

The Board of Director's proposal for guidelines for remuneration to senior executives

The Board proposes that the Annual General Meeting resolves on guidelines for remuneration to senior executives with following content:

The guidelines shall apply to remuneration of the CEO and the other senior executives. Bufab strives to offer an overall compensation package capable of attracting and retaining qualified employees. The overall compensation package can comprise the components listed below.

Fixed salary shall be competitive and shall reflect the responsibilities required by the position. The fixed salary shall be reviewed on an annual basis. The variable cash salary may not exceed 50 per cent of fixed salary. The variable remunerations shall be linked to predetermined and measureable performance criteria, aimed at promoting the company's long-term value creation and shall be reviewed on an annual basis.

The Board shall conduct an annual evaluation regarding whether or not to propose the Annual General Meeting to adopt a long-term share based incentive program for senior executives and possible other employees.

Senior executives may be offered individual pension solutions. Pensions shall, to the extent possible, be defined-contribution plans.

Other benefits may be offered, but shall not comprise a significant share of the overall compensation package.

The maximum period of notice between the Company and the CEO shall be 18 months. Other senior executives shall be subject to a shorter period of notice.

In individual cases and under special circumstances, the Board has the right to deviate from the above remuneration guidelines. In the event of such a deviation, information pertaining thereto and the reason for the deviation must be presented at the next Annual General Meeting.

The above guidelines are a full statement on the proposed resolution of the Annual General Meeting.

Värnamo in March 2019

Bufab AB (publ)
The Board of Directors