

*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

**Minutes from the Annual General Meeting in Pierce Group AB (publ), Reg. No. 556967-4392, on 16 May 2023 at 9.00 a.m. in Stockholm.**

**0. Opening of the meeting**

The chairman of the board of directors, Henrik Theilbjørn, welcomed the shareholders.

Lawyer Ola Grahn from Setterwalls Advokatbyrå AB opened the Annual General Meeting on behalf of the board of directors.

**1. Election of chairman of the general meeting**

It was resolved to elect lawyer Ola Grahn as chairman of the Annual General Meeting in accordance with the proposal from the Nomination Committee. The chairman should keep the minutes at the Annual General Meeting.

**2. Preparation and approval of the voting register**

A list of present shareholders, proxies and advisors in accordance with **Schedule 1** was prepared.

The above mentioned list in accordance with Schedule 1 of present shareholders, proxies and advisors was approved as the voting register at the Annual General Meeting.

**3. Approval of the agenda**

It was resolved to approve the agenda in accordance with the proposal from the board of directors as set out in the notice to attend the Annual General Meeting, **Schedule 2**.

**4. Election of one or two persons to verify the minutes**

It was resolved that the minutes shall be approved by one person. Arne Lööw was elected as such person to verify the minutes.

**5. Determination as to whether the general meeting has been duly convened**

It was noted that the notice to attend the Annual General Meeting, in accordance with the articles of association and the provisions of the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*), had been inserted in the Swedish Official Gazette (*Sw. Post- och Inrikes Tidningar*) on 18 April 2023, that the notice to attend the meeting had been available at the company's website since 14 April 2023, and that the advert regarding the notice to attend the meeting had been inserted in *Dagens Industri* on 18 April 2023.

The Annual General Meeting was declared duly convened.

**6. Presentation of the annual report and the auditor's report, and the consolidated financial statements and the auditor's report for the group**

The annual report, the consolidated annual report, the audit report and the consolidated audit report for the financial year 2022, as well as the statement by the auditor pursuant to Chapter 8, Section 54 of the Swedish Companies Act on the compliance of the applicable guidelines for remuneration to senior executives, were presented.

In connection with the presentation of the accounting documents, the acting CEO Willem Vos provided a concluding report on the company's and the group's operations during the past financial year and the first quarter of 2023. Furthermore, Jonatan Hansson from Ernst & Young AB reported on the work of the auditors.

The shareholders were thereafter given the opportunity to ask questions to the CEO and the auditor with regard to their speeches.

**7. Resolutions on:**

**a) adoption of the income statement and balance sheet, the consolidated income statement and the consolidated balance sheet**

It was resolved to adopt the income statements and the balance sheets included in the above-mentioned annual report and consolidated annual report.

**b) allocation of the company's profit according to the adopted balance sheet**

It was resolved in accordance with the proposal from the board of directors as set out in the report from the board of directors, meaning that no dividends are paid and that the available funds shall be carried forward.

**c) discharge from liability of the members of the board of directors and the CEO**

It was resolved that the members of the board of directors and the CEO should be discharged from liability for the financial year 2022.

It was noted that the members of the board of directors and the CEO did not participate in the resolution regarding their own discharge from liability.

**8. Determination of the number of board members**

The chairman of the Nomination Committee, Jacob Wiström, presented the work of the Nomination Committee and all of the Nomination Committee's proposals.

It was thereafter resolved in accordance with the proposal from the Nomination Committee that the board of directors shall be composed of five ordinary board members until the end of the next Annual General Meeting.

**9. Determination of remuneration of the board of directors and the auditor**

It was resolved in accordance with the proposal from the Nomination Committee that board remuneration shall be paid with SEK 450,000 to the chairman of the board and with SEK 200,000 to the other members of the board. It was furthermore resolved that remuneration shall be paid with SEK 175,000 to the chairman of the Audit Committee, with SEK 50,000 to each of the other members of the Audit Committee, and with SEK 30,000 to the chairman of the Remuneration Committee. Mattias Feiff and Max Carlsén shall, however, not receive any board remuneration or remuneration for committee work.

It was furthermore resolved that additional compensation for travel time of SEK 360,000 shall be paid annually to the chairman of the board and with SEK 20,000 per physical board meeting held in Sweden to the other board members domiciled abroad.

It was finally resolved, in accordance with the proposal from the Nomination Committee, that remuneration to the auditor shall be paid in accordance with approved invoices.

**10. Election of board members and auditor**

The chairman noted that information on the proposed members of the board of directors and their assignments can be found in the annual report and on the company's website and, as regards Lottie Saks, in the Nomination Committee's complete proposal.

It was thereafter resolved in accordance with the proposal from the Nomination Committee to re-elect Henrik Theilbjørn, Max Carlsén, Mattias Feiff and Thomas Schwarz as ordinary board members and to elect Lottie Saks as new ordinary board member. It was noted that Gunilla Spongh, Shu Sheng and Thomas Ekman had declined re-election.

It was furthermore resolved in accordance with the proposal from the Nomination Committee to re-elect Henrik Theilbjørn as chairman of the board.

It was finally resolved in accordance with the proposal from the Nomination Committee to re-elect Ernst & Young AB as auditor whereby it was noted that Ernst & Young AB had informed that the authorized public accountant Jonatan Hansson will continue to be the auditor in charge.

**11. Resolution on approval of the remuneration report**

The remuneration report for the financial year 2022 was presented in accordance with **Schedule 3**.

It was thereafter resolved to approve the remuneration report for the financial year 2022 in accordance with Schedule 3.

**12. Resolution on guidelines for remuneration to senior executives**

The proposal from the board of directors regarding guidelines for remuneration to senior executives was presented in accordance with **Schedule 4**.

It was thereafter resolved in accordance with the proposal in Schedule 4.

**13. Resolution on authorization for the board of directors regarding new share issues**

The proposal from the board of directors regarding authorization for the board of directors to resolve on new share issues was presented in accordance with **Schedule 5**.

In response to a question from Mari Lindblad, representing Skandia, and Arne Lööw, representing Fjärde AP-Fonden, the chairman of the board stated that although the authorization covers up to 20 per cent, the board's intention, based on current circumstances, is that the authorization, if exercised, shall not be used to issue shares corresponding to more than 10 per cent of the total number of shares outstanding in the company as of the date of the Annual General Meeting.

It was thereafter resolved in accordance with the proposal in Schedule 5. It was noted that the resolution was supported by shareholders representing more than two-thirds of the votes cast as well as of all shares represented at the Annual General Meeting.

**14. Resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share program; (B) amendment of the articles of association; (C) authorization on directed issues of series C shares; (D) authorization on repurchase of series C shares; and (E) resolution on transfer of own ordinary shares**

The proposal from the board of directors regarding implementation of a long-term incentive program by way of (A) implementation of a performance-based share program; (B) amendment of the articles of association; (C) authorization on directed issues of series C shares; (D) authorization on repurchase of series C shares; and (E) resolution on transfer of own ordinary shares in accordance with **Schedule 6** and the statement from the board of directors pursuant to Chapter 19, Section 22 of the Swedish Companies Act were presented.

It was thereafter resolved in accordance with the proposal in Schedule 6. It was noted that the resolution was supported by shareholders representing more than nine-tenths of the votes cast as well as of all shares represented at the Annual General Meeting.

**15. Closing of the meeting**

The chairman of the meeting declared the meeting closed.

In fidem:

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Confirmed by:

Ola Grahn  
(Chairman of the meeting)

Arne Lööw

## Schedule 2

14 April 2023 08:02:00 CEST

## Notice of the Annual General Meeting of Pierce Group AB (publ)

Shareholders of Pierce Group AB (publ), Reg. No. 556967-4392 (the “Company” or “Pierce”) are hereby invited to the Annual General Meeting to be held at the premises of Setterwalls Advokatbyrå AB at Sturegatan 10 in Stockholm, on Tuesday 16 May 2023 at 09.00 CET.

### Right to participate in the meeting and notice of participation

Shareholders wishing to attend the Annual General Meeting must:

- be registered in the Company’s share register kept by Euroclear Sweden AB as of Monday 8 May 2023; and
- no later than on Wednesday 10 May 2023, notify the Company of their intention to participate in the Annual General Meeting by post to Pierce Group AB (publ), re: “Annual General Meeting”, Att. Legal, Elektravägen 22, 126 30 Hägersten, Sweden or by e-mail at [ir@piercigroup.com](mailto:ir@piercigroup.com), (Re: Annual General Meeting 2023). The notice should specify the complete name of the shareholder, personal identity number or company registration number, the number of shares held by the shareholder, address, telephone number during work hours and, when applicable, information on the number of advisors (two at the most).

### Nominee-registered shares

Shareholders whose shares are registered in the name of a bank or other nominee or trustee must, to be able to exercise their voting rights at the Annual General Meeting, request the trustee to register their shares in their own name with Euroclear Sweden AB (so-called “voting rights registration”). Such voting rights registration must be implemented by the trustee no later than Wednesday 10 May 2023. Accordingly, shareholders must notify their trustee and request such voting rights registration well before this date.

### Proxy voting

A proxy representing a shareholder must bring a valid written power of attorney to the Annual General Meeting that is dated and signed by the shareholder. The power of attorney shall not be dated more than one year before the date of the Annual General meeting, unless it specifically stipulates that it will remain valid and in effect for a longer period of time (but not longer than five years). Should the power of attorney be issued by a legal entity, a copy of a registration certificate (*Sw. registreringsbevis*) or equivalent document shall be presented at the meeting. In order to facilitate the preparations before

the meeting, a copy of the power of attorney and other proof of authority should be attached to the notice of participation submitted in advance. A template power of attorney can be found at the Company website ([www.piercgroup.com](http://www.piercgroup.com)) and will be sent by mail to the shareholders who request it and state their address.

### **Proposed agenda**

0. Opening of the meeting.
  1. Election of chairman of the general meeting.
  2. Preparation and approval of the voting register.
  3. Approval of the agenda.
  4. Election of one or two persons to verify the minutes.
  5. Determination as to whether the general meeting has been duly convened.
  6. Presentation of the annual report and the auditor's report, and the consolidated financial statements and the auditor's report for the group.
  7. Resolutions on:
    - a. adoption of the income statement and balance sheet, the consolidated income statement and the consolidated balance sheet;
    - b. allocation of the Company's profit according to the adopted balance sheet;
    - c. discharge from liability of the members of the board of directors and the CEO.
  8. Determination of the number of board members.
  9. Determination of remuneration of the board of directors and the auditor.
10. Election of board members and auditor.
11. Resolution on approval of the remuneration report.
12. Resolution on guidelines for remuneration to senior executives.
13. Resolution on authorization for the board of directors regarding new share issues.
14. Resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share program; (B) amendment of the Articles of Association; (C) authorization on directed issues of series C shares; (D) authorization on repurchase of series C shares; and (E) resolution on transfer of own ordinary shares.
15. Closing of the meeting.

### **Proposed resolutions**

#### **Election of chairman of the general meeting (item 1)**

The Nomination Committee prior to the 2023 Annual General Meeting has consisted of Jacob Wiström (chairman), appointed by Verdane Capital XI Investments AB, Suzanne Sandler, appointed by Procuritas Capital Partners V LP and Arne Lööv, appointed by Fjärde AP-fonden. Henrik Theilbjørn, chairman of the board of directors, has been adjunct member of the Nomination Committee.



The Nomination Committee proposes that lawyer Ola Grahn is elected as chairman of the Annual General Meeting.

**Resolution on allocation of the Company's profit according to the adopted balance sheet (item 7 (b))**

The board of directors proposes that no dividend be paid, and that the funds at the disposal of the meeting be carried forward.

**Determination of the number of board members (item 8)**

The Nomination Committee proposes that the board of directors shall be composed of five ordinary board members until the end of the next Annual General Meeting.

**Determination of remuneration of the board of directors and the auditor (item 9)**

The Nomination Committee proposes that board remuneration shall be paid with SEK 450,000 to the chairman of the board (unchanged since last year) and with SEK 200,000 to each of the other members of the board (unchanged since last year). In addition, remuneration is proposed to be paid with SEK 175,000 to the chairman of the Audit Committee (SEK 100,000 previous year), with SEK 50,000 to each of the other members of the Audit Committee (unchanged since last year) and with SEK 30,000 to the chairman of the Remuneration Committee (unchanged since last year). Board remuneration and remuneration for committee work are to be paid proportionally to the term of office. Mattias Feiff and Max Carlsén shall not receive any board remuneration or remuneration for committee work.

Additional compensation for travel time of SEK 20,000 per physical board meeting held in Sweden is proposed to be paid to board members domiciled abroad. As the required time spent physically in Stockholm has been more than expected for the chairman, and this is expected to continue, a chairman specific travel time compensation is proposed of SEK 360,000 annually. This fee replaces the SEK 20,000 per physical board meeting that applies to other board members, and gives an expected increased cost of SEK 200,000 per year.

Remuneration for the auditor is, in accordance with the recommendation from the Audit Committee, proposed to be paid in accordance with approved invoices.

**Election of board members and auditor (item 10)**

The Nomination Committee's proposal is that Henrik Theilbjørn, Max Carlsén, Mattias Feiff and Thomas Schwarz are re-elected as ordinary board members, that Lottie Saks is elected as new ordinary board member, and that Henrik Theilbjørn is re-elected as chairman of the board of directors. The current board members Gunilla Spongh, Shu Sheng and Thomas Ekman have declined re-election.

Lottie Saks is a Swedish citizen born in 1967 and is an economics graduate in Business Administration from Uppsala University. She is a current board member and chairman of the Audit Committee in Sivers Semiconductors AB. She also has 25 years of experience from leading Finance Management positions including Group CFO of Haldex, CINT Group, OneMed Group and OMX Technology Financial Markets.

Other ongoing assignments: Board member and chairman of Audit Committee in Sivers Semiconductors AB.

Shareholding in the Company: Lottie Saks does not currently hold, directly or indirectly, any shares in the Company.

Additional information of the candidate proposed for new election can be found in the reasoned statement from the Nomination Committee. Information about the board members proposed for re-election can be found in the Company's annual report and on the Company's website ([www.piercigroup.com](http://www.piercigroup.com)).

The Nomination Committee further proposes, in accordance with the Audit Committee's recommendation, that the registered accounting firm Ernst & Young AB is re-elected as auditor for the period until the end of the next Annual General Meeting 2024. Ernst & Young AB has informed that the authorized public accountant Jonatan Hansson will continue to be the auditor in charge.

#### **Resolution on approval of the remuneration report (item 11)**

The board of directors proposes that the Annual General Meeting resolves on approval of the remuneration report for the financial year 2022.

#### **Resolution on guidelines for remuneration to senior executives (item 12)**

The board of directors proposes that the Annual General Meeting resolves on the following guidelines for remuneration to the Company's senior executives to be applied until further notice (however, no longer than until the Annual General Meeting 2027).

These guidelines apply to remuneration to senior executives in the Company. For the purposes of these guidelines, senior executives include the CEO, the deputy CEO (if applicable), and certain other executives who, from time to time, are members of the Pierce Executive Team.

These guidelines do not apply to any remuneration resolved upon or approved by the General Meeting and are only applicable to remuneration agreed, and amendments to remuneration already agreed, after the adoption of these guidelines by the Annual General Meeting 2023.

### ***Purpose and general principles of remuneration***

These guidelines constitute a framework under which the board of directors may determine remuneration to senior executives during the period of time for which the guidelines are in force.

Pierce is a leading European e-commerce company selling motorcycle and snowmobile gear, parts, accessories and streetwear to passionate customers through the online stores 24MX, XLMOTO, and Sledstore. For further information regarding Pierce's strategic priorities, please refer to the Company's annual report and the Company's website, ([www.piercegrup.com](http://www.piercegrup.com)).

The Company's remuneration guidelines shall be designed to ensure responsible and sustainable remuneration decisions that support the Pierce's business strategy, long-term interests and sustainable business practices. Pierce strives to offer a total remuneration that is in line with market terms, thus enabling the Company to attract and retain qualified leaders. Total remuneration varies in relation to the individual's responsibilities and performance.

Remuneration for senior executives may properly be adjusted where relevant to reflect mandatory rules in the relevant jurisdiction of employment and may be duly adjusted to comply with established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### ***Elements of remuneration***

The remuneration to the senior executives covered by these guidelines may consist of a fixed salary, variable cash remuneration, pension and non-financial benefits. Further, the General Meeting may resolve on long-term share-based incentive programs that senior executives may participate in; these long-term share-based incentive programs are excluded from these guidelines.

### ***Principles for fixed cash salary***

The fixed salary forms the basis of the total remuneration and shall be in line with market conditions, be competitive, and reflect the responsibilities associated with the position as well as the individual's competence and performance. The fixed salary is reviewed annually.

***Principles for variable cash remuneration***

The variable cash remuneration is to be in line with market terms, capped, and linked to the fixed remuneration. Variable cash remuneration may amount to a maximum of 70 per cent of the fixed cash salary for each senior executive (in this context, fixed salary means cash salary earned during the year, excluding pension, benefits and similar).

Variable cash remuneration shall be based on at any given time predetermined and measurable criteria, aimed at promoting Pierce's long-term value creation. Such criteria could for instance be associated with sales, cash flow, EBIT, return on equity or similar key performance ratios or sustainability matters. By linking the goals in a clear and measurable way to the remuneration of the senior executives to Pierce's financial and/or operational development, they contribute to the implementation of the Company's business strategy, long-term interests and sustainable business practices.

The variable remuneration to the senior executives is subject to annual review and approval by the board of directors. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The extent to which the criteria for awarding variable cash remuneration have been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee of the board of directors is responsible for the evaluation of the variable salary to the senior executives. The board of directors will approve any variable payouts to the senior executives.

Variable cash remuneration is not pensionable unless mandatory by law or by applicable collective bargaining agreements. The Company has not previously been able to recover the cash variable remuneration on a contractual basis, but future programs shall give the Company the possibility, in whole or in part, to reclaim variable cash remuneration paid on incorrect grounds.

***Principles for long-term incentives***

Long-term incentives shall be in the form of shares or equity-related instruments, promoting a balance between short-term achievements and long-term thinking. Long-term incentive programs shall ensure a long-term commitment to the development of Pierce. Any share or equity-based incentive programs shall be resolved upon by the General Meeting.

### ***Principles for termination and severance pay***

In the event of termination of employment, the notice period should be in line with market terms and not exceed a 12-month period of notice and 6 month's severance pay when the termination is initiated by Pierce. When termination is initiated by the senior executive there should be no severance pay. Fixed salary during notice periods and severance payment, including payments for any restrictions on competition, shall in aggregate never exceed an amount equivalent to the fixed salary for two years.

### ***Principles for pension and non-financial benefits***

Pension benefits may not amount to more than 30 per cent of the fixed cash salary of each senior executive, provided that mandatory provisions of applicable collective bargaining agreements do not require a higher pension provision. Pension benefits shall, wherever possible, only include defined contribution plans, provided that mandatory provisions of applicable collective bargaining agreements do not require otherwise.

Non-financial benefits may include, inter alia, health insurance and parking space. Non-financial benefits may be provided to individual or all senior executives and are to reflect market practice. Premiums and other costs relating to non-financial benefits may not amount to more than 15 per cent of the fixed cash salary of each senior executive.

### ***Extraordinary circumstances***

One-off payments can be made on individual level in extraordinary circumstances when deemed necessary and approved by the board of directors. The purpose might be in relation to recruitments, retention of senior executives needed to secure implementation of the business strategy and extraordinary efforts in special projects, including but not limited to transformation, savings and restructuring programs and M&A projects.

One-off payments may not amount to more than 100 per cent of the fixed cash salary and cannot be paid more than once per year and per individual.

### ***Salary and employment conditions for employees***

In the preparation of the board of directors' proposal for these 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 remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### ***Preparation and review of these guidelines***

These guidelines have been prepared by the board of directors' remuneration committee. The remuneration committee shall have a preparatory function, in relation to the board of directors, in respect of principles for remuneration and other terms of employment regarding the senior executives. With the recommendation of the remuneration committee as the basis, when the need arises for significant changes in the guidelines, but at least every fourth year, the board of directors shall prepare a proposal for guidelines for resolution by the Annual General Meeting. The Annual General Meeting shall decide on such proposal. Resolved guidelines may also be amended by way of resolution by General Meetings other than Annual General Meetings. The guidelines shall be in force until new guidelines have been adopted by the General Meeting.

Within the scope and on the basis of these guidelines, the board of directors shall, based on the remuneration committee's preparation and recommendations, annually decide on specific revised remuneration terms for each senior executive and make such other resolutions in respect of remuneration for senior executives that may be required.

The members of the remuneration committee are independent in relation to the Company and the senior executives. The CEO and the other senior executives do not participate in the board of directors' handling of and resolutions regarding remuneration-related matters if they are affected by such matters.

The board of directors has not received any comments from the shareholders regarding current guidelines for remuneration to senior executives. The board of directors' proposal on guidelines for remuneration to senior executives corresponds, in all material respects, to existing guidelines, except that (i) the maximum variable cash remuneration has been increased from 40 per cent to 70 per cent of the fixed cash salary for each senior executive, (ii) there have been some clarifications as regards the criteria for payment of variable cash remuneration as well as on how variable cash remuneration can contribute to the implementation of the Company's business strategy, long-term interests and sustainable business practices, (iii) wording has been added as regards the Company's possibilities to recover variable cash remuneration, (iv) wording has been added under what conditions non-financial benefit payment can be made, and (v) a new section has been added as regards under what extraordinary circumstances one-off payments can be made.

### ***Derogations from these guidelines***

The board of directors has the right to temporarily resolve to derogate from these guidelines, in whole or in part, if there is an individual case with special grounds for such 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. The guidelines are subject to compulsory conditions in accordance with mandatory legislation or applicable collective agreements.

### **Resolution on authorization for the board of directors regarding new share issues (item 13)**

The board of directors proposes that the Annual General Meeting resolves to authorize the board to, at one or several occasions, during the time up until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, resolve to issue ordinary shares. A new issue should be able to be made with or without provisions regarding contribution in kind, set-off or other conditions.

The total number of ordinary shares issuable pursuant to the authorization shall not exceed 20 per cent of the total number of existing shares outstanding in the Company at the time of the Annual General Meeting. In case the authorization is used for a new issue with deviation from the shareholders' preferential rights, the subscription price shall be on market terms (subject to customary new issue discount, as applicable).

The purpose of the authorization is to be able to carry out and finance acquisitions of companies and assets and to give the board of directors the opportunity to adapt and improve the Company's capital structure.

### **Resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share program; (B) amendment of the Articles of Association; (C) authorization on directed issues of series C shares; (D) authorization on repurchase of series C shares; and (E) resolution on transfer of own ordinary shares (item 14)**

The board of directors proposes that the Annual General Meeting resolves to implement a long-term incentive program in the form of a performance-based share program (the "LTI 2023") for the Company's CEO, other members of the Executive Management team and key employees in accordance with A below. The resolution is conditional upon that the Annual General Meeting resolves to amend the Articles of Association in accordance with B below whereby the possibility to issue series C shares is introduced and that the Annual General Meeting also resolves on hedging measures in accordance with C – E below.

The long-term incentive program is intended to be annual, wherefore the board of directors after having evaluated the program, intends to present new proposals for corresponding or adjusted programs ahead of the forthcoming Annual General Meetings.

## A. Implementation of a performance-based share program

### Background

The overall purpose with LTI 2023 is to align the interests of the Company's senior executives and key employees with those of the shareholders and thus ensure a maximum long-term value adding commitment. LTI 2023 is also considered to create a long-term focus on increase in growth and earnings among the participants. LTI 2023 is further considered to facilitate for the Company to recruit and retain senior executives and key employees.

### Terms and conditions for LTI 2023

1. In total, LTI 2023 is proposed to comprise approximately 26 participants composed of senior executives and key employees, divided into three categories. Provided that the performance targets mentioned below are met or exceeded, participants in LTI 2023 shall be given the opportunity to receive ordinary shares in the Company free-of-charge ("**Performance Shares**").
2. The total number of Performance Shares shall not exceed 950,000.
3. The maximum number of Performance Shares that can be allotted to the participants in the respective category shall not exceed the numbers set out in the table below:

| Category   | Maximum number of Performance Shares per participant  |
|--|---|
| CEO  | 175,000   |
| Other members of the Executive Management team (6 persons) | 380,000 Performance Shares may in the aggregate be allotted to this category but no participant may be allotted more than 100,000 Performance Shares. |
| Key employees (approximately 20 persons)                   | 395,000 Performance Shares may in the aggregate be allotted to this category but no participant may be allotted more than 30,000 Performance Shares.  |

The board of directors shall, within the maximum number stated above, resolve on the maximum number of Performance Shares that each individual participant in the respective category may be allotted.



4. A condition for the right to receive Performance Shares is that the participant has continued to be employed by the Company until 16 May 2026. However, in case a participant's employment ceases due to death, early retirement or similar occasions or due to termination by the Company that is not related to misconduct by the participant prior to 16 May 2026 but after 16 May 2024, such participant shall be entitled to receive a portion of the Performance Shares. This partial vesting shall mean that for each month after 16 May 2024 that the participant has continued to be employed, the participant shall be entitled to receive 1/24 of the aggregate number of Performance Shares that the participant would have been entitled to receive if the participant would have continued to be employed until 16 May 2026. For the sake of clarity, any allotment to a participant that ceases to be employed prior to 16 May 2026 will only occur when allotment of Performance Shares are made to the other participants and subject to the fulfilment of the Performance Targets.

5. The performance targets (the "**Performance Targets**") that have to be met or exceeded relate to (i) the Company's organic revenue growth (the "**Revenue Growth Target**"); (ii) the Company's Adjusted EBIT (the "**EBIT Target**"); (iii) the Company's net working capital ratio (the "**NWC Target**"); and (iv) the share price development of the Company's shares (the "**Share Price Target**"). The number of Performance Shares allocated to each participant in relation to each Performance Target shall be weighted with 40 per cent to the Revenue Growth Target, with 40 per cent to the EBIT Target, with 10 per cent to the NWC Target and with 10 per cent to the Share Price Target.

For each of the Performance Targets, there will be a minimum level, a target level and a maximum level. If the minimum target is not achieved, no Performance Shares are vested in relation to the relevant Performance Target; if the minimum target is achieved, 33.3 per cent of the Performance Shares pertaining to the relevant Performance Target are vested; if the target level is achieved, 66.7 per cent of the Performance Shares pertaining to the relevant Performance Target are vested; and if the maximum level is achieved, all the Performance Shares pertaining to the relevant Performance Target will be vested. In the event of an outcome between the minimum level and the target level or between the target level and the maximum level, respectively, vesting of the Performance Shares pertaining to the relevant Performance Target will occur linearly between 33.3 per cent and 66.7 per cent of the Performance Shares pertaining to the relevant Performance Target and between 66.7 per cent and 100 per cent of the Performance Shares pertaining to the relevant Performance Target, respectively.

The Revenue Growth Target relates to the Company's compounded annual organic growth rate ("**CAGR**") during the financial years 2023, 2024 and 2025. CAGR will be calculated as  $((\text{net revenue for the financial year 2025 (reduced with any non-organic net revenue generated through businesses acquired during the financial years 2023-2025)} / \text{net revenue in financial year 2022})^{1/3} - 1)$ . The minimum level for the Revenue Growth Target will be a CAGR of 1.5 per

cent, the target level for the Revenue Growth Target will be a CAGR of 4.0 per cent and the maximum level for the Revenue Growth Target will be a CAGR of 7.5 per cent.

The EBIT Target relates to the Company's Adjusted EBIT (the profit/loss before interest and tax adjusted for share-based payments related to employees and items affecting comparability) ("**Adjusted EBIT**") in the financial year 2025. The minimum level for the EBIT Target will be an Adjusted EBIT of MSEK 66, the target level for the EBIT Target will be an Adjusted EBIT of MSEK 89 and the maximum level for the EBIT Target will be an Adjusted EBIT of MSEK 103.

The NWC Target relates to the Company's "Net working capital in relation to net revenue" in the financial year 2025, as reported in the Company's full-year report for the financial year 2025 (the "**NWC Ratio**"). The minimum level for the NWC Target will be a NWC Ratio of 11.0 per cent, the target level for the NWC Target will be a NWC Ratio of 10.0 per cent and the maximum level for the NWC Target will be a NWC Ratio of 9.5 per cent.

The Share Price Target relates to the development of the Company's share price until 16 May 2026 (the "**End Price**"). The End Price will be established as the volume-weighted average share price during the 30 trading days immediately preceding 16 May 2026. The minimum level for the Share Price Target will be an End Price of SEK 15, the target level for the Share Price Target will be an End Price of SEK 20 and the maximum level for the Share Price Target will be an End Price of SEK 25.

The final number of Performance Shares vested by each participant shall be rounded downwards to the nearest whole number.

6. In addition to the achievement of the Performance Targets, the allocation of Performance Shares shall be conditional upon that the Adjusted EBIT in the financial year 2025 amounts to at least MSEK 35. If this threshold level for the Adjusted EBIT is not met, no Performance Shares shall be allotted in LTI 2023.

7. Before the number of Performance Shares to be allocated is finally determined, the board of directors shall also make a general evaluation if allocation pursuant to the principles set out above is reasonable, having regard to the Company's results and financial standing, to conditions on the stock market and to other circumstances in general. If the board of directors finds that it is not reasonable, then the board of directors may decrease the number of Performance Shares to be allocated to the lower number of shares that the board of directors finds reasonable.

8. The number of Performance Shares and/or the Performance Targets (as applicable) shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar company actions. Furthermore, if

material changes occur in the Company or in its business environment that would result in that the decided Performance Targets are no longer appropriate, the board of directors shall be entitled to make such adjustments of the Performance Targets as are necessary to receive a reasonable outcome.

9. Allotment and transfer of Performance Shares to the participants shall take place within 30 days after 16 May 2026. To the extent applicable insider rules would prevent transfer of Performance Shares to a participant within this period, the transfer of Performance Shares shall instead be made as soon as such restrictions have ceased to apply.

10. For the CEO and other members of the Executive Management team, allotment of Performance Shares will be conditional upon that the participants, subject to certain customary exceptions, undertake not to divest a certain percentage of the allotted Performance Shares during a period of 12 months following the delivery of the Performance Shares. The number of Performance Shares subject to the restriction shall as a starting point amount to 50 per cent of the allotted Performance Shares but for participants where the taxation (margin tax rate) triggered by the delivery of Performance Shares exceed 50 per cent, the percentage shall instead be calculated as  $100 - \text{the applicable tax rate}$ .

11. Participation in LTI 2023 is conditional upon that the participation is legally possible and that the participation in the Company's sole opinion can be made with reasonable administrative costs for the Company.

12. The board of directors shall be responsible for the details and management of LTI 2023 within the framework of the main conditions as set out above, and the board of directors shall be authorized to make minor adjustments to these conditions as required by law or for administrative reasons. The board of directors shall also be authorized to adjust or deviate from the terms and conditions as required by local laws and regulations as well as existing market practices, and/or offer cash settlement for participants outside Sweden to the extent delivery of Performance Shares to such participants cannot be made at reasonable costs and administrative actions. Furthermore, in the event of a public take-over offer, a sale of the Company's business, liquidation, merger or any other such transaction affecting the Company, the board of directors shall be entitled to resolve that the Performance Shares (partially or in full) shall vest and be allotted on completion of such transaction. The board of directors will make this resolution based on the level of achievement of the Performance Targets and any other factors deemed relevant by the board of directors. Finally, the board of directors is also entitled to adjust vesting and allotment if such has been made based on information which later proves to be incorrect.

## **B. Amendment of the Articles of Association**



In order to enable the issuance of series C shares under LTI 2023, the board of directors proposes that the Annual General Meeting resolves to incorporate a new § 6 in the Company's Articles of Association in accordance with the following wording. Following the incorporation of the new section in the Articles of Association, the already existing shares shall be ordinary shares.

#### *6 § Classes of shares*

*Shares may be issued in two classes, ordinary shares and series C shares. The ordinary shares shall carry one vote per share and series C shares shall carry one-tenth of a vote per share. Shares of either share class may be issued up to an amount corresponding to the full share capital.*

*Series C shares do not entitle to dividends. Upon the dissolution of the company, series C shares shall carry equivalent right to the company's assets as other shares, however, not to an amount exceeding the quota value of the share.*

*If the company resolves to issue new ordinary shares and series C shares, against payment other than contribution in kind, owners of ordinary shares and series C shares shall have pre-emption rights to subscribe for new shares of the same class pro rata to the number of shares previously held by them (primary pre-emption right). Shares which are not subscribed for pursuant to the primary pre-emption rights shall be offered to all shareholders for subscription (secondary pre-emption right). If the shares thus offered are not sufficient for the subscription pursuant to the secondary pre-emption rights, the shares shall be allocated between the subscribers pro rata to the number of shares previously held and, to the extent such allocation cannot be effected, by the drawing of lots.*

*If the company resolves to issue new shares of either solely ordinary shares or series C shares, against payment other than contribution in kind, all shareholders shall, irrespective of whether their shares are ordinary shares or series C shares, have pre-emption rights to subscribe for new shares pro rata to the number of shares previously held by them.*

*What is set out above with regard to pre-emption rights shall apply mutatis mutandis in the event of issues of warrants and convertible bonds, and shall not limit the right to resolve upon an issue with deviation from the shareholders' pre-emption rights.*

*In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class previously issued. In connection therewith, the owners of existing shares of a certain class shall entitle the holder to new shares of the same class. This shall not entail any restrictions on the possibility of issuing new shares of a new class by means of a bonus issue, following the required amendments of the Articles of Association.*

*Reduction of share capital, which in any case shall not fall below the minimum share capital, may, at the request of a holder of a series C share and after resolution by the company's board of directors or a shareholders' meeting, take place through redemption of series C shares. A request from a shareholder must be submitted in writing. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the company's reserve fund, if the required funds are available. The redemption amount per series C share shall be the quota value of such share.*

*Following receipt of the redemption resolution, holders of shares subject to redemption shall promptly receive payment for the shares, or, if authorization for the redemption from the Swedish Companies Registration Office (Sw. Bolagsverket) or a court is required, following the receipt of notice that the final and effected resolution has been registered.*

*Series C shares held by the company may, upon resolution of the board of directors be reclassified into ordinary shares. Immediately thereafter, the board of directors shall register the reclassification with the Swedish Companies Registration Office. The reclassification is effected when it has been registered and the reclassification has been reflected in the central securities depository register.*

As a result of the incorporation of the new section, the existing sections 6–14 of the Articles of Association will be renumbered.

#### **C. Authorization on directed issues of series C shares**

The board of directors proposes that the Annual General Meeting resolves to authorize the board of directors, for the period up until the next Annual General Meeting, on one or several occasions, to issue a maximum of 950,000 series C shares. The new shares may, with deviation from the shareholders' preferential rights, only be subscribed for by a bank or a securities company at a subscription price which corresponds to the quota value. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights in connection with an issue of shares is to secure delivery of Performance Shares under LTI 2023, which shall be effected through the Company repurchasing the series C shares issued pursuant to the authorization in D below and thereafter, when the series C shares have been converted to ordinary shares, by transferring ordinary shares to the participants in LTI 2023 in accordance with E below.

#### **D. Authorization on repurchase of series C shares**

The board of directors proposes that the Annual General Meeting resolves to authorize the board of directors, for the period up until the next Annual General Meeting, on one or several occasions, to repurchase its own series C shares. Repurchase may only be effected through a public offer directed to all holders of series C shares and shall comprise all outstanding series C shares. Repurchase may also be made of so-called interim shares, by Euroclear Sweden AB designated as a Paid Subscribed Share (Sw. Betald Tecknad Aktie (BTA)), regarding a series C share. Repurchase shall be made at a purchase price per share which corresponds to the quota value of the share. The purpose of the proposed repurchase authorization is to secure delivery of Performance Shares under LTI 2023.

#### **E. Resolution on transfer of own ordinary shares**

In order to fulfil the Company's obligations towards participants in LTI 2023, the board of directors proposes that the Annual General Meeting resolves that the Company shall transfer own ordinary shares as follows:

1. The Company shall have the right to transfer the number of ordinary shares that the Company has a maximum obligation to allocate as Performance Shares to participants in LTI 2023, at most 950,000 shares.
2. The ordinary shares that can be transferred in accordance with paragraph 1 above may consist of either shares newly issued and repurchased in accordance with C – D above, issued and repurchased in connection with other corresponding LTI programs, but which are no longer required for the performance of the Company's commitments under such programs, or repurchased by the Company under other future repurchase authorizations.
3. The number of shares that may be transferred pursuant to LTI 2023 shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar corporate action which affects the number of shares in the Company.
4. The right to acquire ordinary shares shall, with deviation from the shareholders' preferential rights, vest in participants in LTI 2023 who are entitled to be allotted Performance Shares in accordance with the terms and conditions of the program.
5. Transfer of shares to participants in LTI 2023 shall be made free of charge and be executed at the relevant time specified in the terms and conditions for LTI 2023.

The reason for the deviation from the shareholders' preferential rights in connection with the transfers of own ordinary shares is to enable the Company's delivery of Performance Shares to participants in LTI 2023.

### ***Costs, impact on key ratios, existing incentive programs and dilution***

LTI 2023 will be accounted for in accordance with IFRS 2 which stipulates that the right to receive Performance Shares shall be expensed as a personnel cost over the vesting period.

The board of directors has made a preliminary cost calculation for LTI 2023, which is based on the assumption of a share price of SEK 8.50 at the start of the program. The IFRS 2 costs for the Performance Shares related to the Performance Targets have been estimated to SEK 7.96 per Performance Share. If the Company estimates an employee turnover of 0 per cent until shares are received approximately three years later, and excludes future dividends of the Company's share, the total costs for LTI 2023 including costs for social security contributions, are estimated to be approximately SEK 12.3 million, provided that all the Performance Targets are met in full.

Based on the calculation of the total cost as per the above, the anticipated annual costs, including costs for social security contributions, is approximately SEK 4.1 million, which corresponds to approximately 2.3 per cent of the Company's total employee costs for the financial year 2022. Based on the calculation of the annual costs and the dilution calculated as per the below, the key figure earnings per share for the full year 2022 had been changed from SEK -0.29 to SEK -0.33 had the Company expensed 1/3 of the total costs for LTI 2023 in 2022.

As per the date of the notice, the number of shares in the Company amounts to 79,374,100.

The maximum number of Performance Shares that can be issued in relation to LTI 2023 amounts to 950,000, which corresponds to a dilution of approximately 1.18 per cent of the Company's ordinary shares, calculated on the number of ordinary shares that will be added upon full issuance of Performance Shares in connection with LTI 2023.

Since previously, there is one incentive program outstanding in the Company in the form of a warrant program. The existing incentive program can lead to that in the aggregate 387,736 new ordinary shares are issued. In case the outstanding incentive program as well as the proposed LTI 2023 are exercised in full, a total of 1,337,736 new ordinary shares will be issued, which corresponds to a dilution of approximately 1.66 per cent of the Company's ordinary shares, calculated on the number of ordinary shares that will be added upon full exercise of all outstanding incentive programs as well as the proposed LTI 2023.

The above calculations regarding dilution and impact on key ratios are subject to re-calculation of the warrants in accordance with the customary recalculation terms included in the complete applicable warrant terms.



### ***Preparation of the proposal***

The proposal for LTI 2023 has been prepared by the Remuneration Committee together with external consultants. The final proposal has been resolved upon by the board of directors.

The board of directors' proposal on implementation of a long-term incentive program in accordance with A to E above constitutes an overall proposal which shall be resolved upon as one resolution.

### **Particular majority requirements**

For a valid resolution on the proposal pursuant to item 13 the proposal has to be supported by shareholders representing at least two-thirds of the votes cast as well as of all shares represented at the Annual General Meeting, and for a valid resolution on the proposal pursuant to item 14, the proposal has to be supported by shareholders representing at least nine-tenths of the votes cast as well as of all shares represented at the Annual General Meeting.

### **Shareholders' right to information**

At the Annual General Meeting, the board of directors and the CEO shall, if any shareholder so requests and the board of directors believes that it can be done without significant harm to the Company, provide information regarding circumstances that may affect the assessment of items on the agenda, circumstances that can affect the assessment of the Company's or its subsidiaries' financial position and the Company's relationship to other companies within the group.

### **Accounting documents and complete proposals**

Accounting documents, the audit report, the board of directors' remuneration report, the statement by the auditor on the compliance of the applicable guidelines for remuneration to senior executives and complete proposals for resolutions and other documents for the Annual General Meeting, will be available for the shareholders at the Company's office at Elektravägen 22, SE-126 30 Hägersten, Sweden and at the Company's website ([www.piercgroup.com](http://www.piercgroup.com)) as from no later than three weeks prior to the Annual General Meeting, and will also be sent to shareholders who request it and provide their address. Copies of the documents will also be available at the Annual General Meeting.

### **Number of shares and votes**

As of the date of this notice, the total number of shares and votes in the Company amounts to 79,374,100. The Company does not hold any own shares.





## Processing of personal data

For information on processing of personal data, please see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Stockholm in April 2023  
The Board in Pierce Group AB (publ)

## For further information, please contact:

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## About Pierce Group

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Pierce is a leading and fast-growing e-commerce company selling gear, parts and accessories to riders across all of Europe via some forty websites adapted to local markets. Pierce has two major segments, Offroad — sales to motocross and enduro riders, and Onroad — sales to street riders. Pierce also has a smaller segment, Other, which primarily focuses on snowmobile riders. With a large and unique product assortment, including several private brands, an excellent customer experience and attractive prices, Pierce is changing the motorcycle enthusiast market in Europe. Headquarters are located in Stockholm, the central warehouse is in Szczecin, Poland and the majority of our customer support services is located in Barcelona. The Company has approximately 430 employees.

## Attachments

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[Notice of the Annual General Meeting of Pierce Group AB \(publ\)](#)

## Schedule 3



# Remuneration report 2022 for Pierce Group AB (publ)

## Introduction

This report (the “**Report**”) describes how the guidelines for senior executive remuneration of Pierce Group AB (publ) (the “**Company**”), adopted by the Annual General Meeting on 23 February 2021 (the “**Guidelines**”), were applied during 2022. The Report also provides information on remuneration to the CEO and a summary of the Company’s outstanding share-based incentive programs. The Report has been prepared in accordance with the Swedish Companies Act (2005:551), the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes issued by the Swedish Stock Market Self-Regulation Committee, and the Swedish Annual Accounts Act (1995:1554).

## Information pursuant to Chapter 5 Section 40-44 in the Swedish Annual Accounts Act

Further information on senior executive remuneration is disclosed in Note 8 in the annual report 2022. Information on the work of the remuneration committee and its work during 2022 is set out in the corporate governance report.

Remuneration of the Board is not covered by this Report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in Note 8 on in the annual report 2022 and in the corporate governance report.

## Developments during 2022

The CEO summarizes the Company’s overall development in his statement on pages 5 and 6 in the annual report 2022.

## The Company’s remuneration guidelines: scope, purpose and deviations

The Guidelines have been designed to ensure responsible and sustainable remuneration decisions that support the Company’s business strategy, long-term interests and sustainable business practices. The total remuneration shall be competitive and in line with market terms, reflect the individual senior executive’s performance and responsibilities and enable the Company to attract and retain qualified senior executives.

The remuneration to the senior executives may consist of a fixed salary, variable cash remuneration/salary, pension benefits and non-financial benefits. In addition, the General Meeting can resolve on share-based long-term incentive programs that the senior executives can participate in.

The complete Guidelines are disclosed in Note 8 in the annual report 2022. With respect to the information requirements in the Report pursuant to Chapter 8 Section 53 a 2<sup>nd</sup> par 5-8 pp in the Swedish Companies Act, the following is disclosed:

- No remuneration has been reclaimed.



- No derogations from the procedure for implementation of the Guidelines have been made.
- Deviations from the Guidelines have been made in the following regard and for the reasons stated below:
  - According to the Company's Guidelines, variable salary shall be based on predetermined and measurable criteria, and the extent to which the criteria for awarding variable salary have been satisfied shall be determined when the relevant measurement period of criteria has ended. The Guidelines provide for a maximum variable cash remuneration of 40% of the fixed cash salary. The criteria for the Company's incentive program 2022 were first adopted in February 2022 (with variable salary capped at 30% of the fixed annual salary) and were revised in June 2022 (then ultimately adopted as maximum 2 months gross annual income). The criteria have not been met but, notwithstanding this, variable salary representing 2 months (i.e. 16.7%) of the fixed annual salary has been awarded to the senior executives (including the resigning CEO).
  - The Guidelines further provide that the Board, in accordance with Chapter 8 Section 53 in the Swedish Companies Act, may resolve to temporarily deviate from the Guidelines in whole or in part, if there is an individual case with special grounds for such deviation and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. The reasons for the Board's deviation from the Guidelines in accordance with the above, are the following. There were various extraordinary circumstances in 2022 affecting the Company, including external financial impacts, a successful recapitalization (rights issue), the loss of the Company's CFO and a transition from a longstanding CEO to an Acting CEO. The Company has also faced a highly competitive recruitment market. These factors have led to a heightened risk profile for the Company in retaining and recruiting relevant competence to secure the Company's long-term interests. The senior executives have been deemed to possess strategically important competence, and it has therefore been a strategically motivated decision necessary to serve the Company's long-term interests and to ensure the Company's financial viability; in particular to ensure a maintained management team and continuity during a challenging period for the Company – including transition to a new Acting CEO. In relation to the departing CEO, it was necessary to secure longer-term cooperation and support and to recognise extraordinary efforts in relation to the Company's recapitalization.
- No shareholder comments regarding the 2021 remuneration have been received by the Company. Consequently, no shareholders comments have been taken into account when producing the Report.

The auditor's report regarding the Company's compliance with the Guidelines pursuant to Chapter 8 Section 54 in the Swedish Annual Accounts Act is available on the Company's website [www.piercegrup.com](http://www.piercegrup.com) no later than 25 April 2023.

### **Variable cash remuneration**

The variable cash remuneration to the CEO is based on financial targets on group level and

other group targets with associated KPIs. It is vested during a one-year period and can amount to a maximum of 2 months (i.e. 16.7%) of the annual fixed salary (however, see further sections “The Company’s remuneration guidelines: scope, purpose and deviations” and “Application of performance criteria” below).

## Remuneration to the CEO

The table below sets out the total remuneration in KSEK<sup>1</sup> for the Company’s CEO during the financial year 2022. The CEO has not received remuneration from any other company in the Company group.

| Henrik Zadig, CEO, 220101-221201      | Fixed remuneration       |                             | Variable remuneration | Extraordinary items | Pension expense <sup>2</sup> | Total remuneration | Proportion of fixed and variable remuneration |
|---------------------------------------|--------------------------|-----------------------------|-----------------------|---------------------|------------------------------|--------------------|---|
|                                       | Base salary <sup>3</sup> | Other benefits <sup>4</sup> |                       |                     |                              |                    |   |
|                                       | 2,347                    | 8                           | 499                   | 1,508 <sup>5</sup>  | 373                          | 4,734              | 89%/11%                                       |
| Willem Vos, Acting CEO, 221201-221231 | 408 <sup>6</sup>         | 0                           | 42 <sup>7</sup>       | 0                   | 44 <sup>8</sup>              | 494                | 92%/8%  |

## Application of performance criteria

The CEO’s variable remuneration is based on a number of pre-determined and measurable criteria and goals on an annual basis, aimed at driving long-term value creation in the Company. Fulfilment of one of criteria is a threshold requirement (so-called “qualifier”) and is a prerequisite for payment of variable remuneration.

The table below sets out the application of performance criteria for payment of variable remuneration during the financial year, where payment has been up to 16.7% of fixed annual salary (see further section “The Company’s remuneration guidelines: scope, purpose and deviations”).

<sup>1</sup> In the table, remuneration that is attributable to 2022 is disclosed (regardless of the time of actual payment). Figures exclude employer’s charges / social fees payable by the employer.

<sup>2</sup> Pension expense even includes salary sacrifice (but excludes special employer’s contribution (Sw. *särskild löneskatt*)).

<sup>3</sup> Including vacation pay and sick pay.

<sup>4</sup> Refers to health insurance (except as otherwise specified).

<sup>5</sup> Severance pay in accordance with employment agreement. Part of this amount is paid during 2023.

<sup>6</sup> Refers only to remuneration attributable to interim CEO role, i.e. December 2022.

<sup>7</sup> Variable remuneration attributable to interim CEO role. Total variable remuneration 2022 amounted to 475 KSEK.

<sup>8</sup> This is paid as a pension allowance directly to the interim CEO, based on the Company’s general pension policy.



| <b>Henrik Zadig, CEO,<br/>220101-221201</b> | <b>Description of performance criteria related to the remuneration component</b> | <b>Relative weighting of the performance criteria</b> | <b>a) Threshold requirement achieved or not</b><br><b>b) Measured performance</b><br><b>c) Actual award/remuneration outcome</b> |
|---|--|---|--|
|   | Adjusted operating profit (EBIT) <sup>9</sup>                                    | Threshold requirement                                 | a) Not achieved<br>b) -53 MSEK (qualifier -36 MSEK)<br>c) 100%   |
|   | Operative cashflow June-October 2022   | 50%   | a) N/A<br>b) -86 MSEK (criteria/goal on linear scale, where -40 MSEK is 0% and -20 MSEK 100% of performance).<br>c) 100%         |
|   | Operative cashflow June-December 2022  | 50%   | a) N/A<br>b) -7 MSEK (criteria/goal on linear scale, where 53 MSEK is 0% and 73 MSEK 100% of performance).<br>c) 100%            |
| <b>Willem Vos, Acting CEO, 221201-</b>      | Adjusted operating profit (EBIT)   | Threshold requirement                                 | a) Not achieved<br>b) Not achieved<br>c) 100%  |
|   | Operative cashflow June-October 2022   | 50%   | a) N/A<br>b) -86 MSEK (criteria/goal on linear scale, where -40 MSEK is 0% and -20 MSEK 100% of performance).<br>c) 100%         |
|   | Operative cashflow June-December 2022  | 50%   | a) N/A<br>b) -7 MSEK (criteria/goal on linear scale, where 53 MSEK is 0% and 73 MSEK 100% of performance).<br>c) 100%            |

## Comparative information on the change of remuneration and Company performance

The average remuneration per employee (excluding senior executives), based on the number of full-time equivalents in the Company and its Swedish subsidiary Pierce AB<sup>10</sup>, was 690 KSEK SEK in 2022. Cash remuneration, health insurance and pension benefits have been included in this calculation.

<sup>9</sup> Including costs for variable remuneration (so-called “earn-in”).

<sup>10</sup> The average number of full-time equivalents in the Company and Pierce AB was 98 in 2022. In addition, the average number of full-time equivalents in the other Group companies PDC Logistics Sp. Z.o.o. and Pierce ECOM SSC, S.L. UNIPERSONAL was 330 in 2022.

The Company's complete 2022 results will be presented in the annual report 2022, which will be adopted by the Annual General Meeting on 16 May 2023.

|  | 2021 vs 2022                     | 2022  |
|--|----------------------------------|-------|
| <b>CEO total remuneration KSEK<sup>11</sup></b>  | 3,090/5,228 (+69%) <sup>12</sup> | 5,228 |
| <b>Adjusted operating profit (EBIT) MSEK</b>   | 58/-53                           | -53   |
| <b>Average total remuneration KSEK for employees in Pierce AB, excluding senior executives</b> | 675/690 (+2.2%)                  | 690   |

## Long-term share-related incentive programs

### Outstanding share-related incentive programs

#### *LTIP 2021/2024*

An Extraordinary General Meeting held on 26 March 2021 approved the Board's proposal regarding warrant program and the issue of warrants to certain senior executives and key employees (a total of eight persons). A total of 376,443 warrants were issued and subscribed; of which 128,205 to the CEO, 132,854 to other senior executives and 115,384 to certain key employees. After recalculation due to the new share issue in June 2022, each warrant carries the right to subscribe for 1.03 ordinary shares in the Company. The warrants were subscribed for at a market value of 11.70 SEK per warrant, calculated using the Black & Scholes model.

The warrants can be exercised as from the date of publication of the interim report for the period 1 January - 31 March 2024, however no earlier than 1 April 2024, up to and including 31 August 2024, at an exercise price of 71.20 SEK per share.

Upon exercise of all warrants, a maximum of 387,736<sup>13</sup> shares will be issued in the Company, corresponding to a dilution of approximately 1.1 percent. The dilution has been based on the maximum number of shares and votes that may be issued upon exercise of the warrants, divided by the total number of shares and votes in the Company after such issues (based on the total number of outstanding shares and votes in the Company at the date of this Report).

The Company has reserved the right to repurchase warrants under certain conditions; e.g., if the participant's employment is terminated.

Stockholm in March 2023  
The Board in Pierce Group AB (publ)

<sup>11</sup> Total remuneration stated for Henrik Zadig, former CEO, plus Willem Vos, interim CEO. See breakdown in section "Remuneration to the CEO" This includes severance for Mr Zadig, who is remunerated by the Company until the employment is formally terminated on 23 May 2023.

<sup>12</sup> Includes severance pay for Mr Zadig. Increase excluding severance pay is 20%.

<sup>13</sup> Recalculation factor 1.03\*376,443 shares due to new share issue in June 2022.

## Schedule 4





*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **Guidelines for remuneration to senior executives**

### **Background and scope**

The Board of Directors of Pierce Group AB (publ) (“**Pierce**” or the “**Company**”) proposes that the Annual General Meeting 2023 resolves on the following guidelines for remuneration to the Company’s senior executives to be applied until further notice (however, no longer than until the Annual General Meeting 2027).

These guidelines apply to remuneration to senior executives in the Company. For the purposes of these guidelines, senior executives include the CEO, the deputy CEO (if applicable), and certain other executives who, from time to time, are members of the Pierce Executive Team.

These guidelines do not apply to any remuneration resolved upon or approved by the General Meeting and are only applicable to remuneration agreed, and amendments to remuneration already agreed, after the adoption of these guidelines by the Annual General Meeting 2023.

### **Purpose and general principles of remuneration**

These guidelines constitute a framework under which the Board of Directors may determine remuneration to senior executives during the period of time for which the guidelines are in force.

Pierce is a leading European e-commerce company selling motorcycle and snowmobile gear, parts, accessories and streetwear to passionate customers through the online stores 24MX, XLMOTO, and Sledstore. For further information regarding Pierce’s strategic priorities, please refer to the Company’s annual report and the Company’s website, [www.piercigroup.com](http://www.piercigroup.com).

The Company’s remuneration guidelines shall be designed to ensure responsible and sustainable remuneration decisions that support the Pierce’s business strategy, long-term interests and sustainable business practices. Pierce strives to offer a total remuneration that is in line with market terms, thus enabling the Company to attract and retain qualified leaders. Total remuneration varies in relation to the individual’s responsibilities and performance.

Remuneration for senior executives may properly be adjusted where relevant to reflect mandatory rules in the relevant jurisdiction of employment and may be duly

adjusted to comply with established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

## **Elements of remuneration**

The remuneration to the senior executives covered by these guidelines may consist of a fixed salary, variable cash remuneration, pension and non-financial benefits. Further, the General Meeting may resolve on long-term share-based incentive programs that senior executives may participate in; these long-term share-based incentive programs are excluded from these guidelines.

## **Principles for fixed cash salary**

The fixed salary forms the basis of the total remuneration and shall be in line with market conditions, be competitive, and reflect the responsibilities associated with the position as well as the individual's competence and performance. The fixed salary is reviewed annually.

## **Principles for variable cash remuneration**

The variable cash remuneration is to be in line with market terms, capped, and linked to the fixed remuneration. Variable cash remuneration may amount to a maximum of 70 per cent of the fixed cash salary for each senior executive (in this context, fixed salary means cash salary earned during the year, excluding pension, benefits and similar).

Variable cash remuneration shall be based on at any given time predetermined and measurable criteria, aimed at promoting Pierce's long-term value creation. Such criteria could for instance be associated with sales, cash flow, EBIT, return on equity or similar key performance ratios or sustainability matters. By linking the goals in a clear and measurable way to the remuneration of the senior executives to Pierce's financial and/or operational development, they contribute to the implementation of the Company's business strategy, long-term interests and sustainable business practices.

The variable remuneration to the senior executives is subject to annual review and approval by the Board of Directors. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. The extent to which the criteria for awarding variable cash remuneration have been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee of the Board of Directors is responsible for the evaluation of the variable salary to the senior executives. The Board of Directors will approve any variable payouts to the senior executives.

Variable cash remuneration is not pensionable unless mandatory by law or by applicable collective bargaining agreements. The Company has not previously been able to recover the cash variable remuneration on a contractual basis, but future programs shall give the Company the possibility, in whole or in part, to reclaim variable cash remuneration paid on incorrect grounds.

### **Principles for long-term incentives**

Long-term incentives shall be in the form of shares or equity-related instruments, promoting a balance between short-term achievements and long-term thinking. Long-term incentive programs shall ensure a long-term commitment to the development of Pierce. Any share or equity-based incentive programs shall be resolved upon by the General Meeting.

### **Principles for termination and severance pay**

In the event of termination of employment, the notice period should be in line with market terms and not exceed a 12-month period of notice and 6 month's severance pay when the termination is initiated by Pierce. When termination is initiated by the senior executive there should be no severance pay. Fixed salary during notice periods and severance payment, including payments for any restrictions on competition, shall in aggregate never exceed an amount equivalent to the fixed salary for two years.

### **Principles for pension and non-financial benefits**

Pension benefits may not amount to more than 30 per cent of the fixed cash salary of each senior executive, provided that mandatory provisions of applicable collective bargaining agreements do not require a higher pension provision. Pension benefits shall, wherever possible, only include defined contribution plans, provided that mandatory provisions of applicable collective bargaining agreements do not require otherwise.

Non-financial benefits may include, inter alia, health insurance and parking space. Non-financial benefits may be provided to individual or all senior executives and are to reflect market practice. Premiums and other costs relating to non-financial benefits may not amount to more than 15 per cent of the fixed cash salary of each senior executive.

### **Extraordinary circumstances**

One-off payments can be made on individual level in extraordinary circumstances when deemed necessary and approved by the Board of Directors. The purpose might be in relation to recruitments, retention of senior executives needed to secure implementation of the business strategy and extraordinary efforts in special projects, including but not limited to transformation, savings and restructuring programs and

M&A projects.

One-off payments may not amount to more than 100 per cent of the fixed cash salary and cannot be paid more than once per year and per individual.

## **Salary and employment conditions for employees**

In the preparation of the Board of Directors' proposal for these 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 remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

## **Preparation and review of these guidelines**

These guidelines have been prepared by the Board of Directors' remuneration committee. The remuneration committee shall have a preparatory function, in relation to the Board of Directors, in respect of principles for remuneration and other terms of employment regarding the senior executives. With the recommendation of the remuneration committee as the basis, when the need arises for significant changes in the guidelines, but at least every fourth year, the Board of Directors shall prepare a proposal for guidelines for resolution by the Annual General Meeting. The Annual General Meeting shall decide on such proposal. Resolved guidelines may also be amended by way of resolution by General Meetings other than Annual General Meetings. The guidelines shall be in force until new guidelines have been adopted by the General Meeting.

Within the scope and on the basis of these guidelines, the Board of Directors shall, based on the remuneration committee's preparation and recommendations, annually decide on specific revised remuneration terms for each senior executive and make such other resolutions in respect of remuneration for senior executives that may be required.

The members of the remuneration committee are independent in relation to the Company and the senior executives. The CEO and the other senior executives do not participate in the Board of Directors' handling of and resolutions regarding remuneration-related matters if they are affected by such matters.

The Board of Directors has not received any comments from the shareholders regarding current guidelines for remuneration to senior executives. The Board of Directors' proposal on guidelines for remuneration to senior executives corresponds, in all material respects, to existing guidelines, except that (i) the maximum variable cash remuneration has been increased from 40 per cent to 70 per cent of the fixed

cash salary for each senior executive, (ii) there have been some clarifications as regards the criteria for payment of variable cash remuneration as well as on how variable cash remuneration can contribute to the implementation of the Company's business strategy, long-term interests and sustainable business practices, (iii) wording has been added as regards the Company's possibilities to recover variable cash remuneration, (iv) wording has been added under what conditions non-financial benefit payment can be made, and (v) a new section has been added as regards under what extraordinary circumstances one-off payments can be made.

### **Derogations from these guidelines**

The Board of Directors has the right to temporarily resolve to derogate from these guidelines, in whole or in part, if there is an individual case with special grounds for such 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. The guidelines are subject to compulsory conditions in accordance with mandatory legislation or applicable collective agreements.

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Stockholm in April 2023  
The Board in Pierce Group AB (publ)

## Schedule 5



*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **Proposal for resolution on authorization for the board of directors regarding new share issues**

The Board of Directors of Pierce Group AB (publ), Reg. No. 556967-4392, proposes that the Annual General Meeting resolves to authorize the Board to, at one or several occasions, during the time up until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, resolve to issue ordinary shares. A new issue should be able to be made with or without provisions regarding contribution in kind, set-off or other conditions.

The total number of ordinary shares issuable pursuant to the authorization shall not exceed 20 per cent of the total number of existing shares outstanding in the company at the time of the Annual General Meeting. In case the authorization is used for a new issue with deviation from the shareholders' preferential rights, the subscription price shall be on market terms (subject to customary new issue discount, as applicable).

The purpose of the authorization is to be able to carry out and finance acquisitions of companies and assets and to give the Board of Directors the opportunity to adapt and improve the company's capital structure.

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For a valid resolution, the proposal must be supported by shareholders representing at least two-thirds of the votes cast as well as of all shares represented at the meeting.

The company's CEO, or a person appointed by the company's CEO, shall be authorized to make minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (Sw. Bolagsverket).

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Stockholm in April 2023  
The Board in Pierce Group AB (publ)

## Schedule 6





*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **The board of directors' proposal for resolution on implementation of a long-term incentive program by way of (A) implementation of a performance-based share program; (B) amendment of the Articles of Association; (C) authorization on directed issues of series C shares; (D) authorization on repurchase of series C shares; and (E) resolution on transfer of own ordinary shares**

The board of directors of Pierce Group AB (publ) (the "**Company**") proposes that the Annual General Meeting on 16 May 2023 resolves to implement a long-term incentive program in the form of a performance-based share program (the "**LTI 2023**") for the Company's CEO, other members of the Executive Management team and key employees in accordance with A below. The resolution is conditional upon that the Annual General Meeting resolves to amend the Articles of Association in accordance with B below whereby the possibility to issue series C shares is introduced and that the Annual General Meeting also resolves on hedging measures in accordance with C – E below.

The long-term incentive program is intended to be annual, wherefore the board of directors after having evaluated the program, intends to present new proposals for corresponding or adjusted programs ahead of the forthcoming Annual General Meetings.

### **A. Implementation of a performance-based share program**

#### **Background**

The overall purpose with LTI 2023 is to align the interests of the Company's senior executives and key employees with those of the shareholders and thus ensure a maximum long-term value adding commitment. LTI 2023 is also considered to create a long-term focus on increase in growth and earnings among the participants. LTI 2023 is further considered to facilitate for the Company to recruit and retain senior executives and key employees.

#### **Terms and conditions for LTI 2023**

1. In total, LTI 2023 is proposed to comprise approximately 26 participants composed of senior executives and key employees, divided into three categories. Provided that the performance targets mentioned below are met or exceeded, participants in LTI 2023 shall be given the opportunity to receive ordinary shares in the Company free-of-charge ("**Performance Shares**").
2. The total number of Performance Shares shall not exceed 950,000.
3. The maximum number of Performance Shares that can be allotted to the participants in the respective category shall not exceed the numbers set out in the table below:

| Category   | Maximum number of Performance Shares per participant  |
|--|---|
| CEO  | 175,000   |
| Other members of the Executive Management team (6 persons) | 380,000 Performance Shares may in the aggregate be allotted to this category but no participant may be allotted more than 100,000 Performance Shares. |
| Key employees (approximately 20 persons)                   | 395,000 Performance Shares may in the aggregate be allotted to this category but no participant may be allotted more than 30,000 Performance Shares.  |

The board of directors shall, within the maximum number stated above, resolve on the maximum number of Performance Shares that each individual participant in the respective category may be allotted.

4. A condition for the right to receive Performance Shares is that the participant has continued to be employed by the Company until 16 May 2026. However, in case a participant's employment ceases due to death, early retirement or similar occasions or due to termination by the Company that is not related to misconduct by the participant prior to 16 May 2026 but after 16 May 2024, such participant shall be entitled to receive a portion of the Performance Shares. This partial vesting shall mean that for each month after 16 May 2024 that the participant has continued to be employed, the participant shall be entitled to receive 1/24 of the aggregate number of Performance Shares that the participant would have been entitled to receive if the participant would had continued to be employed until 16 May 2026. For the sake of clarity, any allotment to a participant that ceases to be employed prior to 16 May 2026 will only occur when allotment of Performance Shares are made to the other participants and subject to the fulfilment of the Performance Targets.
  
5. The performance targets (the "**Performance Targets**") that have to be met or exceeded relate to (i) the Company's organic revenue growth (the "**Revenue Growth Target**"); (ii) the Company's Adjusted EBIT (the "**EBIT Target**"); (iii) the Company's net working capital ratio (the "**NWC Target**"); and (iv) the share price development of the Company's shares (the "**Share Price Target**"). The number of Performance Shares allocated to each participant in relation to each Performance Target shall be weighted with 40 per cent to the Revenue Growth Target, with 40 per cent to the EBIT Target, with 10 per cent to the NWC Target and with 10 per cent to the Share Price Target.

For each of the Performance Targets, there will be a minimum level, a target level and a maximum level. If the minimum target is not achieved, no Performance Shares are vested in relation to the relevant Performance Target; if the minimum target is achieved, 33.3 per cent of the Performance Shares pertaining to the relevant Performance Target are vested; if the target level is achieved, 66.7 per cent of the Performance Shares pertaining to the relevant Performance Target are vested; and if the maximum level is achieved, all the Performance Shares pertaining to the relevant Performance Target will be vested. In the event of an outcome between the minimum level and the target level or between the target level and the maximum level,

respectively, vesting of the Performance Shares pertaining to the relevant Performance Target will occur linearly between 33.3 per cent and 66.7 per cent of the Performance Shares pertaining to the relevant Performance Target and between 66.7 per cent and 100 per cent of the Performance Shares pertaining to the relevant Performance Target, respectively.

The Revenue Growth Target relates to the Company's compounded annual organic growth rate ("**CAGR**") during the financial years 2023, 2024 and 2025. CAGR will be calculated as ((net revenue for the financial year 2025 (reduced with any non-organic net revenue generated through businesses acquired during the financial years 2023-2025) / net revenue in financial year 2022)<sup>1/3</sup> - 1). The minimum level for the Revenue Growth Target will be a CAGR of 1.5 per cent, the target level for the Revenue Growth Target will be a CAGR of 4.0 per cent and the maximum level for the Revenue Growth Target will be a CAGR of 7.5 per cent.

The EBIT Target relates to the Company's Adjusted EBIT (the profit/loss before interest and tax adjusted for share-based payments related to employees and items affecting comparability) ("**Adjusted EBIT**") in the financial year 2025. The minimum level for the EBIT Target will be an Adjusted EBIT of MSEK 66, the target level for the EBIT Target will be an Adjusted EBIT of MSEK 89 and the maximum level for the EBIT Target will be an Adjusted EBIT of MSEK 103.

The NWC Target relates to the Company's "Net working capital in relation to net revenue" in the financial year 2025, as reported in the Company's full-year report for the financial year 2025 (the "**NWC Ratio**"). The minimum level for the NWC Target will be a NWC Ratio of 11.0 per cent, the target level for the NWC Target will be a NWC Ratio of 10.0 per cent and the maximum level for the NWC Target will be a NWC Ratio of 9.5 per cent.

The Share Price Target relates to the development of the Company's share price until 16 May 2026 (the "**End Price**"). The End Price will be established as the volume-weighted average share price during the 30 trading days immediately preceding 16 May 2026. The minimum level for the Share Price Target will be an End Price of SEK 15, the target level for the Share Price Target will be an End Price of SEK 20 and the maximum level for the Share Price Target will be an End Price of SEK 25.

The final number of Performance Shares vested by each participant shall be rounded downwards to the nearest whole number.

6. In addition to the achievement of the Performance Targets, the allocation of Performance Shares shall be conditional upon that the Adjusted EBIT in the financial year 2025 amounts to at least MSEK 35. If this threshold level for the Adjusted EBIT is not met, no Performance Shares shall be allotted in LTI 2023.
7. Before the number of Performance Shares to be allocated is finally determined, the board of directors shall also make a general evaluation if allocation pursuant to the principles set out above is reasonable, having regard to the Company's results and financial standing, to conditions on the stock market and to other circumstances in general. If the board of directors finds that it is not reasonable, then the board of directors may decrease the number of Performance Shares to be allocated to the

lower number of shares that the board of directors finds reasonable.

8. The number of Performance Shares and/or the Performance Targets (as applicable) shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar company actions. Furthermore, if material changes occur in the Company or in its business environment that would result in that the decided Performance Targets are no longer appropriate, the board of directors shall be entitled to make such adjustments of the Performance Targets as are necessary to receive a reasonable outcome.
9. Allotment and transfer of Performance Shares to the participants shall take place within 30 days after 16 May 2026. To the extent applicable insider rules would prevent transfer of Performance Shares to a participant within this period, the transfer of Performance Shares shall instead be made as soon as such restrictions have ceased to apply.
10. For the CEO and other members of the Executive Management team, allotment of Performance Shares will be conditional upon that the participants, subject to certain customary exceptions, undertake not to divest a certain percentage of the allotted Performance Shares during a period of 12 months following the delivery of the Performance Shares. The number of Performance Shares subject to the restriction shall as a starting point amount to 50 per cent of the allotted Performance Shares but for participants where the taxation (margin tax rate) triggered by the delivery of Performance Shares exceed 50 per cent, the percentage shall instead be calculated as  $100 - \text{the applicable tax rate}$ .
11. Participation in LTI 2023 is conditional upon that the participation is legally possible and that the participation in the Company's sole opinion can be made with reasonable administrative costs for the Company.
12. The board of directors shall be responsible for the details and management of LTI 2023 within the framework of the main conditions as set out above, and the board of directors shall be authorized to make minor adjustments to these conditions as required by law or for administrative reasons. The board of directors shall also be authorized to adjust or deviate from the terms and conditions as required by local laws and regulations as well as existing market practices, and/or offer cash settlement for participants outside Sweden to the extent delivery of Performance Shares to such participants cannot be made at reasonable costs and administrative actions. Furthermore, in the event of a public take-over offer, a sale of the Company's business, liquidation, merger or any other such transaction affecting the Company, the board of directors shall be entitled to resolve that the Performance Shares (partially or in full) shall vest and be allotted on completion of such transaction. The board of directors will make this resolution based on the level of achievement of the Performance Targets and any other factors deemed relevant by the board of directors. Finally, the board of directors is also entitled to adjust vesting and allotment if such has been made based on information which later proves to be incorrect.

## **B. Amendment of the Articles of Association**

In order to enable the issuance of series C shares under LTI 2023, the board of directors

proposes that the Annual General Meeting resolves to incorporate a new § 6 in the Company's Articles of Association in accordance with the following wording. Following the incorporation of the new section in the Articles of Association, the already existing shares shall be ordinary shares.

#### *6 § Classes of shares*

*Shares may be issued in two classes, ordinary shares and series C shares. The ordinary shares shall carry one vote per share and series C shares shall carry one-tenth of a vote per share. Shares of either share class may be issued up to an amount corresponding to the full share capital.*

*Series C shares do not entitle to dividends. Upon the dissolution of the company, series C shares shall carry equivalent right to the company's assets as other shares, however, not to an amount exceeding the quota value of the share.*

*If the company resolves to issue new ordinary shares and series C shares, against payment other than contribution in kind, owners of ordinary shares and series C shares shall have pre-emption rights to subscribe for new shares of the same class pro rata to the number of shares previously held by them (primary pre-emption right). Shares which are not subscribed for pursuant to the primary pre-emption rights shall be offered to all shareholders for subscription (secondary pre-emption right). If the shares thus offered are not sufficient for the subscription pursuant to the secondary pre-emption rights, the shares shall be allocated between the subscribers pro rata to the number of shares previously held and, to the extent such allocation cannot be effected, by the drawing of lots.*

*If the company resolves to issue new shares of either solely ordinary shares or series C shares, against payment other than contribution in kind, all shareholders shall, irrespective of whether their shares are ordinary shares or series C shares, have pre-emption rights to subscribe for new shares pro rata to the number of shares previously held by them.*

*What is set out above with regard to pre-emption rights shall apply mutatis mutandis in the event of issues of warrants and convertible bonds, and shall not limit the right to resolve upon an issue with deviation from the shareholders' pre-emption rights.*

*In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class previously issued. In connection therewith, the owners of existing shares of a certain class shall entitle the holder to new shares of the same class. This shall not entail any restrictions on the possibility of issuing new shares of a new class by means of a bonus issue, following the required amendments of the Articles of Association.*

*Reduction of share capital, which in any case shall not fall below the minimum share capital, may, at the request of a holder of a series C share and after resolution by the company's board of directors or a shareholders' meeting, take place through redemption of series C shares. A request from a shareholder must be submitted in writing. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the company's reserve fund, if the required funds are available. The redemption amount per series C share shall be the quota value of such share.*

*Following receipt of the redemption resolution, holders of shares subject to redemption shall promptly receive payment for the shares, or, if authorization for the redemption from the Swedish Companies Registration Office (Sw. Bolagsverket) or a court is required, following the receipt of notice that the*

*final and effected resolution has been registered.*

*Series C shares held by the company may, upon resolution of the board of directors be reclassified into ordinary shares. Immediately thereafter, the board of directors shall register the reclassification with the Swedish Companies Registration Office. The reclassification is effected when it has been registered and the reclassification has been reflected in the central securities depository register.*

As a result of the incorporation of the new section, the existing sections 6–14 of the Articles of Association will be renumbered. Following the amendments, the Articles of Association will have the wording set out in **Schedule A**.

### **C. Authorization on directed issues of series C shares**

The board of directors proposes that the Annual General Meeting resolves to authorize the board of directors, for the period up until the next Annual General Meeting, on one or several occasions, to issue a maximum of 950,000 series C shares. The new shares may, with deviation from the shareholders' preferential rights, only be subscribed for by a bank or a securities company at a subscription price which corresponds to the quota value. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights in connection with an issue of shares is to secure delivery of Performance Shares under LTI 2023, which shall be effected through the Company repurchasing the series C shares issued pursuant to the authorization in D below and thereafter, when the series C shares have been converted to ordinary shares, by transferring ordinary shares to the participants in LTI 2023 in accordance with E below.

### **D. Authorization on repurchase of series C shares**

The board of directors proposes that the Annual General Meeting resolves to authorize the board of directors, for the period up until the next Annual General Meeting, on one or several occasions, to repurchase its own series C shares. Repurchase may only be effected through a public offer directed to all holders of series C shares and shall comprise all outstanding series C shares. Repurchase may also be made of so-called interim shares, by Euroclear Sweden AB designated as a Paid Subscribed Share (Sw. Betald Tecknad Aktie (BTA)), regarding a series C share. Repurchase shall be made at a purchase price per share which corresponds to the quota value of the share. The purpose of the proposed repurchase authorization is to secure delivery of Performance Shares under LTI 2023.

The board of directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (Sw. aktiebolagslagen) is presented in a separate document provided with this proposal.

### **E. Resolution on transfer of own ordinary shares**

In order to fulfil the Company's obligations towards participants in LTI 2023, the board of directors proposes that the Annual General Meeting resolves that the Company shall transfer own ordinary shares as follows:

- I. The Company shall have the right to transfer the number of ordinary shares that the Company has a maximum obligation to allocate as Performance Shares to participants in LTI 2023, at most 950,000 shares.

2. The ordinary shares that can be transferred in accordance with paragraph I above may consist of either shares newly issued and repurchased in accordance with C – D above, issued and repurchased in connection with other corresponding LTI programs, but which are no longer required for the performance of the Company's commitments under such programs, or repurchased by the Company under other future repurchase authorizations.
3. The number of shares that may be transferred pursuant to LTI 2023 shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar corporate action which affects the number of shares in the Company.
4. The right to acquire ordinary shares shall, with deviation from the shareholders' preferential rights, vest in participants in LTI 2023 who are entitled to be allotted Performance Shares in accordance with the terms and conditions of the program.
5. Transfer of shares to participants in LTI 2023 shall be made free of charge and be executed at the relevant time specified in the terms and conditions for LTI 2023.

The reason for the deviation from the shareholders' preferential rights in connection with the transfers of own ordinary shares is to enable the Company's delivery of Performance Shares to participants in LTI 2023.

### **Costs, impact on key ratios, existing incentive programs and dilution**

LTI 2023 will be accounted for in accordance with IFRS 2 which stipulates that the right to receive Performance Shares shall be expensed as a personnel cost over the vesting period.

The board of directors has made a preliminary cost calculation for LTI 2023, which is based on the assumption of a share price of SEK 8.50 at the start of the program. The IFRS 2 costs for the Performance Shares related to the Performance Targets have been estimated to SEK 7.96 per Performance Share. If the Company estimates an employee turnover of 0 per cent until shares are received approximately three years later, and excludes future dividends of the Company's share, the total costs for LTI 2023 including costs for social security contributions, are estimated to be approximately SEK 12.3 million, provided that all the Performance Targets are met in full.

Based on the calculation of the total cost as per the above, the anticipated annual costs, including costs for social security contributions, is approximately SEK 4.1 million, which corresponds to approximately 2.3 per cent of the Company's total employee costs for the financial year 2022. Based on the calculation of the annual costs and the dilution calculated as per the below, the key figure earnings per share for the full year 2022 had been changed from SEK -0.29 to SEK -0.33 had the Company expensed 1/3 of the total costs for LTI 2023 in 2022.

As per the date of the notice, the number of shares in the Company amounts to 79,374,100.

The maximum number of Performance Shares that can be issued in relation to LTI 2023 amounts to 950,000, which corresponds to a dilution of approximately 1.18 per cent of the Company's ordinary shares, calculated on the number of ordinary shares that will be added upon full issuance of Performance Shares in connection with LTI 2023.

Since previously, there is one incentive program outstanding in the Company in the form of a warrant program. The existing incentive program can lead to that in the aggregate 387,736 new ordinary shares are issued. In case the outstanding incentive program as well as the proposed LTI 2023 are exercised in full, a total of 1,337,736 new ordinary shares will be issued, which corresponds to a dilution of approximately 1.66 per cent of the Company's ordinary shares, calculated on the number of ordinary shares that will be added upon full exercise of all outstanding incentive programs as well as the proposed LTI 2023.

The above calculations regarding dilution and impact on key ratios are subject to re-calculation of the warrants in accordance with the customary recalculation terms included in the complete applicable warrant terms.

### **Preparation of the proposal**

The proposal for LTI 2023 has been prepared by the Remuneration Committee together with external consultants. The final proposal has been resolved upon by the board of directors.

### **Majority requirement**

The board of directors' proposal on implementation of a long-term incentive program in accordance with A to E above constitutes an overall proposal which shall be resolved upon as one resolution. The resolution is subject to the provisions in Chapter 16 of the Swedish Companies Act (Sw. aktiebolagslag 2005:551)), and a valid resolution hence requires that the proposal is supported by shareholders with at least nine-tenths of the votes cast as well as of all shares represented at the Annual General Meeting.

The Chairman of the board of directors, or anyone appointed by him, shall be authorized to make minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (Sw. Bolagsverket) or Euroclear Sweden AB.

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Stockholm in April 2023  
The Board in Pierce Group AB (publ)



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## Schedule A

# BOLAGSORDNING

## Articles of association

### § 1. Företagsnamn / company name

Bolagets företagsnamn är Pierce Group AB (publ).

*The company's name is Pierce Group AB (publ).*

### § 2. Säte / Registered office

Styrelsen skall ha sitt säte i Stockholms kommun.

*The board of directors is to have its registered office in the municipality of Stockholm.*

### § 3. Verksamhet / Object of the company's business

Bolagets verksamhet skall vara att äga och förvalta fast och lös egendom och direkt eller indirekt, genom dotterbolag, bedriva försäljning av utrustning, tillbehör och reservdelar för motorcyklar och andra fordon, samt därmed förenlig verksamhet.

*The object of the company's business shall be to own and manage real property and moveable property and directly or indirectly, through subsidiaries, carry out sales of equipment, accessories, and spare parts for motorcycles and other vehicles, and carry out other operations consistent therewith.*

### § 4. Aktiekapital / Share capital

Aktiekapitalet skall vara lägst 500 000 kronor och högst 2 000 000 kronor.

*The share capital shall be a minimum of SEK 500,000 and a maximum of SEK 2,000,000.*

### § 5. Antal aktier / Number of shares

Antalet aktier skall vara lägst 25 000 000 stycken och högst 100 000 000 stycken.

*The number of shares shall be a minimum of 25,000,000 and a maximum of 100,000,000.*

### § 6. Aktieslag / Classes of shares

Aktier kan utges i två aktieslag, stamaktier och C-aktier. Stamaktier har en röst och C-aktier en tiondels röst.

Aktier av varje aktieslag kan ges ut till ett antal motsvarande hela aktiekapitalet.

*Shares may be issued in two classes, ordinary shares and series C shares. The ordinary shares shall carry one vote per share and series C shares shall carry one-tenth of a vote per share. Shares of either share class may be issued up to an amount corresponding to the full share capital.*

C-aktier berättigar inte till vinstutdelning. Vid bolagets upplösning berättigar C-aktier till lika del i bolagets tillgångar som övriga aktier, dock inte med högre belopp än vad som motsvarar aktiens kvotvärde.

*Series C shares do not entitle to dividends. Upon the dissolution of the company, series C shares shall carry equivalent right to the company's assets as other shares, however, not to an amount exceeding the quota value of the share.*

Beslutar bolaget att emittera nya stamaktier och C-aktier mot annan betalning än apportegendom ska ägare av stamaktier och C-aktier äga företrädesrätt att teckna nya aktier av samma aktieslag i förhållande till antal aktier innehavaren förut äger (primär företrädesrätt). Aktier som inte tecknas med primär företrädesrätt ska erbjudas samtliga aktieägare till teckning (subsidiär företrädesrätt). Om inte sålunda erbjudna aktier räcker för den teckning som sker med subsidiär företrädesrätt, ska aktierna fördelas mellan tecknarna i förhållande till det antal aktier de förut äger och i den mån detta inte kan ske, genom lottning.

*If the company resolves to issue new ordinary shares and series C shares, against payment other than contribution in kind, owners of ordinary shares and series C shares shall have pre-emption rights to subscribe for new shares of the same class pro rata to the number of shares previously held by them (primary pre-emption right). Shares which are not subscribed for pursuant to the primary pre-emption rights shall be offered to all shareholders for subscription (secondary pre-emption right). If the shares thus offered are not sufficient for the subscription pursuant to the secondary pre-emption rights, the shares shall be allocated between the subscribers pro rata to the number of shares previously held and, to the extent such allocation cannot be effected, by the drawing of lots.*

Beslutar bolaget att emittera endast stamaktier eller endast C-aktier mot annan betalning än apportegendom ska samtliga aktieägare, oavsett om deras aktier är stamaktier eller C-aktier, äga företrädesrätt att teckna nya aktier i förhållande till det antal aktier de förut äger.

*If the company resolves to issue new shares of either solely ordinary shares or series C shares, against payment other than contribution in kind, all shareholders shall, irrespective of whether their shares are ordinary shares or series C shares, have pre-emption rights to subscribe for new shares pro rata to the number of shares previously held by them.*

Vad som ovan föreskrivs om aktieägares företrädesrätt ska äga motsvarande tillämpning vid emission av teckningsoptioner och konvertibler och ska inte innebära någon inskränkning i möjligheten att fatta beslut om emission med avvikelse från aktieägarnas företrädesrätt.

*What is set out above with regard to pre-emption rights shall apply mutatis mutandis in the event of issues of warrants and convertible bonds, and shall not limit the right to resolve upon an issue with deviation from the shareholders' pre-emption rights.*

Vid ökning av aktiekapitalet genom fondemission ska nya aktier emitteras av varje aktieslag i förhållande till det antal aktier av samma slag som finns sedan tidigare. Därvid ska gamla aktier av visst aktieslag medföra rätt till nya aktier av samma aktieslag. Vad som nu sagts ska inte innebära någon inskränkning i möjligheten att genom fondemission, efter erforderlig ändring av bolagsordningen, ge ut aktier av nytt slag.

*In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class previously issued. In connection therewith, the owners of existing shares of a certain class shall entitle the holder to new shares of the same class. This shall not entail any restrictions on the possibility of issuing new shares of a new class by means of a bonus issue, following the required amendments of the Articles of Association.*

Minskning av aktiekapitalet, dock inte till mindre än det minst tillåtna aktiekapitalet, kan på begäran av ägare av C-aktie och efter beslut av bolagets styrelse eller bolagsstämman, ske genom inlösen av C-aktier. Begäran från aktieägare ska framställas skriftligen. När minskningsbeslut fattas ska ett belopp motsvarande minskningsbeloppet avsättas till reservfonden om härför erforderliga medel finns tillgängliga. Inlösenbeloppet per C-aktie ska vara aktiens kvotvärde.

*Reduction of share capital, which in any case shall not fall below the minimum share capital, may, at the request of a holder of a series C share and after resolution by the company's board of directors or a shareholders' meeting, take place through redemption of series C shares. A request from a shareholder must be submitted in writing. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the company's reserve fund, if the required funds are available. The redemption amount per series C share shall be the quota value of such share.*

Ägare av aktie som anmälts för inlösen ska vara skyldig att omedelbart efter erhållande av underrättelse om inlösenbeslut erhålla lösen för aktien eller, där Bolagsverket eller rättens tillstånd till minskningen erfordras, efter erhållande av underrättelse att lagakraftvunna beslut registrerats.

*Following receipt of the redemption resolution, holders of shares subject to redemption shall promptly receive payment for the shares, or, if authorization for the redemption from the Swedish Companies Registration Office (Sw. Bolagsverket) or a*

*court is required, following the receipt of notice that the final and effected resolution has been registered.*

C-aktier som innehas av bolaget ska på beslut av styrelsen kunna omvandlas till stamaktier. Styrelsen ska därefter genast anmäla omvandling för registrering hos Bolagsverket. Omvandlingen är verkställd när registrering skett och omvandlingen antecknats i avstämningsregistret.

*Series C shares held by the company may, upon resolution of the board of directors be reclassified into ordinary shares. Immediately thereafter, the board of directors shall register the reclassification with the Swedish Companies Registration Office. The reclassification is effected when it has been registered and the reclassification has been reflected in the central securities depository register.*

#### **§ 7. Styrelse / Board of directors**

Styrelsen skall bestå av lägst tre och högst tio styrelseledamöter utan styrelsesuppleanter.

*The board of directors shall consist of a minimum of three board members and a maximum of ten with no deputy board members.*

#### **§ 8. Revisorer / Auditor**

Bolaget ska ha en revisor. Ett registrerat revisionsbolag får utses till revisor.

*The company shall have one auditor. A registered accounting firm may be appointed as auditor.*

#### **§ 9. Kallelse / Notice of general meetings**

Kallelse till bolagsstämma skall ske genom annonsering i Post- och Inrikes Tidningar och genom att kallelsen hålls tillgänglig på bolagets webbplats. Bolaget ska annonsera i Dagens Industri att kallelse har skett.

*Notice of general meetings shall be made by announcement in the Official Swedish Gazette (Sw. Post- och Inrikes Tidningar) and by making the notice available on the company's website. The company shall make an announcement in Dagens Industri that notice has been given.*

#### **§ 10. Rätt att delta i bolagsstämma / Right to participate at general meetings**

Aktieägare som önskar delta i bolagsstämma ska anmäla sin avsikt att delta till bolaget senast den dag som anges i kallelsen till bolagsstämman. Aktieägare får ha med sig högst två biträden vid bolagsstämman, dock endast om aktieägaren anmäler antalet biträden till bolaget på det sätt som anges i föregående stycke.

*Shareholders who wish to attend a general meeting shall give notice to the company of their intention to attend no later than the day set out in the notice to attend the general meeting. Shareholders may be accompanied by a maximum of two assistants at the general meeting, however only if the shareholder has notified the company of the number of assistants in the manner stated in the previous paragraph.*

#### **§ 11. Fullmakter och poströstning / Proxies and postal voting**

Styrelsen får samla in fullmakter enligt det förfarande som anges i 7 kap. 4 § andra stycket aktiebolagslagen (2005:551).

*The board of directors may collect proxies in accordance with the procedure specified in Chapter 7, Section 4, second paragraph, of the Swedish Companies Act (2005:551).*

Styrelsen får inför en bolagsstämma besluta att aktieägarna ska kunna utöva sin rösträtt per post före bolagsstämman.

*Before a general meeting, the board of directors may decide that the shareholders shall be able to exercise their voting rights by post before the general meeting.*

#### **§ 12. Utomstående närvaro / Presence of outsiders**

Den som inte är aktieägare i bolaget skall, på de villkor som styrelsen bestämmer, ha rätt att närvara eller på annat sätt följa förhandlingarna vid bolagsstämma.

Anyone who is not a shareholder in the company shall, under the terms determined by the board of directors, have the right to attend or otherwise follow the negotiations at the general meeting.

### **§ 13. Årsstämman / Annual general meeting**

På årsstämman skall följande ärenden behandlas.

*The following matters shall be addressed at annual general meetings.*

1. Val av ordförande vid bolagsstämman.  
*Election of chairman of the general meeting.*
2. Upprättande och godkännande av röstlängd.  
*Preparation and approval of the voting register.*
3. Godkännande av dagordning.  
*Approval of the agenda.*
4. Val av en eller tvåjusteringspersoner.  
*Election of one or two persons to verify the minutes.*
5. Prövande av om bolagsstämman blivit behörigen sammankallad.  
*Determination as to whether the general meeting has been duly convened.*
6. Framläggande av årsredovisningen och revisionsberättelsen samt, i förekommande fall, koncernredovisningen och koncernrevisionsberättelsen.  
*Submission of the annual report and the auditor's report and, if applicable, the consolidated financial statements and the auditor's report for the group.*
7. Beslut om följande:  
*Resolutions on:*
  - a) Fastställande av resultaträkningen och balansräkningen samt, i förekommande fall, koncernresultaträkningen och koncernbalansräkningen.  
*Adoption of the income statement and balance sheet and, if applicable, consolidated income statement and the consolidated balance sheet.*
  - b) Dispositioner beträffande bolagets vinst eller förlust enligt den fastställda balansräkningen.  
*Allocation of the company's profit or loss according to the adopted balance sheet.*
  - c) Ansvarsfrihet gentemot bolaget för styrelseledamöterna och den verkställande direktören.  
*Discharge from liability for the members of the board of directors and the CEO.*
8. Fastställande av antalet styrelseledamöter.  
*Determination of the number of board members.*
9. Fastställande av arvoden till styrelsen och revisorn.  
*Determination of remuneration of the board of directors and the auditor.*
10. Val av styrelseledamöter och revisor.  
*Election of board members and auditor.*
11. Annat ärende, som skall tas upp på bolagsstämman enligt aktiebolagslagen (2005:551) eller bolagsordningen.  
*Other matters to be addressed by the general meeting pursuant to the Swedish Companies Act or the articles of association.*

### **§ 14. Räkenskapsår / Financial year**

Bolagets räkenskapsår skall vara kalenderår.

*The company's financial year shall be the calendar year.*

**§ 15. Avstämningsförbehåll / Central securities depository**

Bolagets aktier ska vara registrerade i ett avstämningsregister enligt lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument.

*The company's shares shall be registered in a central securities depository register pursuant to the Swedish Central Securities Depositories and Financial Instruments Accounts Act.*

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**Antagen på årsstämma den 16 maj 2023.**

*Adopted at the Annual General Meeting on 16 May 2023.*