



Item 12 - Resolution regarding implementing an incentive program for employees in Sweden and issuing warrants in connection therewith.

A. Implementing an incentive program

The board of directors propose that the general meeting resolve to establish a long-term incentive program for certain key employees in the Company and its subsidiaries (the "**Group**") through the issuance of so-called qualified employee stock options in accordance with Ch. 11a. of the Swedish Income Tax Act (1999:1229) ("**Incentive Program 2024/2028**"). The proposal aims to create the conditions to strengthen the motivation of employees which the Group has identified as important and trusted in the short and long term. The proposal furthermore aims to strengthen the Company's possibility to recruit key employees. The board considers that an incentive program according to the present proposal is beneficial for the Group and the Company's shareholders.

B. Participants and allotment of stock options

The board proposes that the general meeting resolves on the following terms and conditions for the allocation of qualified employee stock options ("**Qualified Employee Stock Options**") within the framework of the Incentive Program 2024/2028.

- (1) The Qualified Employee Stock Options shall be allocated to key employees and senior executives within the Group (each a "**Participant**"). Not more than 900,000 Qualified Employee Stock Options will be issued, 400,000 being the maximum allotment to a Participant. The board shall resolve on allocation based on experience, ability, and performance.
- (2) Allotment of the Qualified Employee Stock Options shall take place no later than 31 December 2024. The Qualified Employee Stock Options shall be granted free of charge. Only employees who are part of the aforementioned categories shall be offered the right to be awarded Stock Options, provided that they have entered into a separate agreement regarding Qualified Employee Stock Options with the Company.
- (3) Each Qualified Employee Stock Option entitles the holder to acquire one (1) warrant in the Company that has been issued in accordance with section C below and which shall be transferred from the Company's subsidiary to the Participant in accordance with section D.
- (4) Participants will be able to use allocated and vested Qualified Employee Stock Options from and including 1 March 2028 to and including 31 August 2028. Allocated Qualified Employee Stock Options may only be used to acquire warrants if the Participant is still employed and the conditions for qualified employee stock options according to the Swedish Income Tax Act are met.

- (5) The board shall be responsible for managing the Incentive Program 2024/2028 within the framework of the main terms and conditions stated above.

C. Issuance of warrants

In order to enable the board's proposal according to A above, the board proposes that the general meeting resolves to issue no more than 900,000 warrants, entailing an increase of the Company's share capital when fully exercised by not more than SEK 45,000 (calculated on a quota value of SEK 0.05). The following terms and conditions shall apply to the resolution.

- (1) The right to subscribe for the warrants shall, with deviation from the shareholders' preferential right, vest in the company's subsidiary, Freemelt AB (the "**Subsidiary**"), with the right and obligation to transfer the warrants to the Participants according to section B above.
- (2) The reason for the deviation from the shareholders' preferential right is that the warrants shall be able to be used for the implementation of the Incentive Program 2024/2028.
- (3) The warrants shall be issued at no consideration.
- (4) Subscription of the warrants shall take place on a separate subscription list within ten days of the general meeting's resolution.
- (5) The board has the right to extend the subscription period.
- (6) Each warrant entitles to subscription of one share in the Company. The warrants may be exercised to subscribe for new shares during the period from and including 1 March 2028 to and including 31 August 2028.
- (7) The subscription price for the shares upon exercise of the warrants shall amount to SEK 8 per share. The subscription price may not be lower than the quota value of the shares. Any share premium shall be transferred to the unrestricted premium reserve.
- (8) Shares which are newly issued following subscription shall entitle the holder to a dividend at the first record date for the dividend following the date which occurs after the new shares have been registered with the Swedish Companies Registration Office and entered into the share register maintained by Euroclear Sweden AB.
- (9) Warrants that are held by the Subsidiary and that have not been transferred in accordance with section B above may be cancelled by the Company following a decision by the Company's board of directors. Cancellation shall be reported to the Swedish Companies Registration Office for registration.

The warrants shall in addition to the above be subject to the terms and conditions set out in "Villkor för teckningsoptioner Serie 2024/2028 i Freemelt Holding AB (publ)". The terms and conditions will *inter alia* show that the subscription price as well as the number of shares that

each warrant entitles to subscription can be recalculated in case of, *inter alia*, new issues of shares and bonus issues.

D. Approval of transfer of warrants

- (1) The right to acquire warrants from the Subsidiary shall accrue to the Participants, provided that the Participant is still employed and the prerequisites for qualified employee stock options according to the Sweden Income Tax Act are met.
- (2) One (1) Qualified Employee Stock Option gives the right to acquire one (1) warrant. Notification of the acquisition of warrants must take place during the period from and including 1 March 2028 to and including 31 August 2028. The warrants are acquired free of charge by the Participants.
- (3) In connection with the notification of the acquisition of warrants, the Participant shall submit an irrevocable power of attorney to a representative of the Company authorizing the representative to, in the Participant's name and on his/her behalf, immediately after the Subsidiary transfers the warrant to the Participant, use the received warrants to subscribe for shares in the Company.

E. Further information regarding the incentive program

- (1) *Dilution*

Provided that the total number of issued warrants are used to subscribe for shares, a maximum of 900,000 new shares will be issued corresponding to a dilution of approximately 1.3 percent based on the number of outstanding shares in the Company post completion of the pending Rights issue 2024, subject, however, to the recalculation of the number of shares that each warrant entitles to subscription of.
- (2) *Costs for the Company*

It is the board's assessment that the tax regulations for qualified employee stock options according to Ch. 11a of the Sweden Income Tax Act is applicable to the Group. Taking this into account, the Company's costs for the Incentive Program 2023/2027 are calculated to only consist of costs for the preparation, implementation and administration of the program as well as reconciliation of the tax situation.
- (3) *Preparation of the proposal*

The principles for the incentive program have been worked out by the Company's board. The proposal has been prepared with the support of external advisers. The board has subsequently decided to present this proposal to the general meeting.

(4) *Other incentive programs*

The Company has current incentive programs that includes a total of 6,210,999 options according to which each option gives the right to subscribe for one share in the Company. The total dilution according to these programs amounts to 9.0 percent of outstanding shares in the Company post completion of the pending Rights issue 2024, subject, however, to recalculation of the number of shares that each outstanding warrant entitles to subscription of as a result of the pending Rights issue 2024.

(5) *Majority requirement*

The board, or such person appointed by the board, shall be authorized to make the minor changes in the resolution that may be required for registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

The proposals according to A-D shall be treated and seen as one and the same resolution.

The general meeting's resolutions regarding this item are valid only if they are supported by shareholders with at least nine tenths (9/10) of both the votes cast and the shares represented at the meeting.

Möndal April 2024

Freemelt Holding AB (publ)

The Board of Directors