

## The Board of Directors' proposal on guidelines for executive remuneration

The Board of Directors of Thule Group AB (publ) proposes that the Annual General Meeting ("AGM") 2021 resolves to adopt the following guidelines for executive remuneration to apply until the AGM 2022.

The executives covered by the guidelines are the CEO and the other members of the Group Management. The basis for the remuneration to members of the Group Management is that it shall be the sustainability of the company within a commercial financial development, organizational structure to provide for a professionalism that is adapted to the company's strategic objectives and also to provide the company with the adequate competences and resources at any given time. The remuneration to the Group Management shall comprise a fixed salary on market terms and variable remuneration, intended to stimulate the fulfilment of the company's objectives regarding commercial and sustainable development, pension benefits and competitive other benefits. The total remuneration shall be on market terms, be competitive and reflect the individual's performance and responsibilities.

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.

A long-term share-based incentive scheme has been implemented in the company. Such scheme has been resolved by the AGM 2020 and are therefore excluded from these guidelines. The purpose of the share-based incentive scheme resolved by the AGM 2020 is, among other things, to stimulate a sustainable and favourable value development of Thule Group's share, that will benefit the shareholders. The basis of the incentive scheme is the company's strategic plan and long-term sustainable development and constitute an incentive to fulfil the growth objectives that the company stipulated in its strategic three year plan. The incentive scheme has been designed in accordance with similar schemes in other publicly traded companies and are meant to provide for Thule Group's progress, as well as to ensure long-term loyalty and commitment from the participants in relation to the company's interests.

Fixed salary shall be on market terms. The variable remuneration may comprise annual variable cash remuneration and long-term variable cash remuneration, shares and/or share-based instruments in Thule Group AB. Annual variable cash remuneration shall be measured during a calendar year and be conditional upon the fulfilment of predefined and measurable objectives, such as sales development, EBIT results, sustainability development and fulfilment of personal goals for each year. The variable remuneration shall amount to a maximum of 75 per cent of the annual fixed salary for the CEO and 60 per cent for the other executives. The terms and conditions for variable remuneration shall be designed so that the Board of Directors may choose, under exceptional economic circumstances, to limit or refrain from payment of variable remuneration if such a measure is considered reasonable.

For members of the Group Management, 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 35 per cent of the annual fixed salary.

Other benefits may include, among other things, life insurance, medical insurance (Sw: *sjukvårdsförsäkring*), company car and fuel benefit. Such benefits may amount to a maximum of 10 per cent of the annual fixed salary.

Severance payments may be made when the employment is terminated by Thule Group. Members of the Group Management shall have a period of notice of not more than 12 months, in combination with severance pay corresponding to a maximum of 12 months fixed salary. No severance payment will be made when the employment is terminated by the employee.

In the preparation of the Board of Directors' proposal for these remuneration guidelines, an evaluation of remuneration and employment conditions for employees of the company have been taken into account, as well as information on the employees' total income, the components of the remuneration and increase and growth rate over time has constituted part of the basis of decision in the Remuneration Committee and the Board of Directors. The development of the gap between the remuneration to executives and remuneration to other employees are disclosed in the current remuneration report.

The Board of Directors has established a Remuneration Committee. The 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 third year and submit it to the AGM. 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 Group Management, 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 management. The CEO and other members of the 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.

The Board of Directors may temporarily resolve to derogate from the guidelines, 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 and sustainability, or to ensure the company's financial viability.

Details of the total remuneration to the Group Management, including previous commitments not yet due for payment, is included in Note 11 in the annual report for 2020. In addition, the Remuneration Report for 2020 contains information on how the company has applied the guidelines for remuneration to the CEO and other senior executives.

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Malmö in March 2021

**The Board of Thule Group AB (publ)**