

Proposal of the Board of Directors for implementation of a long-term incentive program including resolutions on (a) issue of subscription warrants series 2022/2027 and (b) transfer of subscription warrants series 2022/2027 (incentive program 2022/2027) to replace incentive program 2021/2026 resolved by the Annual General Meeting 2021

The Annual General Meeting in the company held on 7 May 2021 resolved on a long-term incentive program for senior executives and certain key employees within the AAK group including a directed issue of subscription warrants and approval of transfer of subscription warrants. Since no subscription warrants have been subscribed for or transferred to participants in the program, the Board of Directors has deemed it appropriate to propose to the Annual General Meeting to resolve to replace the incentive program resolved upon by the Annual General Meeting 2021 with a new long-term incentive program for senior executives and certain key employees within the AAK group (“**Incentive Program 2022/2027**”) including resolutions on (A) a directed issue of subscription warrants series 2022/2027 and (B) approval of transfer of subscription warrants in Incentive Program 2022/2027 on essentially the following terms and conditions.

A. Issue of subscription warrants series 2022/2027

The Board of Directors proposes that the Annual General Meeting resolves:

1. that the company shall issue a maximum of five million (5,000,000) subscription warrants entitling to subscription for new shares in AAK AB by which the share capital may be increased by a total of maximum SEK 8,333,333.33, whereby it is noted that the amount exceeding the quota value shall be transferred to the nonrestricted share premium account;
2. that the issue is made with deviation from the shareholders’ preferential rights and the right to subscribe for the subscription warrants shall be granted to AAK Invest AB, a wholly-owned subsidiary of AAK AB;
3. that the subscription warrants shall be issued free of charge;

4. that subscription for the subscription warrants shall be made on 31 August 2022 at the latest, with a right for the Board of Directors to prolong this time limit;
5. that each subscription warrant shall entitle the holder to subscribe for one (1) new share in AAK AB with a quota value of SEK 1.67;
6. that subscription for shares in AAK AB by exercise of the subscription warrants may take place during the period from and including 1 September 2025 up to and including 31 August 2027;
7. that the subscription price per share shall correspond to 120 percent of the volume weighted average price according to Nasdaq Stockholm's official price list for the share in the company during the period from and including 5 May 2022 up to and including 18 May 2022, but not lower than the share's quota value; in the absence of a settled price for any of the days in question, the quoted bid price for that day shall be included in the calculation. A day with neither a settled price or a quoted bid price shall be excluded from the calculation. The calculated subscription price shall be rounded to the nearest whole cent (Sw. *öretal*), whereby half a cent shall be rounded down;
8. that shares that have been issued by virtue of the subscription warrants, will entitle to dividend for the first time on the first record date for dividend occurring after subscription of shares through exercise of subscription warrants has been executed; and
9. that applicable terms for re-calculation and other terms for the subscription warrants in Incentive Program 2022/2027 are set forth in the "*Terms and conditions for subscription warrants series 2022/2027 regarding subscription of shares in AAK AB (publ)*".

The Board of Directors, or anyone appointed by the Board of Directors, shall be authorised to make such minor changes to the resolution by the general meeting to issue subscription warrants as may be deemed necessary in connection with registration with the Swedish Companies Registration Office (Sw. *Bolagsverket*) and Euroclear Sweden AB.

The reason for the deviation from the shareholders' preferential right are that AAK AB wishes to introduce an incentive program for senior executives and key employees within the group, whereby they will be offered the opportunity to take part in a value increase of the company's share. This is expected to increase the interest in the company's development and to stimulate a continued company

loyalty over the forthcoming years. An incentive program is also expected to contribute to the possibilities to recruit and retain competent, motivated and committed employees.

B. Transfer of subscription warrants in Incentive Program 2022/2027

Incentive Program 2022/2027 shall principally be carried out in accordance with what is stated below.

1. The subscription warrants shall towards payment be transferred by AAK Invest AB, on one or several occasions, to senior executives and key employees within the AAK group, in accordance with the guidelines stated below. AAK Invest AB shall otherwise dispose of the subscription warrants for the fulfilment of the obligations under Incentive Program 2022/2027.
2. Transfer in accordance with item B.1 can be made directly to the participants in the program, or, after approval by the Board of Directors, to a legal entity, pension insurance or other vehicle owned or controlled by the respective participant.
3. Transfer in accordance with item B.1 shall be made at a market value at the time of transfer, which shall be determined by an independent valuation institute in accordance with the Black & Scholes valuation method. The valuation model is based on the variables risk-free interest rate, volatility, the term of the subscription warrants, expected share dividends during the term of the subscription warrants, the current share price, and the subscription price for shares when exercising the subscription warrants (strike price).
4. The company will by means of a cash bonus subsidize part of the participants' acquisition of warrants through payment to the participants of an extra cash bonus that, after individual tax, corresponds to maximum 65 percent of the amount invested by the respective participant in Incentive Program 2022/2027 up to the offered level in accordance with the guidelines below. Only premiums for warrants up to and including the offered level for each participant in accordance with the guidelines below are subsidized. This bonus will be paid out with one fourth (1/4) annually starting one year after acquisition, and with the last payment approximately four (4) years after the acquisition and requires that before each payment the respective participant, with certain exceptions, is still an employee of the AAK group and still holds the acquired warrants or, where applicable, the shares subscribed through exercising the warrants. The Board of Directors may, if deemed necessary in individual cases, resolve on alternative payment schedules or that bonus

under certain circumstances will not be paid or may be reclaimed, subject to the limitations which may follow from applicable law.

5. The Board of Directors of AAK AB shall be entitled to decide on the allotment of subscription warrants to approximately 50 senior executives and key employees within the group in accordance with the following guidelines:

Category	Position	Number of subscription warrants
I	CEO	500,000
II	Member of group management (10 persons)	300,000
III	Directly reporting to the group management (approximately 30 persons)	90,000
IV	Other senior executives and key employees (approximately 10 persons)	30,000

The participants can choose to apply for a lower number of subscription warrants than set out above. If the total number of subscription warrants that the entitled senior executives and key employees wish to acquire exceeds the maximum number of subscription warrants that can be issued, reduction shall be made proportionally to each person's quantity in relation to the guidelines set forth above. There will be no guaranteed allotment. A participant has the right to subscribe for a larger number of warrants than set out in the guidelines above and may be allotted additional warrants corresponding to a maximum of 100 percent of what is set out in the guidelines above if full subscription in the program has not been made. If such oversubscription is made, allotment shall be made to the oversubscribing participants pro rata in relation to the number of subscription warrants that they have been allotted in the first allotment. Any remaining warrants, which have not been allotted in accordance with the above, shall be reserved for future recruitment of persons within the above eligible categories, whereby the above guidelines for allotment shall be applicable.

The reason why any future employees or promoted employees may be granted subscription warrants at such a time that the time between the allotment and the subscription period for shares may be less than three years, is that the Board of Directors deems it important that such employees, for the reasons applicable to Incentive Program 2022/2027 in general, are given the opportunity to take part in a value growth in the company's share already at the beginning of their employment.

Participants in other jurisdictions

For participants in jurisdictions other than Sweden, it is implied that allotment and further transfer, respectively, of the subscription warrants is legally possible and that it, in the Board's opinion, can be carried out with reasonable administrative and financial efforts at their established market value. The Board shall have the right to adjust the terms of Incentive Program 2022/2027 to the extent required in order for allotment of subscription warrants to participants in other jurisdictions, to the extent practically possible, to be carried out under the same conditions imposed by Incentive Program 2022/2027.

Dilution, effect on key ratios and costs

At full subscription of the proposed issue of subscription warrants, and full exercise of the subscription warrants, the share capital may be increased by a total of maximum SEK 8,333,333.33, which is equivalent to approximately 1.9 percent of the company's present share capital. This corresponds to a total dilution of maximum approximately 1.9 percent in relation to the share capital on a fully diluted basis, calculated as the number of new shares in proportion to the number of existing and new shares.

Other important key ratios will, at full subscription of the proposed issue and full exercise of all subscription warrants issued in the program, be affected as follows (based on the corresponding key ratios in the year-end report for 2021 and a preliminary valuation of the future capital contribution within the scope of Incentive Program 2022/2027)

- earnings per share: reduction by SEK 0.13 from SEK 6.71 to SEK 6.58;
- equity per share: increase by SEK 3.03 from SEK 45.58 to SEK 48.61; it being assumed that the warrant holders have exercised the warrants for subscription of new shares by the end of the first quarter 2022.

The above is subject to re-calculations of the subscription warrants in accordance with the customary terms of re-calculation in the complete terms and conditions.

The subscription warrant program is expected to have a marginal impact on the company's financial ratios. Therefore, no measures to secure the program are planned to take place. The total costs associated with the subscription warrant program, including the directed issue, the subsequent transfer of warrants and the subsidy, assuming full participation, is expected to amount to approximately MSEK 150, which is distributed over the term of the program of five (5) years. The amount includes estimated costs relating to social security contributions and administrative costs for the program.

Preparation of the proposal

The warrants program has been prepared by the Remuneration Committee and the Board with advice from external experts. The proposal has been resolved upon by the Board. The CEO has not participated in the preparation of the proposal.

Previous incentive programs in AAK

For a description of AAK's other share-related incentive programs, please see the company's Annual Report 2021, note 8. Apart from the program presented therein, there are no other share-related incentive programs in AAK.

Majority requirements

The proposal of the Board of Directors pursuant to the above requires a resolution by the general meeting supported by shareholders representing at least nine-tenths of both the number of votes cast and the shares represented at the general meeting in order to be valid.

Malmö in April 2022

The Board of Directors
AAK AB (publ)