

**PROPOSAL OF THE BOARD OF DIRECTORS FOR
IMPLEMENTATION OF A PERFORMANCE AND SHARE PRICE
BASED LONG-TERM INCENTIVE PROGRAM (INCENTIVE
PROGRAM 2024/2027)**

The Board of Directors of AAK AB (publ) proposes that the Annual General Meeting 2024 resolves on the establishment of a new performance and share price based long-term incentive program for senior executives and certain key employees within the AAK group (“**Incentive Program 2024/2027**”) on essentially the terms and conditions set out below.

The purpose of the Incentive Program 2024/2027 is to influence and reward long-term performance and to further tie senior executives and key employees within the group to AAK and its shareholders. Through a share price related incentive program, the participants’ compensation is linked to the company’s result and development, thereby creating long-term incentives for the participants in the program. The incentive program is also expected to contribute to the possibility of recruiting and retaining competent, motivated, and committed employees. Incentive Program 2024/2027 has been prepared based on AAK’s existing long-term share related incentive program and is intended to replace this program with substantially unchanged costs for the company.

Main conditions for Incentive Program 2024/2027

1. Incentive Program 2024/2027 is proposed to comprise approximately 70 senior executives and key employees within the AAK Group, who will receive synthetic shares entitling to cash payment of an amount corresponding to the share price of AAK AB’s share at the time of payment, provided that applicable performance requirements and conditions during the vesting period are met. The participants are divided into two groups: the President and CEO and other members of the group management (Group 1) and persons directly reporting to the group management and other key employees (Group 2).
2. The participants’ right to receive payment in Incentive Program 2024/2027 is linked to a performance condition established by the Board of Directors based on earnings per share during the financial year 2024.
3. Cash bonus outcome for the financial year 2024 shall be determined for the participants in February 2025 based on a maximum value for each participant category. The highest value for participants in Group 1 amounts to 40 percent of the participant’s annual basic salary for the year 2024 and for participants in Group 2 to 25 percent of the participant’s annual basic salary for the year 2024.
4. The performance condition established by the Board of Directors will specify a minimum level that must be achieved for payment to be made and a maximum level corresponding to the maximum outcome. If the maximum level is reached, the cash bonus amount will be determined at the maximum value per item 3 above. If the minimum level is not reached, no cash bonus amount will be determined. If the performance outcome is below the maximum level, but exceeds the minimum level, the cash bonus amount will be determined proportionally with the achievement of the target objectives. The Board of Directors will decide on the outcome of the established performance condition after the end of the measurement period.

Information on performance condition and outcome will be provided at the latest in connection with payment according to item 6.

5. The cash bonus amount set per item 4 above shall be converted into synthetic shares with the application of the volume weighted average price of AAK AB's share on Nasdaq Stockholm during the period 3 March 2025 up to and including 7 March 2025. Each synthetic share entitles to a cash payment of an amount corresponding to the share price of AAK AB's share at the time of payment. The synthetic shares do not constitute securities and cannot be pledged or transferred.
6. If all the conditions set out in Incentive Program 2024/2027 are met, payment shall be made with half after the publication of the year-end report for the financial year 2025, and with the remaining half after the publication of the year-end report for the financial year 2026. The payable amount shall be determined based on the volume weighted average price for AAK AB's share on Nasdaq Stockholm during the five trading days immediately following the publication of the year-end report and payment shall, subject to tax, be made ten banking days after the payable amount has been determined. The reason for payment at such time that the period between implementation of the program and payment is in part less than three years is that the Board of Directors considers it important to maintain the principles and time limits in AAK's previous long-term cash bonus program and existing long-term share related incentive program, which Incentive Program 2024/2027 is intended to replace. Furthermore, the Board of Directors assesses that the conditions for payment are appropriate and reasonable to fulfil the purpose of the program and to ensure that AAK can offer a competitive remuneration model.
7. The right to receive payment is contingent on that the participant remains employed and has not given or received notice of termination of employment at the time of payment. Exceptions to this requirement can be made, e.g. in the event of a participant's retirement or death.
8. The Board of Directors shall have the opportunity to recalculate the number of synthetic shares in case of extraordinary events, such as bonus issue, split, rights issue, the share capital being decreased and/or similar events. Such recalculation shall be made to ensure the participant the economic rights corresponding to what would have been the case had the participant been the holder of a corresponding number of AAK shares since the time of allocation. In case recalculation is not possible or a matter or transaction regarding the company becomes more difficult because the synthetic shares are outstanding, payment may be made in advance to outstanding synthetic shares based on the share price at such time for AAK AB's share.
9. Synthetic shares may be issued by the company or any group company.
10. The Board of Directors shall be responsible for the detailed design and management of the Incentive Program 2024/2027, within the framework of specified conditions and guidelines. The Board of Directors shall have the right to adjust due to local regulations or market conditions. The Board of Directors shall also have the right to make other adjustments, including inter alia a right to resolve on reduced payment, if there are significant changes in the AAK Group or the outside world which, according to the Board of Directors' assessment, would mean that the terms of Incentive Program 2024/2027 are no longer appropriate or reasonable.

The program's scope and costs

The total costs associated with Incentive Program 2024/2027 assuming maximum target fulfilment is expected to amount to a maximum of MSEK 70, which is distributed throughout the program. The costs have been calculated as the sum of salary costs, including social security contributions and administrative costs for the program.

Incentive Program 2024/2027 will not lead to any dilution of the number of issued shares in the company.

The costs of the program are expected to have a marginal impact on the company's financial ratios.

Preparation of the proposal

The incentive program has been prepared by the Remuneration Committee and the Board of Directors with advice from external experts. The proposal has been resolved by the Board of Directors. 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 2023, note 8. Apart from the programs presented therein, there are no other share related incentive programs in AAK.

Majority requirements

The proposal of the Board of Directors above requires a resolution by the general meeting supported by shareholders representing more than half of the votes cast at the general meeting.

Malmö in April 2024
The Board of Directors
AAK AB (publ)