

# BUFAB GROUP POLICY

## Dividend

**BUFAB**

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### **1. Background and purpose**

Bufab's goal is to generate a steadily increasing dividend. Our dividend policy is supported by cash flow from all business segments: Region Europe North & East, Region Europe West, Region UK/Ireland, Region Americas and Region ASAP.

This Policy outlines the circumstances and various factors that the Board should consider when making decisions about the distribution or retention of profits, with the aim of providing transparency to the equity shareholders. This Policy serves as a 'Guide' for the Board when recommending dividends, considering all relevant circumstances listed herein and any other factors deemed relevant by the Board.

While this Policy will guide the recommendation of dividend distributions, in extraordinary circumstances, the Board has the complete discretion to recommend dividends that deviate from this Policy if it is deemed necessary in the best interests of Bufab and its stakeholders.

This Policy reflects the Company's intent to reward its equity shareholders by sharing a portion of its profits, after adjusting for any accumulated losses, and retaining sufficient funds for the future growth of Bufab. T

Bufab intends to pay dividends, subject to the circumstances and factors listed herein. The Board will determine the dividend payout for a particular year after considering the Company's operating and financial performance.

This Policy establishes the principles by which the Board makes recommendations to the shareholders' meeting regarding the distribution of profit.

### **2. Audience**

The policy applies to all entities within the Group.

### **3. Policy statement**

#### **3.1. Dividend from Bufab AB to shareholders**

The Board of Directors shall draft a proposal for the shareholders' meeting regarding the allocation of profits from the audited financial statements for the relevant closed year, explicitly addressing the pay-out procedure and the amount of dividends, considering:

- a) the articles of association of the Bufab and applicable laws
- b) the long-term developmental goals of Bufab
- c) the financial situation of Bufab
- d) legal obligations and liabilities (if any) of Bufab, such as the contractual obligations of the company, financing terms
- e) the adequacy of the capital structure.

The annual general meeting of shareholders decides on the amount and payment procedure of Annual Dividends.

Dividends are calculated based on the amount of consolidated profit of Bufab included in its financial statements prepared in accordance with the International Financial Reporting Standards.

Annual dividends are distributed after the Company's financial statements are approved at the annual general meeting of shareholders. Bufab aims to provide the owners with a dividend corresponding to 30-60 % of the net result.

#### **3.2. Dividend from subsidiaries to Holding entities or Bufab AB**

Subsidiaries should pay their full Retained Profit from last year's financial statement. Dividend shall be distributed as a group contribution when applicable.

If a holding entity has an external loan, the priority should be to amortise the loan instead of making a dividend payment to Bufab International AB.

Any deviations from this need to be approved by the Group CFO.

### **4. Roles and responsibilities**

The Group CFO is the owner of this policy.

### **5. Exceptions**

There are no exceptions to this policy. Any need for exceptions to this policy must be clearly defined and documented. All exceptions shall be approved by the Board of Directors of Bufab AB.

### 6. Monitoring and compliance


The annual general meeting shall decide upon a dividend.

### 7. References to associated documents

- Finance Policy
- Financial Manual
- Dividend Instruction



**Erik Lundén**  
CEO Bufab Group



**Pär Ihrskog**  
CFO

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## 8. Log of updates

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