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## **The Board of Directors' proposal to guidelines for remuneration to Executives of BICO Group AB**

The Board of Directors of BICO Group AB (publ) ("**BICO**") proposes that the 2025 Annual General Meeting resolves on the following guidelines for remuneration to Executives.

### **1. Scope**

These guidelines cover the CEO and other individuals who, during the validity period of the guidelines, are included in the executive management of BICO and the Board of Directors, insofar directors are paid remuneration besides what has been decided by the General Meeting, below referred to as ("**Executives**"). Further, BICO will in principle apply these guidelines in respect of remuneration to senior executives of BICO's operational companies.

These guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2025. These guidelines do not apply to any remuneration decided or approved by the General Meeting.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### **2. Promotion of BICO's business strategy, long-term interests and sustainability, etc.**

A prerequisite for successful implementation of BICO's business strategy and safeguarding the company's long-term interests is that BICO is able to recruit and retain qualified personnel. The main principle is that remuneration and other employment conditions for Executives shall be in line with market terms and competitive on every market where BICO operates, to ensure that competent and skilled personnel can be attracted, motivated and retained. Individual levels of remuneration shall be based on experience, competence, level of responsibility and performance, and also the country where the Executive is employed. These guidelines promote BICO's business strategy, long-term interests and sustainability as described in the below section regarding criteria for variable remuneration, and contribute to the company's ability to, on a long-term basis, retain qualified personnel. For further information about the BICO's business strategy, please see the company's annual reports and the website, see [www.bico.com](http://www.bico.com).

BICO currently has three long term share-based incentive programs in place aimed at BICO

group employees, resolved upon by the General Meeting in 2021, 2022 and 2024, respectively. The purpose of the incentive programs is to encourage broad share ownership among BICO's employees, facilitate recruitment, retain competent employees and increase motivation to achieve or exceed the company's financial targets. The programs of 2021 and 2022 have been free of charge and conditional on that certain financial conditions are met during the vesting period. The program of 2024 was based on the residence of the participants and thus consisted of partly warrants and partly staff options. A corresponding program, constituting warrants and staff options to a maximum of 30 key people within the BICO group, has been proposed by the Board of Directors and submitted to the Annual General Meeting 2025 for approval. The mentioned long term share-based incentive programs are distinctly linked to the business strategy and thereby to the company's long-term value creation, including its sustainability. The programs have been decided by the General Meeting and are therefore excluded by these guidelines. For more information regarding these long term share-based incentive programs, see [www.bico.com](http://www.bico.com).

### **3. Principles for various types of remuneration, etc**

The total remuneration to Executives shall be on market terms and may consist of the following components: fixed cash base salary, variable cash remuneration, pension benefits and other benefits. Additionally, the General Meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

#### *Fixed remuneration*

The fixed remuneration meaning cash base salary shall be determined with consideration of the Executive's individual area of responsibility, authority, competence, experience and performance. The fixed cash base salary shall be reviewed annually.

#### *Annual variable remuneration*

The satisfaction of criteria for awarding variable cash remuneration shall be possible to measure over a period of one year. The variable cash remuneration for the CEO may not amount to more than 100%, and for other members of the executive management 50%, of the total fixed annual cash base salary. An amount corresponding to 25% of the variable cash remuneration, received by the Executive, before deductions for income tax (i.e., the gross amount) must be used to acquire shares in BICO and/or warrants in potential LTIP programs. The shares that are acquired must, subject to certain customary exceptions, be kept for at least three years. The purpose of reserving part of the variable salary for the acquisition of shares or warrants in BICO is to increase the Executives' long-term commitment to the company and thereby benefit its strategy and long-term value creation. Normally, the Executives' acquisition of BICO shares with the variable cash remuneration component must take place within three months of variable cash remuneration pay out and then with the application of current rules on market abuse. Variable remuneration shall not be awarded,

and can be reclaimed, if the Executives have acted contrary to BICO policies, instructions and guidelines, and/or the company's code of conduct. Further, the company has the right to reclaim paid variable remuneration, if it has been calculated or paid out on incorrect grounds.

#### *Criteria for awarding variable remuneration*

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial and be individualized quantitative or qualitative targets. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other Executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

#### *Other variable remuneration*

Additional variable remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining Executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration must be commercially justified, take into account the individual's annual cash base salary from a market-practice perspective and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

#### *Pension & insurance*

For the CEO of the company, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 31 percent of the fixed annual cash base salary. For other Executives, pension benefits, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions applicable to the individual concerned. The pension premiums for premium defined pension shall amount to not more than 31 percent of the fixed annual cash base salary. Pension premiums may, exceptionally, exceed this limit if required to comply with mandatory law, collective bargaining agreements or other applicable rules or established local practice, taking into consideration, to the extent

possible, the overall purpose of these guidelines.

Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company cars. Such benefits shall not amount to more than 5 percent of the fixed annual cash base salary.

For Executives stationed in another country than their home country, additional remuneration and other benefits may be awarded to a reasonable extent with consideration of the special circumstances that are associated with such foreign stay, whereby the general purpose of these guidelines shall be satisfied to the furthest extent possible. Such benefits shall amount to no more than 15 percent of the fixed annual cash base salary.

#### *Termination of employment*

The notice period may not exceed 12 months, if notice of termination of employment is made by the company. Fixed cash base salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash base salary for 12 months for the Executives. The period of notice may not to exceed six months when termination is made by the Executives, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid insofar as the previously employed Executive is not entitled to severance pay. The remuneration shall not amount to more than 60 percent of the fixed cash base salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions and be paid during the time that the non-compete undertaking applies, which shall be not more than 24 months following termination of employment.

#### *Salary and employment conditions for employees*

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate of the remuneration over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to Executives and remuneration to other employees will be disclosed in the remuneration report.

#### **4. The decision-making process to determine, review and implement the guidelines**

The Board of Directors has established a Remuneration Committee. The Remuneration Committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new

guidelines at least every fourth year and submit it to the annual general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the Executives, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the Remuneration Committee are independent of the company and its Executives. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. The Board of Directors shall annually draw up a remuneration report that shall be presented to the Annual General Meeting for approval.

## **5. Derogation from the guidelines**

The Board of Directors may resolve to temporarily derogate from the guidelines, in whole or in part, if in a specific case there is special cause for such action and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters, which includes resolutions to derogate from the guidelines.

## **6. Description of significant changes to the guidelines and how the views of shareholders have been taken into consideration**

The current applicable guidelines were adopted on the Annual General Meeting 2024. The proposal for guidelines submitted at the 2025 Annual General Meeting, in principle, correspond to the guidelines adopted 2024, but have been subject to minor clarifications and updates. BICO has not received any views from shareholders to take into consideration in the preparation of this proposal.

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Gothenburg in April 2025

The Board of Directors of BICO Group AB (publ)