evaluation of the remuneration to the senior executives of Balco Group AB

The Board of Directors of Balco Group AB (the "**Company**") has, in accordance with Section 9.1 of the Swedish Corporate Governance Code (the "**Code**"), established a Remuneration Committee. The following persons serve on the committee: Ingaliill Berglund, Carl-Mikael Lindblom and Thomas Widstrand. The chairperson is Ingaliill Berglund.

The Remuneration Committee has an advisory role and also a preparatory function. The Remuneration Committee operates according to work procedures adopted by the Board of Directors. The primary duties of the Remuneration Committee are to prepare resolutions of the Board of Directors on questions regarding remuneration principles, remuneration, and other employment terms and conditions for senior executives. The Remuneration Committee shall also monitor and evaluate current programs and programs completed during the year for variable remuneration and ensuring that the guidelines for remuneration to senior executives adopted by the Annual General Meeting are applied. The proposal for new guidelines for remuneration to the senior executives that the Board of Directors, has presented to the Annual General Meeting 2024 for resolution has been prepared by the Remuneration Committee.

General description of the remuneration to the Company's senior executives

Remuneration paid to senior executives shall consist of fixed and variable salary, the possibility to participate in a long-term incentive program, and pension compensation. These components will, together, create a well-balanced remuneration which reflects individual expertise, responsibility and performance, both in the short and long term, as well as the Company's overall performance. Further information on remuneration paid to the Company's senior executives is found in the Annual Report 2023.

The Board of Directors report on the Remuneration Committee's evaluation

In accordance with Section 10.3 of the Code, the Board of Directors hereby gives the following report on the results of the Remuneration Committee's evaluation of the remuneration to the Company's senior executives.

Overall, the Remuneration Committee's evaluation, as well as the auditor's review, has resulted in the conclusion that the programs for variable remuneration have been appropriate and in accordance with the principles adopted by the Annual General Meeting. Further, the guidelines for remuneration to senior executives are deemed to have served their purposes. The view of the Board of Directors is also that the remuneration to the senior executives of the Company is competitive while at the same time being in line with the interests of the shareholders.

Växjö in April 2024
BALCO GROUP AB (PUBL)
The Board of Directors