

Remuneration report 2022

Introduction

This report describes how the guidelines for remuneration to senior executives of Thule Group AB, as adopted by the 2022 Annual General Meeting (AGM), were applied during 2022. The report also contains information on remuneration to the CEO and a summary of the company's incentive programs outstanding. The report has been prepared in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance rules for remuneration of executive management.

Additional information on remuneration to senior executives is given in Note 10 on pages 106–109 of the 2022 Annual Report. Information on the work of the Remuneration Committee during 2022 is given in the corporate governance report on page 73 of the 2022 Annual Report. Board of Directors' fees are not covered in this report. Such fees are decided annually by the AGM and are reported in Note 10 on page 106 of the 2022 Annual Report.

Developments during 2022

The CEO has summarized the company's overall performance in his report on pages 6–9 of the 2022 Annual Report.

Thule Group AB's guidelines for remuneration to senior executives

Remuneration to Group management is based on the company's long-term commercial and financial development, a solid sustainability focus as well as an organizational structure to satisfy a business approach that is suited to the company's strategic objectives. The remuneration also stimulates sustainable and favorable value development for Thule Group's share, which accrues to the shareholders, and enables the company to source the right competence and resources at any given time.

This requires the company to be able to offer competitive remuneration. The company's senior executives remuneration guidelines enable senior executives to be offered competitive total remuneration. According to the remuneration guidelines, remuneration to senior executives must be market-based and may consist of the following components: annual base salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration must be linked to financial or non-financial criteria. The criteria can consist of individualized quantitative or qualitative goals. Furthermore, the criteria must be formulated so that they promote the company's business strategy and long-term interests, including its sustainability, by, for example, having a clear connection to the business strategy or promoting the executive's long-term development. The guidelines for remuneration to senior executives are given on pages 107–108 of the 2022 Annual Report.

In 2022, the company followed the applicable remuneration guidelines as adopted by the AGM. No deviations have been made from the guidelines nor have any deviations been made from the decision-making process stipulated in the guidelines for determining remuneration. The auditor's opinion on the company's compliance with the guidelines is available at <https://www.thulegroup.com/en/annual-general-meeting-2023>. No remuneration has been claimed back. In addition to the remuneration encompassed by the remuneration

guidelines, the company's AGMs have resolved to introduce long-term warrant-based incentive programs.

Total remuneration to the CEO for 2022

Remuneration and benefits 2022, SEK 000	Base salary incl. changes in vacation pay liability	Variable remuneration	Pension expenses	Other Remuneration	Total
CEO & President					
Magnus Welander	8 979	662	2 968	314	12 921

Incentive program

In 2020, the AGM resolved to implement a new warrant program for senior executives and key personnel in Thule Group, which followed the guidelines in a previous incentive program that expired in 2020. The program is designed to align the participants' incentives with the shareholders' interests, and to motivate and retain senior executives. The program comprises 2,090,000 warrants that have been issued to Thule AB for onward transfer to the participants. The warrants were transferred at the fair market value and the program currently comprises 27 employees. More detailed information about the incentive program is provided in Note 10 of the Annual Report on page 108 – 109. The current incentive program expires in 2023.

Within the framework of the incentive program, the participants may receive a stay-on bonus in the form of a gross salary supplement from the company that corresponds in total to the amount paid by the participant for the warrants, conditional upon continued employment at the time of payment and that the participant has not terminated the employment.

The CEO's holdings of warrants in Thule Group AB

	Opening balance, warrants outstanding	Warrants acquired during the year	Warrants exercised during the year	Warrants that matured during the year	Warrants bought back during the year	Closing balance, warrants outstanding
Warrants 2022						
CEO & President						
Magnus Welander	204 498	–	–	–	–	204 498

Application of the performance criteria of the variable cash remuneration

Variable cash remuneration to the CEO has been linked to the company's financial performance and development. The financial targets were set based on the company's short- and long-term business goals regarding EBIT development and sales growth. Furthermore, part of the CEO's bonus has been linked to the company's sustainability goals.

The following composition applied in 2022 for the bonus structure and outcome.

	Share of bonus	Bonus on base salary	Bonus outcome of Max.	Bonus outcome on base salary
EBIT Thule Group	50%	37.5%	0%	0%
Sales growth Thule Group	30%	22.5%	0%	0%
Sustainability	20%	15%	100%	15%
TOTAL	100%	75%	20%	15%

The maximum bonus for the CEO may not exceed 75% of fixed annual salary. The bonus outcome for the current year will be paid in March of the following year.

Intervals for earning bonuses, where the minimum level is based on the previous year's results and where the maximum earning level must exceed the current year's budgeted results, are decided by the Remuneration Committee.

Malmö, March 2023

The Board of Directors of Thule Group AB (publ)