



Press release 31 July 2024

Notification of Annual General Meeting of Clas Ohlson AB (publ)

The shareholders of Clas Ohlson AB (publ), reg. no. 556035-8672 are notified of the Annual General Meeting to be held at 11.00 a.m. on CEST on Friday, 6 September 2024 at Tegera Arena in Leksand, Sweden. Registration will begin at 9.45 a.m. CEST. We will be offering refreshments in conjunction with the AGM.

The Board of Directors has resolved that shareholders may exercise their right to vote at the AGM through advanced voting (postal voting) in accordance with the provisions in the company's Articles of Association.

Right to participate and notification

Participation at the meeting venue

A shareholder who intends to participate in the AGM in person or by proxy must:

- be listed as a shareholder in the share register maintained by Euroclear Sweden AB as of Thursday, 29 August 2024, and
- give notice of participation no later than Monday, 2 September 2024, by mail to Clas Ohlson AB (publ), "AGM", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden, by phone at +46 247 446 00, on the website <http://about.clasohlson.com>, or by e-mail GeneralMeetingService@euroclear.com.

Notice of participation must include the shareholder's name, personal identity number or corporate registration number, address, telephone number, the number of shares represented, information on any advisers (no more than two) and, if applicable, the name of any legal representative or proxy.

If the shareholder is represented by proxy, a written and dated power of attorney signed by the shareholder shall be issued to the proxy. A power of attorney issued by a legal entity must be accompanied by the entity's certificate of registration (or a corresponding document of authority). In order to facilitate the registration at the AGM, the power of attorney, certificate of registration and other documents of authority should be sent to the above address no later than Friday, 30 August 2024. Forms of power of attorney are available in Swedish and English on the company's website, <http://about.clasohlson.com>, and will be sent to shareholders who so request and provide their postal address.

Participation through advance voting

A shareholder who intends to participate in the AGM through advance voting, in person or by proxy, must:

- be listed as a shareholder in the share register maintained by Euroclear Sweden AB as of Thursday, 29 August 2024, and
- give notice of participation by casting an advance vote according to the instructions below so that the advance voting form is received by Euroclear Sweden AB no later than Monday, 2 September 2024.

A specific form is used for advance voting. The advance voting form is available on the company's website, <https://about.clasohlson.com>. A completed and signed form may be submitted by mail to Clas Ohlson AB (publ), "AGM", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden or by e-mail to GeneralMeetingServices@euroclear.com. Shareholders may also cast their advance votes electronically on the company's website, <https://about.clasohlson.com>. For general questions regarding the AGM or requests to receive the advance voting form and/or form of power of attorney by mail, please contact the company by phone at +46 247 444 00, Monday–Friday from 8:00 a.m. to 5:00 p.m. CEST.

A shareholder may not include specific instructions or terms in the advance voting form. In this case, the vote (in its entirety) is invalid. Further instructions and terms are provided in the advance voting form.

If the shareholder is represented by proxy, a written and dated power of attorney signed by the shareholder must be attached to the form. A power of attorney issued by a legal entity must be accompanied by the entity's certificate of registration (or a corresponding document of authority). Forms of power of attorney are available in Swedish and English on the company's website, <http://about.clasohlson.com>, and will be sent to shareholders who so request and provide their postal address.

A shareholder who has voted in advance may also attend the meeting venue, provided that a notification of participation according to the instructions above under the heading *Participation at the meeting venue* has been made.

Nominee-registered shares

In order to be entitled to participate in the AGM, shareholders whose shares are registered in the name of a nominee must re-register their shares in their own name in the share register maintained by Euroclear Sweden AB. Such re-registration may be temporary (so-called voting rights registration) and must be completed no later than on Monday, 2 September 2024, which means that shareholders well in advance prior to this date must instruct the nominee to carry out such action.

Number of shares and votes

The number of shares of series A in the company totals 5,760,000, carrying ten votes per share, corresponding to 57,600,000 votes, and the number of shares of series B in the company totals 59,840,000, carrying one vote per share, corresponding to 59,840,000 votes. Accordingly, there are a total of 65,600,000 shares and 117,440,000 voting rights in the company. The company holds 2,242,711 own shares of series B, which may not be represented at the AGM.

Proposed agenda

1. Opening of the AGM
2. Election of Chair of the AGM
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Determination as to whether the AGM has been duly convened
7. Presentation of the Annual Report and the Auditor's Report as well as the Consolidated Financial Statements and the Auditors' Report on the Consolidated Financial Statements for 2023/24, the Board's remuneration report and the auditor's statement on whether the applicable guidelines for remuneration of senior management have been followed
8. Statement by the CEO
9. Chair of the Board's report on the work of the Board and the People and Audit Committees
10. Question time
11. Resolution concerning the adoption of the Income Statement and Balance Sheet as well as the Consolidated Income Statement and Consolidated Balance Sheet for 2023/24
12. Resolution concerning the disposition of the company's profits in accordance with the balance sheet adopted for 2023/24 and determination of the record dates for payment of the dividend
13. Resolution concerning the discharge of Board Members and the CEO from liability for 2023/24
14. Determination of:
 - a) the number of Board Members to be elected by the AGM
 - b) the number of auditors and deputy auditors to be elected by the AGM
15. Resolution concerning:
 - a) fees to be paid to the Board Members and fees for committee work
 - b) fees to be paid to the auditor
16. Election of Board Members and Chair of the Board as well as auditor and any deputy auditors
- 16.1 Election of Board Members
 - a) Kenneth Bengtsson (re-election)
 - b) Mengmeng Du (re-election)
 - c) Mathias Haid (re-election)
 - d) Patrik Hofbauer (re-election)
 - e) Håkan Lundstedt (re-election)
 - f) Charlotte Strömberg (re-election)
 - g) Göran Sundström (re-election)
 - h) Stefan Sjöstrand (new election)
- 16.2 Election of Chair of the Board
 - a) Kenneth Bengtsson (re-election)
- 16.3 Election of auditor and any deputy auditors
 - a) Deloitte AB (re-election)
17. Resolution on approval of the remuneration report
18. Resolution regarding guidelines for remuneration and other terms of employment for senior management
19. Resolution on the implementation of a new long-term incentive programme (LTI 2024) in accordance with A and hedging arrangements in respect thereof in accordance with B or C
20. Resolution regarding authorisation for the Board to resolve on repurchase and transfer of own shares

21. Resolution regarding authorisation for the Board to resolve on issues of shares
22. Closing of the AGM

Item 2, Election of Chair of the AGM

The Nomination Committee proposes that Kenneth Bengtsson be elected Chair of the AGM.

Item 12, Resolution concerning the disposition of the company's profits in accordance with the balance sheet adopted for 2023/2024 and determination of the record dates for payment of the dividend

The Board proposes a dividend of 4.25 SEK per share, corresponding to a total of 278,800,000 SEK. The Board proposes that the dividend be split into two payments. Due to technical limitations entailing that in this case payment cannot be made in equal amounts for each payment date, it is proposed that the first payment amount to 2.13 SEK per share and the second payment to 2.12 SEK per share. The proposed record date for the first payment is 10 September 2024 and the proposed record date for the second payment is 14 January 2025. If the AGM resolves in accordance with this motion, the first portion of the dividend is expected to be distributed on 13 September 2024 and the second portion on 17 January 2025.

It is proposed that the remaining profit be carried forward.

Items 14–16, Resolutions concerning the number of Board Members, auditors and deputy auditors to be elected by the AGM, fees to the Board Members and auditor, and election of Board Members, Chair of the Board, auditor and any deputy auditors

The company's Nomination Committee, which was formed in accordance with a resolution on the nomination procedure passed at the AGM of 11 September 2010 and which comprises Malin Persson (Chair of the Nomination Committee), Johan Ståhl, Fredrik Ahlin, Richard Torgerson and Kenneth Bengtsson, proposes the following resolutions concerning items 14–16.

The Nomination Committee proposes that the number of Board Members be eight and that one auditor and no deputy auditor be appointed. (Items 14.a–14.b)

The Nomination Committee proposes that the total fees to Board Members, including fees for committee work, be paid in the amount of 4,480,000 SEK (4,320,000 SEK) to be allocated as follows: 945,000 SEK per year to the Chair of the Board (900,000 SEK) and 415,000 SEK per year to each of the other AGM-elected Board Members (400,000 SEK). Further, the Nomination Committee proposes that 180,000 SEK be paid out to the Chair of the Audit Committee (170,000 SEK) and 90,000 SEK to the other (currently two) members of the Audit Committee (90,000 SEK), and that 135,000 SEK be paid out to the Chair of the People Committee (135,000 SEK) and 67,500 SEK to each of the other (currently two) members of the People Committee (67,500 SEK). The Nomination Committee thus proposes an increase of approximately 3.7 per cent in Board fees compared with the preceding year (level for 2023/24 in brackets). Any decisions by the Board to adjust the number of committee members will also affect the total Board fees. Board fees are paid as salary. (Item 15.a)

It is proposed that the auditor's fees be paid on a current-account basis in return for company-approved invoices. (Item 15.b)

The Nomination Committee proposes the re-election of Board Members Kenneth Bengtsson, Mengmeng Du, Mathias Haid, Patrik Hofbauer, Håkan Lundstedt, Charlotte Strömberg and Göran Sundström, and the election of Stefan Sjöstrand as a new Board Member. Anne Thorstvedt Sjöberg has announced that she will not be standing for re-election. (Items 16.1.a–16.1.h)

The Nomination Committee proposes that Kenneth Bengtsson be re-elected as Chair of the Board.

(Item 16.2)

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, the re-election of Deloitte AB as the company's auditor for the period until the close of the 2025 AGM (Item 16.3).

Item 17, Resolution regarding approval of the remuneration report

The Board proposes that the AGM approve the Board's remuneration report, prepared pursuant to Chapter 8, section 53a of the Swedish Companies Act.

Item 18, Resolution regarding guidelines for remuneration and other terms of employment for senior management

The Board proposes that the AGM resolves on the following guidelines for remuneration and other terms of employment for the CEO and other members of Group Management.

Guidelines for remuneration of senior management

These guidelines encompass the CEO and other members of Group Management ("**Senior Management**"). The guidelines will pertain to contracted remuneration and changes made previously contracted remuneration after approval from the 2024 AGM. The guidelines do not encompass remuneration established by a general meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

The guidelines for remuneration and other employment terms for Senior Management have been established with the overall objective to support Clas Ohlson's business strategy, the company's financial targets and safeguarding the company's long-term interests, including its sustainability. Clas Ohlson intends to offer remuneration levels that will attract, retain and motivate key individuals whose roles are to achieve the company's overall objectives sustainably over time.

These guidelines mean that Senior Management can be offered a market-based total remuneration.

For information about Clas Ohlson's business strategy, see the most recent annual report available at <https://about.clasohlson.com>.

The decision-making process to determine, review and implement the guidelines

The Board has established a remuneration committee (called the "People Committee"). Its tasks include preparing the Board's decisions on proposes for guidelines for remuneration of Senior Management. The Board prepares proposals for new guidelines every four years or sooner and submits them to the AGM. The guidelines apply until new guidelines are adopted at a general meeting. The People Committee shall also monitor and evaluate programmes for variable remuneration for the executive management, the application of the guidelines for remuneration of senior management as well as the current remuneration structures and compensation levels in the company. The People Committee members are independent in relation to the company and Group Management. The CEO and other members of Group 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.

Total remuneration

Total remuneration is to be based on position and be attractive and market-based in the country of employment.

The company believes that a balanced remuneration structure will provide Senior Management

with the incentive to focus on creating long-term shareholder value, while the company will have the opportunity to offer cash incentives for the achievement of short-term performance objectives that contribute to the company's business strategy and the company's long-term interests. The total remuneration is to be market-based and may consist of:

- fixed annual basic salary
- annual variable cash remuneration based on annual performance targets (individual or overall company targets)
- pension and health benefits
- other benefits that are common in the country of employment

A general meeting may, in addition – and independent of these guidelines – resolve on, for example, share-related or share price-related remuneration.

Clas Ohlson aims to offer a market-based total level of remuneration, focusing on “payments based on performance.” The objective is that the fixed annual basic salary will be on par with or around that of the competitive market. If Clas Ohlson achieves or exceeds the established performance targets, measurable over the course of one year, the total remuneration is on par with or around the upper quartile of the competitive market. This means that the variable remuneration may comprise a significant portion of the total remuneration.

The market is defined mainly by the companies with which Clas Ohlson competes in order to attract and retain Senior Management.

Total remuneration of the President and CEO is resolved by the Board of Directors following recommendation by the People Committee. For other Senior Management, remuneration is determined by the People Committee based on proposals from the President and CEO, within the framework of the decisions by the Board of Directors.

Remuneration of Board members

Should a Board member perform work for Clas Ohlson, in addition to the Board work, and if there are special reasons, a consultant's fee and other remuneration could be approved for such work following decisions by the Board of Directors, provided that such work contributes to safeguarding Clas Ohlson's long-term interests, including its sustainability. The fees are paid in the form of salary or by invoice and are market-based.

Such consultant's fee for each Board member may never exceed their annual director fees.

Fixed annual basic salary

The fixed annual basic salary is to constitute the basis for total remuneration. The salary is to be related to the relevant competitive market and reflect the extent of the responsibilities included in the position.

Adjustment of the fixed basic salary is to be based on the general wage negotiation in the competing market and the performance level of the senior manager.

Fixed basic salary is reviewed annually to reward individual performances and ensure continued competitiveness.

Variable performance-based remuneration

Variable performance-based remuneration may comprise a significant portion of the total remuneration for Senior Management and are to be measured against set and predetermined goals. The goals are to be based on financial, non-financial or individually customised objectives and are to support long-term shareholder value. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

- Short-term incentives, STI, can be paid annually for efforts that fulfil or surpass predetermined performance levels during a financial year. Performance targets are established annually by the Board of Directors. Performance is to be linked to predetermined and measurable criteria that can be financial or non-financial and related to the business plan. They can also consist of individually customised quantifiable or qualitative goals. The criteria are to be designed so they support the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promoting the long-term development of the senior manager. Financial criteria are to be measured at the Group level and be connected to shareholder value over the short and long term. Total target fulfilment is at least 25 per cent dependent on EBIT and at least 25 per cent on sales growth. Individual targets are to be related to the company's business plan and may, for example, contain elements related to the company's sustainability targets, customer satisfaction, quality, leadership or corporate culture. Remuneration paid from the STI programme amounts to no more than 60 per cent of the fixed annual basic salary. Insofar as performance does not match the lowest acceptable performance level, no STI remuneration will be paid.

Payment of remuneration from the STI programme may also be combined with requirements for a minimum holding of shares.

When the measurement period for the variable cash remuneration is over, the extent to which criteria have been fulfilled is assessed. The Board is responsible for the assessment to the extent it concerns variable cash remuneration to the CEO. To the extent it concerns variable cash remuneration to other management, the People Committee is responsible for the assessment.

To the extent it concerns financial targets, the assessment is based on the company's most recently published financial information.

According to the law or to agreements and any limits therein, the Board is entitled to reclaim such variable remuneration approved or disbursed on the basis of information that later proves to be obviously incorrect or on performance that proved to be unsustainable over time.

- Long-term incentives (LTI) The company has established long-term share-based long-term incentive programmes as part of the total remuneration, which aims to reward the successful implementation of the company's strategy and the creation of long-term shareholder value. The objective of the programmes is to unite the long-term interests of shareholders and Senior Management, while the opportunity for share-based remuneration also creates the potential to attract and retain Senior Management.

The guidelines here do not apply to these programmes, since they were voted on at a general meeting.

For more information about these programmes, including the criteria that outcomes are based on, refer to <https://about.clasohlson.com> (the tab regarding the AGM and year for the updated version). Target fulfilment is reported in the annual report for the company and is also available at <https://about.clasohlson.com>.

The Board of Directors nominates participants for the LTI programme. The Board of Directors will annually evaluate whether or not long-term incentive programme will be proposed at future AGMs.

Pensions, health insurance and other benefits

If possible according to mandatory collective bargaining agreements, pension benefits, including health insurance, are premium-based. Variable remuneration is only to be pensionable in cases required by mandatory collective bargaining agreements.

Pension premiums for premium-based pensions shall amount to no more than 35 per cent of the fixed annual basic salary.

Other benefits may occur in accordance with the terms applicable in the country in which the Senior Manager is employed, and can include company cars, health insurance, travel and housing. For benefits such as company cars and health insurance, the value may be no more than 5 per cent of the fixed annual basic salary.

The Senior Manager can, individually, be given temporary right to housing and travel. Such benefits amount to no more than 25 per cent of the fixed annual basic salary.

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.

Period of notice and severance pay

The period of notice may not be longer than six months. During the period of notice, the combined value of the fixed cash salary and severance pay may not exceed an amount corresponding to the fixed annual basic salary for 12 months. When notice is given by a Senior Manager, the period of notice may not be longer than six months, 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 in so far as the previously employed Manager is not entitled to severance pay. The remuneration shall amount to not more than 60 per cent of the monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 12 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 income, the components of the remuneration and increase and growth rate over time, in the People Committee's and the Board's 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 senior management and remuneration to other employees will be disclosed in the remuneration report.

Other

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation 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 People Committee's tasks include preparing the Board's resolutions in remuneration-related matters.

For more information about remuneration, see Note 6 in the annual report.

Item 19, Resolution regarding the introduction of a new long-term incentive programme ("LTI 2024") in accordance with A and hedging arrangements in respect thereof, in accordance with B or C

The Board of Directors proposes that the AGM resolves on the implementation of a long-term incentive programme (“LTI 2024”), giving members of the senior management and key employees the opportunity of becoming shareholders in Clas Ohlson.

The overall purpose of LTI 2024 is to closely align the participants’ interests with those of the shareholders and to create a long-term commitment as well as value creation for Clas Ohlson. LTI 2024 is also a key part of an overall competitive remuneration package for Clas Ohlson, intended to attract and retain senior management and key employees who are critical for Clas Ohlson’s long-term success.

The Board of Directors considers that having recurring long-term incentive programmes is vital and an important part of Clas Ohlson’s total remuneration package, and the Board of Directors, therefore, intends to annually propose incentive programmes for approval by the Annual General Meeting.

A. Implementation of LTI 2024

The Board of Directors proposes that the AGM resolves on implementation of LTI 2024 in accordance with the principal terms and conditions set out below:

- (a) It is proposed that LTI 2024 be open to no more than 50 employees of senior management and other key employees of the Clas Ohlson Group.
- (b) Each participant will free of charge receive a performance share award under LTI 2024 (“**LTIP Award**”) entitling the participant to receive an allotment of a number of Clas Ohlson series B shares free of charge from Clas Ohlson or from a designated third party, subject to the satisfaction of the performance conditions set out in section (e) as well as the condition in section (i) below (“**Performance Shares**”).
- (c) Any Performance Shares will be allotted after the expiration of the three-year vesting period, which begins on the date decided by Clas Ohlson and notified to the participant in LTI 2024 and continues until the day of publication of the interim report for Q1 the 2027/2028 financial year (the “**Vesting Period**”). Offer of participation in LTI 2024 can be offered up to and including 31 December 2024.
- (d) The value of the underlying shares at the time of grant in respect of each LTIP Award will amount to between 45–60 per cent of the gross annual fixed salary in 2024 (as per 1 May 2024) for each participant, on an individual basis. The share price used to calculate the value of the underlying shares in respect of each LTIP Award, and hence the number of shares to which each LTIP Award entitles, shall be the volume-weighted average price paid for the Clas Ohlson series B share on Nasdaq Stockholm during the period between 7 June 2024 and 20 June 2024 (ten trading days immediately after the publication of the interim report for Q4 the 2023/2024 financial year), i.e. 173.46 SEK (the “**Input Value**”).
- (e) The portion (if any) of an LTIP Award that will vest at the end of the Vesting Period is based on and subject to the satisfaction of the performance conditions set out below during the 2024/2025, 2025/2026, and 2026/2027 financial years, i.e. during the period 1 May 2024 up to and including 30 April 2027 (“**Performance Period**”). The percentage weighting between the different performance conditions is stated below and the outcome for each performance condition will be determined individually. This means, inter alia, that all performance conditions do not have to be fulfilled for allotment of Performance Shares to take place. Furthermore, the achievement of the financial performance targets will also be measured on a financial year basis, whereby

the final allotment will be based on the higher of the achievement of individual financial year targets and the fulfilment throughout the Performance Period.

Net sales

30 per cent of the allotment under an LTIP Award will depend on the average net sales (“**Net Sales**”) during the Performance Period. The Board of Directors will determine a minimum and maximum level, which will be disclosed after expiry of LTI 2024. If the minimum level is reached, an allotment of 30 per cent related to Net Sales will occur. If the maximum level is reached or exceeded, a full allotment related to Net Sales will occur. If the outcome is between the minimum level and the maximum level, a straight-line allotment related to Net Sales will take place. If the minimum level is not reached, no allotment related to Net Sales will occur.

Earnings per share

40 per cent of the allotment under an LTIP Award will depend on the average earnings per Clas Ohlson share (“**EPS**”) during the Performance Period. The Board of Directors will determine a minimum and maximum level, which will be disclosed after expiry of LTI 2024. If the minimum level is reached, an allotment of 30 per cent related to EPS will occur. If the maximum level is reached or exceeded, a full allotment related to EPS will occur. If the outcome is between the minimum level and the maximum level, a straight-line allotment related to EPS will occur. If the minimum level is not reached, no allotment related to the EPS will occur.

Sustainability

30 per cent of the allotment under an LTIP Award will be subject to whether the Clas Ohlson Group has achieved certain ESG targets according to the Group’s sustainability strategy during the last financial year of the Performance Period. The ESG targets consist of three sub-targets: (i) the portion of the Group’s suppliers that comply with Clas Ohlson’s Code of Conduct without any material deviations, (ii) average annual sales growth of spare parts (organically excluding the Spares Group) and (iii) the gender balance at management level (the “**ESG Targets**”). For each sub-target, a minimum and maximum level have been determined in accordance with the table below. Each sub-target is weighted by one third (i.e. corresponding to 10 per cent of the total possible allotment according to LTI 2024). If the outcome of a sub-target is less than the minimum level, no allotment is made related to that sub-target. If the outcome of a sub-target is between the minimum and the maximum level, a straight-line allotment is made related to that sub-target. If the outcome of a sub-target reaches or exceeds the maximum level, a 100 per cent allotment is made related to that sub-target.

Sub-targets	Minimum level (30% allotment)	Maximum level (100% allotment)
The portion of the Group’s suppliers that comply with Clas Ohlson’s Code of Conduct without any material deviations	98%	100%

Average annual sales growth of spare parts (organically excluding the Spares Group)	14%	24%
Gender balance at management level (Women/Men)	42/58	44/56

- (f) The number of Performance Shares that can be allotted per each LTIP Award shall be adjusted for any dividend payments during the period from the determination of the Input Value and up to and including the date of allotment of Performance Shares after the expiry of the Vesting Period (“**Dividend Compensation Shares**”).
- (g) The value of each Performance Share on allotment (inclusive compensation for dividend according to section (f) above) shall be capped to three times the Input Value. If so, the number of Performance Shares allotted will be reduced.
- (h) Performance Shares may be allotted only after the expiration of the Vesting Period, unless the Board of Directors of Clas Ohlson in an individual case resolves otherwise in case of any special reasons.
- (i) In order for an LTI 2024 participant to be allotted Performance Shares it is a condition that, with certain specific exemptions, the participant has been permanently employed within the Clas Ohlson Group for the duration of the whole Vesting Period.
- (j) If significant changes in the Clas Ohlson Group or in the market occur which, in the opinion of the Board of Directors, would result in a situation where the conditions for allotment of Performance Shares become unreasonable, the Board of Directors shall be entitled to make adjustments to LTI 2024, including, among other things, be entitled to resolve on a reduced allotment of Performance Shares or that no Performance Shares shall be allotted at all.
- (k) The Board of Directors shall be authorised to establish the detailed terms and conditions for LTI 2024. The Board of Directors may, in that regard, make necessary adjustments to satisfy certain regulations or market conditions outside Sweden, including, inter alia, offering cash remuneration instead of Performance Shares to employees in countries where Performance Shares may not be allotted in accordance with applicable rules or where this cannot be done at reasonable costs or administrative efforts.
- (l) Participation in LTI 2024 presupposes that such participation is legally possible in the various jurisdictions concerned and that the administrative costs and financial efforts are reasonable in the opinion of the Board of Directors.
- (m) LTI 2024 shall comprise a maximum of 265,000 Clas Ohlson series B shares, of which 205,000 constitute Performance Shares and Dividend Compensation Shares. The

remaining 60,000 Clas Ohlson series B shares are such shares that may be transferred by Clas Ohlson or a third party in order to cover the cash flow effects associated with LTI 2024, primarily social security contributions. Such cash flow effects may also relate to a cash settlement of part of the participant's share allotment to finance the participant's benefits tax, including any contractual pension payment that such cash settlement may entail.

- (n) The number of Performance Shares will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.

Costs

The costs for LTI 2024, which are charged in the profit and loss account, are calculated according to the accounting standard IFRS 2 and UFR 7 and distributed over the Vesting Period. The calculation has been made based on the following assumptions: (i) a market price of the Clas Ohlson series B shares of 167.20 SEK (closing price on 26 July 2024), (ii) the Board's assumptions regarding annual dividend, (iii) an assessment of future volatility in respect of the Clas Ohlson series B share, (iv) the assumed allotment of Performance Shares stated in the following paragraph, and (v) that LTI 2024 comprises 50 participants.

In total, this can lead to, at an assumed average target fulfilment of 50 per cent and based on an employee turnover of 10 per cent, a cost for LTI 2024 of approximately 14.4 MSEK, excluding social security contributions. The costs for social security contributions are calculated to approximately 6.3 MSEK assuming an annual share price increase of 10 per cent during the Vesting Period and average social security contributions of 29.70 per cent.

Based on the assumptions above the annual costs for LTI 2024, including social security contributions, corresponds to approximately 0.3 per cent of Clas Ohlson's total annual personnel costs.

If LTI 2024 had been implemented in 2023/2024, if Clas Ohlson had had costs in accordance with the example above, and LTI 2024 had been allotted in 2023/2024 in accordance with the assumptions in the sample calculation above, the earnings per share for the 2023/2024 financial year would have decreased by 0.09 SEK to 7.94 SEK.

In the event of a maximum allotment of Performance Shares and that all participants remain in LTI 2024 and that the value of each Performance Share upon allotment (including compensation for dividends) according to above amounts to three times the Input Value, the maximum cost for LTI 2024 is estimated at approximately 58.4 MSEK including social security contributions. In such a scenario, the value for Clas Ohlson's shareholders has increased by 22.4 billion SEK.

Hedging arrangements and dilution

The Board of Directors has considered different methods for transfer of shares to participants as well as to cover the cash-flow effects associated with LTI 2024 (primarily social security contributions), in order to implement LTI 2024 in a cost-effective and flexible manner. The Board of Directors has found the most cost-effective alternative to be, and thus proposes that the Annual General Meeting as a main alternative resolve on, repurchase and transfer of own shares (see item B below). If the assessment is subsequently made that additional shares may need to be repurchased, the Board of Directors may propose that future general meetings resolve on authorisations to repurchase shares to further secure the company's obligations under LTI 2024.

Prior to expiry of LTI 2024, the Board of Directors intends to propose to the 2026 Annual General Meeting that transfers be made of own shares on a regulated market in order to cover the cash-flow effects associated with LTI 2024.

Should the majority required under item B below not be reached, the Board of Directors proposes that Clas Ohlson shall be able to enter into an equity swap agreement with a third party, in accordance with item C below.

Neither of the hedging alternatives give rise to an increase of the number of shares in the company and, accordingly, no dilutive effect in terms of shares issued will occur for existing shareholders.

B. Repurchase and transfer of own shares

(a) The Board of Directors proposes that the Annual General Meeting resolve to authorise the Board of Directors to resolve on repurchase of shares in the company in relation to LTI 2024 according to the following:

- Acquisitions may be made of no more than 265,000 series B shares in order to secure the delivery obligations of shares to participants in LTI 2024 and for subsequent transfers on a regulated market to cover cash-flow effects associated with LTI 2024, primarily social security contributions and potential cash settlement of part of the participant's share allotment to finance the participant's benefit tax.
- The shares may only be acquired on Nasdaq Stockholm.
- The authorisation may be exercised on one or more occasions, until the 2025 Annual General Meeting.
- The shares may only be acquired at a price per share within the registered trading interval applicable at any time.

(b) The Board of Directors proposes that the Annual General Meeting resolve to transfer shares in the company in relation to LTI 2024 according to the following:

- No more than 205,000 series B shares may be transferred.
- Right to acquire series B shares shall, with deviation from the shareholders' preferential rights, be granted the persons participating LTI 2024, with a right for each participant to acquire the maximum number of shares as set out in the terms and conditions of LTI 2024.
- Transfer of series B shares to the participants of LTI 2024 shall be made free of charge at a time and on the other terms and conditions of LTI 2024 under which participants of LTI 2024 are entitled to be allotted shares.
- The number of shares that may be transferred shall be re-calculated in the event of intervening bonus issues, splits, rights issues or other similar corporate events.

The transfer of own shares is a part of the proposed LTI 2024 and the Board of Directors considers it to be of benefit for the company and its shareholders that the participants of LTI 2024 are offered the opportunity to become shareholders in the company on the terms and conditions of LTI 2024.

C. Equity swap agreement with a third party

Should the majority required under item B above not be reached, the Board of Directors proposes that the Annual General Meeting resolve that the expected financial exposure of LTI 2024 shall be hedged by Clas Ohlson being able to enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer shares in Clas Ohlson to the participants.

Conditions

The Annual General Meeting's resolution on the implementation of LTI 2024 according to item A above, is conditional upon Annual General Meeting either resolving in accordance with the Board of Directors' proposal under item B above or in accordance with the Board of Directors' proposal under item C above.

Majority requirements

The Annual General Meeting's resolution according to item A above requires a simple majority of the votes cast. A valid resolution under item B above requires that shareholders representing not less than nine-tenths of the votes cast as well as of the shares represented at the Annual General Meeting approve the resolution. A valid resolution under item C above requires a simple majority of the votes cast.

Previous incentive programmes

For a description of the company's other long-term incentive programmes, reference is made to the company's 2023/2024 Annual Report, Note 6, and the Board's remuneration report, prepared pursuant to Chapter 8, section 53a of the Swedish Companies Act. No other long-term incentive programmes than those described therein have been implemented in the company.

Preparation of the proposal

The company's People Committee has prepared the proposal for LTI 2024, and the proposal has subsequently been presented to and adopted by the Board of Directors. The Board of Directors has subsequently decided that LTI 2024 shall be proposed to the Annual General Meeting.

Item 20, Resolution regarding authorisation for the Board to resolve on repurchase and transfer of own shares

The Board proposes that the AGM authorise the Board, on one or more occasions during the period until the 2025 AGM, to resolve on the repurchase of the company's own series B shares. Under the authorisation, the maximum number of series B shares may be acquired so the company following each acquisition holds no more than 5 per cent of the total number of shares in the company. The shares may only be acquired on Nasdaq Stockholm. The shares may only be acquired at a price within the trading interval for the share applicable at any time.

The Board also proposes that the AGM authorise the Board, on one or more occasions during the period until the 2025 AGM, to resolve on the transfer of the company's own series B shares. Transfer under the authorisation may comprise all own series B shares held by the company from time to time. The transfer of shares may take place through trading on Nasdaq Stockholm or by other means with deviation from the shareholders' preferential rights. The shares may only be transferred on Nasdaq Stockholm at a price within trading interval for the share applicable at any time. The price used in transfers by other means must be decided so it does not fall below what is market-based, subject to market-based discounts where applicable. Payment for transferred shares shall be made in cash, with an issue in kind or by offsetting receivables against the company.

The purpose of the authorisation to repurchase and transfer own shares is to offer the Board of Directors greater flexibility in work with the company's capital structure and thereby contribute to shareholder value, to enable the company to finance acquisitions using own shares, to cover

certain fees, primarily social security contributions, that may arise due to the incentive programmes outstanding and so that the company can transfer such shares repurchased within the framework of previous incentive programmes but have not been required for delivery of shares to participants in the incentive programmes. The reason for deviating from the shareholders' preferential rights when transferring own shares is that such a transfer can take place in a more time and cost-efficient manner than a transfer with preferential rights for shareholders. If the company's own shares are transferred as payment in a form other than cash in connection with acquisitions the company can then not offer shareholders an opportunity to exercise any preferential rights.

A valid resolution requires that shareholders representing at least two thirds of both the votes cast and the shares represented at the AGM approve the resolution.

Item 21, Resolution regarding authorisation for the Board to resolve on issues of shares

The Board proposes that the AGM authorise the Board, on one or more occasions until the 2025 AGM, to resolve to increase the company's share capital through the issue of series B shares. Issue resolutions based on the authorisation may not entail that the total number of series B shares that may be issued corresponds to more than ten percent of the share capital in the company at the time of the AGM's resolution on authorisation.

The Board shall be able to resolve on an issue in accordance with the authorisation with deviation from the shareholders' preferential rights and/or an issue in kind or an issue by way of set-off. The reason to propose that the Board shall be able to resolve on an issue with deviation from the shareholders' preferential rights and/or an issue in kind or an issue by way of set-off is that the company shall be able to issue shares in connection with acquisitions of companies or businesses or in order to raise capital to the company in a time and cost-effective manner.

An issue with deviation from the shareholders' preferential rights in accordance with this authorisation shall be made on market terms, subject to a market-based issue discount where applicable. The Board shall have the right to determine the terms and conditions for issues under this authorisation and what persons shall be entitled to subscribe for the shares.

The CEO, or any other person appointed by the Board, shall have the right to make such minor adjustments as may be required in order to register the authorisation with the Swedish Companies Registration Office.

A valid resolution requires that shareholders representing at least two thirds of both the votes cast and the shares represented at the AGM approve the resolution.

Shareholders' right to request information

At the AGM, if requested by a shareholder and deemed possible without causing significant harm to the company, the Board of Directors and the CEO shall provide information on any circumstances which may affect the assessment of an item on the agenda, or any circumstances which may affect the assessment of the company's (or its subsidiaries') financial position or the company's relationship to other Group companies.

Provision of documents

The Nomination Committee's complete proposals concerning resolutions under Items 2 and 14-16 and the Board of Directors' complete motions concerning resolutions under Items 12 and 17-21 are presented in the notice.

Information about the individuals proposed for election to the Clas Ohlson Board of Directors and the

Nomination Committee's reasoned statement is available on the company's website, <https://about.clasohlson.com>.

Accounting documentation and auditor's report pertaining to the 2023/24 financial year and other documents pursuant the Swedish Companies Act will be made available at the company and on the company's website (<https://about.clasohlson.com>) no later than three weeks prior to the AGM. Documents will also be sent by mail to those shareholders who so request and provide their postal address.

Processing of personal data

For information on how your personal data is processed in connection with the AGM, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Leksand, July 2024,
Clas Ohlson AB (publ)
Board of Directors

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