

*Unofficial English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.*

## **NOTICE OF ANNUAL GENERAL MEETING IN BAWAT WATER TECHNOLOGIES AB**

The shareholders of Bawat Water Technologies AB are hereby given notice to the annual general meeting that will be held on Wednesday, June 7, 2023 at 09.00 CEST at the premises of Advokatfirman Lindahl, Studentgatan 6 in Malmö, Sweden.

### **Right to attend and notification**

Shareholders wishing to attend the meeting must

- (i) be entered as a shareholder in the share register kept by Euroclear Sweden AB as of Monday, May 29, 2023, and
- (ii) give written notice to the company of their intention to attend, no later than Wednesday, May 31, 2023, by post to Advokatfirman Lindahl KB, Att. Bawat Annual General Meeting, Box 5898, 102 40 Stockholm, Sweden or by e-mail to [martin.rosen@lindahl.se](mailto:martin.rosen@lindahl.se).

When giving notice, please state your name or company name, personal ID or company registration number, address and daytime telephone number. The registration procedure described above should preferably also be used for registration of any advisors (two maximum). The notification must, if applicable, be accompanied by proxies, registration certificates and other authorisations documents. See below for further information on the processing of personal data.

### **Nominee registered shares**

To be entitled to attend the meeting, holders of nominee registered shares must instruct the nominee to have the shares registered in the holder's own name, so that the holder is entered in the share register kept by Euroclear Sweden AB on the record date as of Monday, May 29, 2023. Registration in this way may be temporary (so called voting rights registration) and is requested from the nominee in accordance with the nominee's routines. Voting rights registration that has been requested in such time that the registration has been completed by the relevant nominee no later than Wednesday, May 31, 2023, will be taken into account in the preparation of the share register.

### **Proxy and proxy form**

Anyone who does not attend the meeting in person may exercise their right at the meeting via a proxy in possession of a signed and dated proxy form. The proxy form is available on the company's website: [www.bawat.com](http://www.bawat.com), and is also sent to shareholders upon request. If the proxy is issued by a legal entity, a copy of their registration certificate or equivalent authorisation documents must be attached. The proxy must have been issued within the past year unless a longer period of validity is specified on the form of proxy, subject to a maximum of five years. To facilitate entry to the meeting, proxy forms, registration certificates and other authorisation documents should be received by the company well in advance prior to the meeting.

### **Proposed agenda**

1. Opening of the meeting
2. Election of chair of the meeting

3. Preparation and approval of voting list
4. Approval of the agenda
5. Election of one or two persons to approve the minutes
6. Examination of whether the meeting has been duly convened
7. Presentation of the annual report and auditor's report, and also the group accounts and auditor's report for the group
8. Resolution on:
  - a) adoption of the income statement and the balance sheet, as well as the consolidated income statement and the consolidated balance sheet;
  - b) allocation of the company's results in accordance with the adopted balance sheet; and
  - c) discharge from liability for the directors and the CEO for the financial year 2022
9. Resolution on:
  - a) the number of directors and auditors;
  - b) election of directors and auditor; and
  - c) fees to the board of directors and the auditor
10. Resolution on the composition of the nomination committee and instruction for the nomination committee
11. Resolution on guidelines for salary and other remuneration
12. Resolution on a directed issue of shares
13. Resolution on an issue authorisation
14. Closure of the meeting

**Proposals in brief:**

**Election of chair of the meeting (item 2)**

The shareholders Homarus Holding A/S, Return Aps, Klaus Nyborg and Marcus Hummer, representing 33.4 percent of the outstanding shares and votes in the company (the "**Shareholders**"), propose that Klaus Nyborg, or anyone he appoints in his stead, is elected as chair of the meeting.

**Resolution on allocation of the company's results in accordance with the adopted balance sheet (item 8.b)**

The board of directors proposes that the meeting resolves that the company's results shall be balanced carried forward and that no dividend shall be paid for the financial year 2022.

**Resolution on the number of directors and auditors, election of directors and auditor and fees to the board of directors and the auditor (item 9)**

The Shareholders propose that the meeting resolves on:

- a) That the company shall have one auditor until the next annual general meeting;
- b) That Öhrlings PricewaterhouseCoopers AB is re-elected as auditor. Öhrlings PricewaterhouseCoopers AB has given notice that, if the Shareholders' proposal for auditor is adopted at the meeting, Johan Engstam will have main responsibility for the audit; and
- c) That remuneration to the auditor shall be paid in accordance with approved invoices.

The Shareholders have notified the board of directors that they will propose number of directors, election of directors and fees to the directors no later than in connection with the meeting.

**Resolution on the composition of the nomination committee and instruction for the nomination committee (Item 10)**

The Shareholders propose that the meeting elects a nomination committee and adopts the instruction below.

The Shareholders have notified the board of directors that they will propose number of members, election of members and chairman of the nomination committee no later than in connection with the meeting.

#### **Instruction for the nomination committee**

The nomination committee shall draw up proposals on the following matters to be resolved upon at the next annual general meeting:

- a) proposed chair of the annual general meeting.
- b) proposed number of directors.
- c) proposed directors and chair of the board.
- d) proposed fees for directors elected at the annual general meeting who are not employed by the company, divided between the chair and other directors as well as remuneration for committee work, per member.
- e) proposed auditor(s) and auditor's fee.
- f) where considered necessary, proposed amendments to these instructions for the nomination committee.

In performing other aspects of its work the nomination committee must perform the duties incumbent on it under the Swedish Code of Corporate Governance (including accompanying instructions).

The nomination committee's mandate shall be for the period until a new nomination committee has been elected at a subsequent annual general meeting. If a member leaves the nomination committee for any reason, the remaining members of the committee shall appoint a new member, taking into account the shareholder base and the willingness of largest shareholders in the company to participate in the nomination committee. However, the committee shall not include more than one member linked to a single shareholder.

Furthermore, it is proposed that the company shall be responsible for reasonable costs deemed necessary by the nomination committee for its work.

Changes in the nomination committee's composition shall be communicated by the chairman of the nomination committee to the chairman of the board as soon as possible. The change shall also be disclosed to the public as soon as possible.

These instructions shall apply until the general meeting decides to adopt new instructions.

#### **Resolution on guidelines for salary and other remuneration (Item 11)**

The board of directors proposes that the meeting adopts the following guidelines for salary and other remuneration to board members and senior managers. "Senior managers" refers to the CEO of the group and senior managers included in the company's group management. These guidelines will be valid for agreements entered into after the meeting's resolution and for changes made to existing agreements thereafter. These guidelines do not apply to any remuneration resolved upon by a general meeting.

**The guidelines' promotion of the company's business strategy, long-term interests and sustainability**

In short, the company's business strategy is the following.

Bawat is an engineer-driven company that is rooted in the tradition of Danish maritime innovation. Bawat has a deep maritime insight and expertise and an extensive network in the sector. For these reasons, Bawat is seen as a trusted and professional partner. For more information regarding the company's business strategy, please see [www.bawat.com](http://www.bawat.com), as well as the latest annual report.

Bawat shall offer remuneration levels and terms of employment which are necessary to recruit, develop, and retain individuals in group management. These individuals shall possess the expertise, motivation and capacity required to uphold, develop, and implement overall value-additive strategic targets for the Bawat group and, moreover, to support its long-term interests. To obtain this, it is important to sustain fair and internally balanced terms that are at the same time competitive on the market with respect to structure, scope and remuneration levels. These guidelines ensure that individuals in group management, regardless of geographical market, may be offered competitive total remuneration, and is aimed at creating increased transparency on remuneration issues. Applicable laws and other relevant regulatory frameworks (both Swedish and foreign) in this area must be complied with at all times.

**Remuneration and remuneration forms**

The basic principle is that the remuneration must be competitive and consist of a balanced combination of fixed salary, variable remuneration, other benefits and terms for dismissal/severance payment. Furthermore, the board of directors may prepare and the general meeting resolve on, share and share-price related incentive programs. Such a combination of remuneration fosters and supports management and achievement of objectives in both a short and long-term perspective. The various types of remuneration that may be paid out are described below.

*Fixed salary*

The fixed salary shall consist of customary base salary. The salary shall be based on responsibility, performance, expertise and the complexity and scope of the task. In the event of full payment of variable remuneration, the fixed annual base salary shall comprise 85 per cent of the total cash remuneration.

*Variable remuneration (LTI)*

The variable remuneration shall comprise long-term incentives, without there being any guarantee of variable remuneration.

The board of directors shall annually evaluate whether a long-term incentive program (LTI) is to be adopted or, if a share or share price-related LTI program, is to be proposed to the annual general meeting. These programs can be cash-based or related to the share/share price. Share or share price-related LTI programs are resolved upon by the annual general meeting and are therefore not covered by these guidelines.

Please refer to [www.bawat.com](http://www.bawat.com) for information on previously resolved LTI programs that have not fallen due for payment.

*Pension*

Pension shall be paid in accordance with relevant national legislation, applicable collective agreements, and suchlike.

Currently the company does not pay any pension premiums for the CEO. The retirement age for the CEO is normally 65 years of age.

For foreign individuals in group management, a corresponding structure shall apply, based on the circumstances in the relevant country. The pension terms and conditions shall be on market terms. For other individuals in group management, the retirement age is normally 60–65 years of age, depending on the country of employment.

For employments governed by rules other than Swedish, the pension may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### *Other benefits*

Benefits which are not directly related to fixed salary and variable remuneration, for example a company car and medical care benefits, shall promote the performance of the work and be consistent with standard practice on the market for this target group. The total costs as a consequence of such benefits may not exceed 10 per cent of the fixed annual base salary.

For employments governed by rules other than Swedish, other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### *Special remuneration*

Additional cash variable remuneration may be paid out under extraordinary circumstances, provided that such extraordinary arrangements are limited in time, and may only be awarded on an individual basis either for the purpose of recruiting or retaining individuals in group management or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 20 per cent of the fixed annual base salary and may not be awarded more than once per year and per individual. Any resolution on such remuneration shall be adopted by the board of directors.

#### *Remuneration to directors*

In certain cases, board directors elected by the general meeting should be able to receive fees and other remuneration for work carried out on behalf of the company, alongside their work on the board of directors. Fees at market rates, approved by the board of directors, may be payable for such services.

#### **Terms for termination etc.**

There is a mutual notice of termination period of six months as between the CEO and the company. Upon termination by the company, severance remuneration without set-off is also paid for an additional twelve months. The mutual notice of termination period for the other individuals in group management shall correspond to six months. Upon termination by the company, severance remuneration for an additional twelve months is paid, without setting off the first six months.

#### **Salary and terms of employment for other employees**

In the preparation of this proposal on guidelines, salary and terms of employment for employees of the company have been taken into account by including information on the employees' total remuneration, the components of the remuneration, and increase and rate of increase of remuneration over time, in the board of director's basis of decision when evaluating the reasonableness of the guidelines and appurtenant limitations.

#### **The decision-making process to determine, review and implement the guidelines**

The board of directors resolves on the structures of remuneration systems, as well as levels and forms of remuneration to individuals in group management. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the annual general meeting for adoption. The guidelines shall be in force until new guidelines are adopted by the general meeting. The board of directors shall monitor and evaluate programs for variable remuneration for individuals in group

management, the application of the guidelines, and the current remuneration structures and remuneration levels in the company.

The CEO and other members of group management do not participate in the board of director's processing of, and resolutions regarding, remuneration-related matters insofar as they are affected by such matters. Conflicts of interest are counteracted in all resolutions and any potential conflicts of interest are handled in accordance with the company's framework for governance, consisting out of a code of conduct, policies and guidelines.

#### **Derogation from the guidelines**

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

#### **Miscellaneous**

The total remuneration and the other benefits paid to the CEO during the year shall be stated in the remuneration report. In addition hereto, the total remuneration and the other benefits paid to the individuals in the Group management shall be stated in the annual report.

For information regarding remuneration, please refer to Bawat annual report and website, [www.bawat.com](http://www.bawat.com).

#### **Resolution on a directed issue of shares (item 12)**

The board of directors propose that the general meeting resolves on an increase in the company's share capital through an issue of new shares in accordance with the following.

1. The company's share capital shall be increased with no more than SEK 17,304.375 through an issue of no more than 1,048,750 shares.
2. The right to subscribe for shares shall, with deviation from the shareholders' preferential rights, vest in Klaus Nyborg with 955,000 shares and Marcus Hummer with 93,750 shares.
3. Subscription of shares shall be made no later than June 9, 2023. Subscription shall be made on a subscription list. The board of directors shall have the right to resolve on an extension of the subscription period.
4. Payment for subscribed shares shall be made by cash no later than June 16, 2023. However, it shall be noted that the board has a right to grant permission for a set-off according to Ch. 13. Sec. 41 of the Swedish Companies Act. The board of directors shall have the right to resolve on an extension of the payment period.
5. Payment for subscribed shares which exceeds the quota value of the shares shall in its entirety be added to the share premium fund.
6. The subscription price is SEK 1.60 per share, i.e. a total of SEK 1,678,000 when subscribing for all shares.
7. The new shares entitle to dividend for the first time on the record date for dividends that occurs the closest after the new shares are registered in the share register kept by Euroclear Sweden AB.
8. The reasons for the deviation from the shareholders' preferential rights are as follows. The board of directors is of the opinion that the proceeds from the directed share issue would fulfill Nefco's requirement of matching Nefco-financing with equity which is seen as a favorable long-term

financing for the company at market conditions and that the directed share issue is positive for the company's further development and to secure sufficient working capital need. The board of directors has also considered the possibility to raise the required equity through a rights issue. The board of directors has concluded that a rights issue would entail significantly longer execution time and thereby increased market risk exposure compared to a directed share issue. In addition, given the market volatility that has been observed during the beginning of 2023, and which is still ongoing, the board of directors has assessed that a rights issue would also require significant underwriting commitments from an underwriting syndicate, which would entail additional costs and/or additional dilution depending on the type of consideration paid for such underwriting commitments. Moreover, unlike a rights issue, the directed share issue is expected to broaden the shareholder base and provide the company with new reputable owners, which the board of directors believes will strengthen the liquidity of the shares and be beneficial to the company. The company's board of directors considers it of immense importance to have long-term and financially strong shareholders. The subscription price has been determined through a bookbuilding procedure conducted by Arctic Securities AS, filial Sverige and is considered by the board of directors to be market-based.

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The board of directors, or its nominee, is entitled to decide on any minor changes in the decision of the board of directors that may be required when registering the decision with the Swedish Companies Registration Office, Euroclear Sweden AB or due to other formal requirements.

#### **Resolution on an issue authorisation (item 13)**

The board of directors proposes that the meeting resolves on an issue authorisation according to the following.

The board of directors is to be authorised to, on one or more occasions until the next annual general meeting, resolve on issue of new shares, issue of convertibles, issue of warrants and/or a combination of these, so called units. An issue can be decided with or without regard of shareholders' pre-emption rights.

This authorisation is to include the right to resolve on issues with cash payment, payment by way of set-off or payment by contribution in kind, and otherwise subject to conditions as set out in Chapter 2, section 5, second paragraph 1–3 and 5 of the Swedish Companies Act. Warrants may be issued without consideration.

The board of directors, or its nominee, is entitled to decide on any minor changes in the resolution of the general meeting that may be required when registering the resolution with the Swedish Companies Registration Office, Euroclear Sweden AB or due to other formal requirements.

#### **Majority requirements**

A resolution in accordance with item 12 is valid only if supported by shareholders holding at least nine-tenths of both the votes cast and the shares represented at the meeting. A resolution in accordance with item 13 is valid only if supported by shareholders holding at least two-thirds of both the votes cast and the shares represented at the meeting.

#### **Documents**

The board's complete proposal as well as accounting documents and auditor's report for 2022 will be available at the company and on the company's website [www.bawat.com](http://www.bawat.com) no later than three weeks before the meeting and will be sent immediately without charge to the recipient, to any shareholders who so request and state their postal address. The documents will also be available at the meeting.

**Information at the meeting**

The board of directors and the CEO shall, upon request by any shareholder, and where the board deems that the information can be provided without significant harm to the company, provide information at the meeting on matters that may affect the assessment of an item on the agenda, circumstances that may influence determination of the financial position of the company, the consolidated accounts and the company's relationship to another group company.

**Processing of personal data**

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

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Stockholm in May 2023  
**Bawat Water Technologies AB (publ)**  
*The board of directors*