

## ANNUAL GENERAL MEETING OF NOBIA AB (PUBL)

**The shareholders of Nobia AB (publ) (“Nobia”) are hereby invited to the Annual General Meeting on Wednesday, 11 April 2012 at 5:00 p.m. at Summit, Grev Turegatan 30, Stockholm.**

### **Notification**

Shareholders who wish to participate in the Annual General Meeting must

*Firstly* be included in the shareholders’ register maintained by Euroclear Sweden AB as of Tuesday, 3 April 2012, and,

*Secondly* notify Nobia of their participation not later than Tuesday, 3 April 2012.

### **Notification of attendance**

Notification of attendance at the Annual General Meeting may be made:

- by e-mail: info@nobias.com
- by telephone: +46 8 440 16 00
- by fax: +46 8 503 826 49
- by post: Nobia AB, Box 70376, SE-107 24 Stockholm, Sweden

This notification shall state:

- the shareholder’s name
- personal identity number/corporate registration number
- address and daytime telephone number
- shareholding
- information about any assistants (not more than two assistants) and information on any representatives who may accompany the shareholder to the Meeting

When applicable, complete authorisation documents, such as registration certificates, shall be appended.

### **Proxy**

Shareholders represented by proxy shall issue a written power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or corresponding document (“certificate”) for the legal entity shall be appended to the notification of attendance. The power of attorney and certificate may not be more than one year old. However, the validity of the power of attorney may be a maximum of five years from the date of issue, if specifically stated. The power of attorney in original and, where applicable, the certificate, should be sent by post to the company at the address stated above in good time prior to the Annual General Meeting. Proxy forms are available from [www.nobias.com](http://www.nobias.com), and will also be sent to shareholders who so request and inform the company of their postal address.

### **Nominee shares**

Shareholders whose shares have been registered with a nominee must, through the bank or securities broker administering the shares, temporarily re-register their shares in their own names in order to be entitled to participate in the Annual General Meeting. Such re-registration must be completed by Euroclear Sweden AB not later than Tuesday, 3 April 2012. A request for re-registration must be made well in advance of this date.

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

The company has a total of 175,293,458 shares and votes, of which Nobia holds 8,162,300 treasury shares, corresponding to 8,162,300 votes, which cannot be represented at the Meeting.

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

Shareholders are reminded of their right, at the Annual General Meeting, to request information from the Board of Directors and the President pursuant to Chapter 7, Section 32 of the Swedish Companies Act.

### **Proposed agenda**

1. Opening of the Meeting,
2. Election of Chairman of the Meeting,
3. Preparation and approval of the voting list,
4. Approval of the agenda,
5. Election of one or two persons to verify the minutes,
6. Determination as to whether the Meeting has been duly convened,
7. Presentation of the annual accounts and the audit report, and the consolidated accounts and the audit report on the consolidated accounts,
8. Speech by the President and statement by the Chairman of the Board of Directors,
9. Resolution regarding the adoption of the income statement and the balance sheet, and of the consolidated income statement and the consolidated balance sheet,
10. Resolution regarding appropriation of the company's profit according to the adopted balance sheet,
11. Resolution regarding the discharge from liability for the members of the Board of Directors and the President,
12. Determination of the number of members and deputy members of the Board of Directors, and auditors and deputy auditors,
13. Determination of fees to the Board of Directors and the auditors,
14. Election of the members of the Board of Directors and the Chairman of the Board of Directors and auditors,
15. Proposal regarding remuneration guidelines and other employment conditions for the Group management,
16. Proposal regarding the introduction of performance-related share right scheme and sales of treasury shares during the scheme,
17. Proposal regarding authorisation for the Board of Directors to acquire and sell treasury shares
18. Closing of the Meeting.

### **Resolution regarding the appropriation of the company's profit according to the adopted balance sheet (item 10)**

The Board of Directors proposes that all funds at the disposition of the Annual General Meeting be carried forward.

### **The Nomination Committee's proposals (items 2, 12, 13 and 14)**

The Nomination Committee is tasked with submitting proposals on the election of the Board Chairman and other members of the Board of Directors, fees for the Board and any remuneration for committee work, election of and remuneration of the auditor and election of the Chairman of the Annual General Meeting. The shareholders represented in the Nomination Committee hold about 40 per cent of the shares and votes in Nobia.

The Nomination Committee has submitted the following proposals concerning items 2, 12, 13 and 14:

- Chairman of the Board Johan Molin be elected Chairman of the Annual General Meeting (item 2).
- The number of members of the Board of Directors shall be eight (8), with no deputy members (item 12).
- The fee to each member of the Board of Directors who is not salaried by the company shall be SEK 325,000 kronor. However, the fee payable to the Chairman of the Board of Directors shall be SEK 850,000. It is proposed that no fees be paid for work in Committees (item 13).
- Re-election of the following present members of the Board of Directors: Rolf Eriksen, Bodil Eriksson, Morten Falkenberg, Nora Förisdal Larssen, Johan Molin, Thore Ohlsson and Fredrik Palmstierna, and election of Lilian Fossum Biner as new member of the Board of Directors. Lotta Stalin declined re-election after five years on the Board. The Nomination Committee proposes that Johan Molin be re-elected as Chairman of the Board of Directors (item 14).
- The number of auditors shall be one (1) without deputies. The Committee proposes the re-election of registered auditing firm KPMG AB (with authorised auditor Helene Willberg as auditor-in-charge until further notice). It is proposed that fees to auditors be paid on current account (items 12, 13 and 14).

### **Proposal regarding remuneration guidelines and other employment conditions for the Group management (item 15)**

The Board proposes that the Annual General Meeting resolve on the following guidelines for determining remuneration and other employment conditions for the President and other members of Group management. Group management currently comprises 11 persons.

Nobia's policy stipulates that total remuneration shall correspond to market levels. A continuous International Position Evaluation is carried out to ensure market levels in each country.

Members of Group management receive both a fixed and a variable salary portion. The fundamental principle is that the variable salary portion may amount to a maximum of 30 per cent of fixed annual salary. The exception to this principle is the President whose variable

salary portion may amount to a maximum of 50 per cent of fixed annual salary. Exceptions may also be made for business unit managers following a resolution by the Board.

The variable salary portion is normally divided between a number of targets, for example the Group's earnings, earnings in the business unit for which the manager is responsible, and individual/qualitative targets. The variable salary portion is based on a period of service of one year. The targets for the President are determined by the Board. The targets for other senior executives are determined by the President following recommendations from the Remuneration Committee.

Members of Group management employed in Sweden are entitled to a pension under the ITP system or equivalent. The age of retirement is 65. In addition to the ITP plan, following a resolution by the Board, members of Group management are entitled to an increased occupational pension premium on salary portions amounting to more than 30 basic amounts.

Employment contracts for Group management include provisions regulating remuneration and termination of employment. According to these contracts, employment may ordinarily be terminated upon the employee's request with a six-month period of notice and at the company's request, with a 12-month period of notice.

The purpose of Nobia's long-term share-based remuneration scheme is to further strengthen the commitment of senior executives to and ownership in the company, and to attract, motivate and retain key employees in the Group. Nobia's long-term share-based remuneration scheme has been based on employee share rights since 2005. For the 2012 Annual General Meeting, the Board proposes a new long-term share-based remuneration scheme based on matching and performance shares, which are described in more detail under item 16 on the agenda.

The Board is entitled to deviate from the guidelines described above if the Board finds that particular reasons warrant this in a specific case.

### **Proposal regarding the introduction of performance-related share scheme and sales of treasury shares during the scheme (item 16)**

The Board proposes that the Annual General Meeting pass a resolution on the introduction of a performance-related share scheme for the company and the sales of shares during the scheme according to points A) and B) below.

#### *A) INTRODUCTION OF PERFORMANCE-RELATED SHARE SCHEME ("2012 Performance-related Share Scheme")*

##### **Participants of the 2012 Performance-related Share Scheme**

The 2012 Performance-related Share Scheme comprises about 100 individuals including senior executives and individuals holding senior managerial positions in the Nobia Group, divided into three categories. The first category comprises the President of the company; the second category comprises about ten individuals in Group management, and the third category comprises a further 85 individuals who hold senior managerial positions in the Nobia Group.

##### **Private investment and allotment of share rights**

To take part in the scheme, participants must acquire shares in Nobia at market price ("Saving Shares") at a value corresponding to 50, 75 or 100 per cent of the participant's monthly salary

in March 2012 before tax. For category 1, comprising the company's President, each Saving Share entitles subscription for one matching share right ("Matching Share Right") and four performance share rights ("Performance Share Right") (jointly the "Share Rights"). For category 2, comprising about ten individuals in Group management, each Saving Share entitles subscription for one Matching Share Right and three Performance Share Rights. For category 3, or other individuals in senior managerial positions, each Saving Share entitles subscription for one Matching Share Right and one Performance Share Right. Allotment of the Nobia shares will take place not earlier than the day after publication of Nobia's interim report for the first quarter of 2015 and not later than two weeks thereafter (the "Vesting Period").

#### **Conditions for all share rights**

The following conditions apply for all share rights:

- The Share Rights are allotted free of charge.
- Each Share Right entitles the holder to subscribe for one Nobia share free of charge on the conditions that the participant remains an employee of the Nobia Group and has not divested any of the originally held Saving Shares during the Vesting Period. In addition, the allotment of Performance Share Rights requires the attainment of a financial performance target.
- Participants are not entitled to sell, pledge or dispose of the Share Rights or exercise any shareholder entitlements pertaining to the Share Rights during the Vesting Period.
- Nobia will not pay participants in the scheme for any dividends issued for the shares for which each Share Right entitles subscription.

#### **Performance Share Rights**

The number of Performance Share Rights that entitles subscription for allotment depends on the degree of target fulfilment during one of the intervals determined by the Board regarding Nobia's accumulated earnings per share during the fiscal years 2012 – 2013. The outcome will be measured on a straight-line basis, whereby if the determined minimum level is attained, 25 per cent of the Performance Share Rights entitle subscription for shares. If the minimum level for the interval is not attained, the Performance Share Rights will not entitle subscription for any shares and if the maximum level during the interval is attained, each Performance Share Right will entitle subscription for one share.

#### **Scope, assurance of undertakings and costs**

The number of Saving Shares depends on the amount the participants invest and the price of the Nobia share on the acquisition date. However, the maximum number of shares in Nobia that can be allotted according to the scheme is limited to 1,500,000 (with reservation for restatement), corresponding to about 0.9 per cent of the shares and votes outstanding.

To ensure the delivery of Nobia shares during the 2012 Performance-related Share Scheme, the Board proposes that the Board be entitled to resolve on alternative methods for sales of Nobia shares during the scheme. Accordingly, the Board proposes entitlement to sell treasury shares to participants or enter into share swap agreements with a third party to meet its undertakings during the scheme (according to point B) below). If the delivery of Nobia shares is ensured through share swap agreements, the Board proposes entitlement to sell treasury shares on the NASDAQ OMX in Stockholm in order to finance potential costs related to the agreement and the scheme.

The costs are recognised as personnel costs in profit and loss over the Vesting Period in accordance with IFRS 2 Shared-based Payment. Social security contributions will be expensed in profit and loss in accordance with UFR 7 during the Vesting Period. Based on an unchanged share price during the period of the scheme and a Vesting Period of about three (3) years, costs for the 2012 Performance-related Share Scheme, including social security contributions, are expected to amount to approximately SEK 25 million, corresponding to about 0.3 per cent of Nobia's total personnel costs on an annual basis during the 2011 fiscal year. The scheme has no limit per Share Right, entailing that no maximum social charges can thus be estimated.

#### **The Board's proposal**

With reference to the description above, the Board proposes that the Annual General Meeting resolve on the introduction of a Performance-related Share Scheme in 2012.

#### **Majority requirement**

The Board's proposal for a resolution regarding the introduction of a Performance-related Share Scheme in 2012 requires that the resolution is supported by shareholders representing more than half of the votes cast at the Annual General Meeting.

### ***B) SALES OF SHARES DUE TO THE 2012 PERFORMANCE-RELATED SHARE SCHEME***

#### **Background**

To implement the 2012 Performance-related Share Scheme in a cost-efficient and flexible manner, the Board has considered various methods for selling shares during the scheme. In light of these considerations, the Board intends, in the first instance, to ensure delivery of Nobia shares during the 2012 Performance-related Share Scheme by selling shares in Nobia's own holding to participants. If the Board's proposal concerning sales of treasury shares to participants does not receive the required majority, the Board intends, in the second instance, to enter into a share swap agreement with a third party. If the delivery of Nobia shares is ensured through share swap agreements, the Board proposes entitlement to sell treasury shares on the NASDAQ OMX in Stockholm in order to finance potential costs related to the agreement and the scheme. Such sales of treasury shares require a specific majority. If the required majority is not obtained, the Board intends to enter into the share-swap agreement and finance the agreement in a manner other than that which is proposed below.

#### **1) The Board's proposal regarding sales of treasury shares to participants**

The Board thus proposes, as the main alternative, that the Annual General Meeting resolves to sell treasury shares in accordance with the following:

- (i) Sales may take place for not more than 1,500,000 Nobia shares to be sold to participants in the 2012 Performance-related Share Scheme (or for the higher number that may be attributable to restatement on the grounds that Nobia implements a bonus issue, share split or consolidation, new issue or similar measures, according to that which is common practice for similar share-based remuneration schemes).
- (ii) Sales of shares shall take place without payment on the date and according to the conditions that participants in the 2012 Performance-related Share Scheme are entitled to receive in order to obtain an allotment of shares.

The reason for deviating from the shareholders' preferential right is that the sale of the shares constitutes a stage in the establishment of the 2012 Performance-related Share Scheme.

Therefore, and in the light of that which is described above, the Board considers that selling shares in the manner proposed is advantageous to Nobia.

## **2) The Board's proposal regarding sales of treasury shares on NASDAQ OMX in Stockholm**

If the main alternative in item 1 does not obtain the required majority, the Board proposes that the Annual General Meeting resolves to sell treasury shares in accordance with the following. Sales may take place, on one or more occasions, for the period up to the next Annual General Meeting, for a maximum of 1,500,000 Nobia shares on the NASDAQ OMX in Stockholm in order to finance potential costs related to the share-swap agreement or otherwise to the 2012 Performance-related Share Scheme (or for the higher number that may be attributable to restatement on the grounds that Nobia implements a bonus issue, share split or consolidation, new issue or similar measures, according to that which is common practice for similar share-based remuneration schemes). Sales must take place within the currently effective registered price interval.

The reason for deviating from the shareholders' preferential right is that sales of the shares constitute a stage in the establishment of the 2012 Performance-related Share Scheme. Therefore, and in the light of that which is described above, the Board considers that selling shares in the manner proposed is advantageous to Nobia.

### **Majority requirement**

The Board's proposal according to item 1) above requires that the resolution is supported by shareholders holding at least nine-tenths of both the votes cast and shares represented at the Meeting. The Board's proposal according to item 2) above, which is only relevant if the decision basis in item 1) does not obtain the required majority, requires that the resolution is supported by shareholders representing at least two-thirds of the votes cast and the shares represented at the Meeting. The Board's proposal according to this point B is contingent on the Board's proposal regarding approval of the introduction of the 2012 Performance-related Share Scheme by the Annual General Meeting (point A above).

## **Proposal regarding authorisation for the Board of Directors to acquire and sell treasury shares (item 17)**

### *Acquisitions of treasury shares*

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to resolve to acquire treasury shares in accordance with the following.

1. Acquisitions may be made on the NASDAQ OMX in Stockholm or in accordance with a tender offer to all Nobia shareholders.
2. Acquisitions of shares may not result in the total holding of treasury shares, at any time, exceeding ten (10) per cent of all shares in Nobia.
3. Acquisitions of shares on NASDAQ OMX in Stockholm may only be effected at a price within the currently effective registered price interval on the NASDAQ OMX in Stockholm, meaning the price interval between the highest bid price and the lowest ask price.
4. Acquisitions in accordance with a tender offer according to point 1 above shall be effected at a price corresponding to the lowest share price at the time of the offer with a maximum upward divergence of 20 per cent.
5. However, the authorisation may be used on one or several occasions only until the 2013 Annual General Meeting.

### *Sales of treasury shares*

The Board also proposes that the Annual General Meeting authorises the Board of Directors to resolve to sell treasury shares in accordance with the following.

1. Sales of shares may only take place outside NASDAQ OMX in Stockholm, with or without deviation from the shareholders' preferential rights and with or without payment in kind or payment by way of set-off. Such sales may be made at a price in cash or value for obtained property corresponding to the price for the sold Nobia shares at the time of the sale, with a divergence found reasonable by the Board of Directors.
2. The number of shares that may be sold should not amount to more than ten (10) per cent of the total number of shares in Nobia.
3. Sales in connection with company acquisitions may be made at a market value as decided by the Board of Directors.
4. The authorisation may be used on one or more occasions, but only until the 2013 Annual General Meeting.

The main purpose of the authorisation above is to finance the acquisition of operations through payment with treasury shares and to continuously adapt Nobia's capital structure and thereby contribute to an increase in value for shareholders and, insofar as the authorisation pertains to the Board's resolutions to acquire treasury shares, that Nobia can continuously adapt the number of shares that are acquired to secure undertakings (including costs for social security contributions) in connection with the Group's long-term share-based remuneration scheme.

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The Board of Directors' complete proposal regarding remuneration guidelines and other employment conditions for the Group management according to item 15, the proposal regarding the long-term share-based remuneration scheme comprising sales of treasury shares according to item 16, the proposal regarding authorisation for the Board of Directors to acquire and sell treasury shares and the Board of Directors' statement in accordance with Chapter 19, Section 22 of the Swedish Companies Act according to item 17, and the annual accounts according to item 7 above, will be available at the company's office at Klarabergsviadukten 70, A5, SE-107 24 Stockholm and on the company's website [www.nobia.com](http://www.nobia.com) from 21 March 2012. These documents will also be sent to shareholders who so request and inform the company of their postal address. The Board of Directors' complete proposal regarding item 16 will also automatically be sent to all shareholders who have notified the company of their participation in the Annual General Meeting and have informed the company of their postal address.

Information about all of the members proposed to comprise Nobia's Board of Directors and the Nomination Committee's complete proposals, explanatory statement regarding the proposal to the Board and report on work prior to the Annual General Meeting are available on the company's website, [www.nobia.com](http://www.nobia.com)

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Stockholm, March 2012

**Nobia AB (publ)**

*Board of Directors*