

## ANNUAL GENERAL MEETING OF NOBIA AB (PUBL)

The shareholders of Nobia AB (publ) ("Nobia") are hereby invited to the Annual General Meeting on Tuesday, 14 April 2015 at 3:00 p.m. at Lundqvist & Lindqvist Klara Strand Konferens, Klarabergsviadukten 90, Stockholm, Sweden.

### Right to participate in the Annual General Meeting

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 Wednesday, 8 April 2015, and,
- secondly* notify Nobia of their participation not later than Wednesday, 8 April 2015.

### Notification of attendance

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

- by e-mail: [bolagsstamma@nobia.com](mailto:bolagsstamma@nobia.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 proxies who may accompany the shareholder to the Meeting

When applicable, complete authorisation documents, such as registration certificates or the equivalent, 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 well in advance of the Annual General Meeting. Proxy forms are available from [www.nobia.com](http://www.nobia.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 with Euroclear Sweden AB not later than Wednesday, 8 April 2015. A request for re-registration must be made well in advance of this date.

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

Nobia has a total of 175,293,458 shares and votes. Nobia currently holds 7,518,300 treasury shares, corresponding to 7,518,300 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. Nomination Committee's proposal regarding instructions for the Nomination Committee
16. Election of members of the Nomination Committee and election of the Chairman of the Nomination Committee
17. Proposal regarding remuneration guidelines and other employment conditions for the Group management,
18. Proposal regarding the performance share plan and transfer of bought-back shares under the plan,

19. Proposal regarding authorisation for the Board of Directors to acquire and sell treasury shares,
20. 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 funds totalling approximately SEK 1,974 million at the disposition of the Annual General Meeting be appropriated such that SEK 1.75 per share, totalling approximately SEK 293 million, be distributed to shareholders and that the remaining amount be carried forward. The Board proposes Thursday, 16 April 2015 as the record day. If the Annual General Meeting resolves in accordance with the Board's proposal, the dividend is expected to be paid through Euroclear Sweden AB on Tuesday, 21 April 2015.

**The Nomination Committee's proposals (items 2, 12, 13, 14, 15 and 16)**

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 and remuneration of the auditor and election of the Chairman of the Annual General Meeting. The shareholders represented in the Nomination Committee hold about 53 per cent of the shares and votes in Nobia.

The Nomination Committee has submitted the following proposals concerning items 2, 12, 13, 14, 15 and 16:

- 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 nine (9), 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 375,000 kronor. However, the fee payable to the Chairman of the Board of Directors shall be SEK 1,000,000. It is proposed that no fees be paid for work in Committees (item 13).
- Re-election of the following current members of the Board of Directors: Morten Falkenberg, Lilian Fossum Biner, Nora Førisdal Larssen, Thore Ohlsson, Fredrik Palmstierna, Stefan Jacobsson and Ricard Wennerklint, and election of Tomas Billing and Christina Ståhl as new Board members. The Nomination Committee proposes that Tomas Billing be elected 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 Public Accountant George Pettersson as Auditor-in-Charge until further notice. It is proposed that fees to auditors be paid in accordance with approved invoices (items 12, 13 and 14).
- Due to the amendment of the current principles on the appointment of members of the Nomination Committee, the Nomination Committee proposes that the Annual General Meeting elect Viveca Ax:son Johnson representing Nordstjernen, Fredrik Palmstierna representing Investmentaktiebolaget Latour, Torbjörn Magnusson representing IF Skadeförsäkring, Evert Carlsson representing Swedbank Robur fonder and Lars Bergqvist representing Lannebo fonder as members of the Nomination Committee until the conclusion of the 2016 Annual General Meeting. The Nomination Committee proposes that Viveca Ax:son Johnson be appointed Chairman of the Nomination

Committee. Changes to members during this mandate period and changes of shareholders representatives due to significant reductions in shareholdings and other provisions regarding the composition of the Nomination Committee and its work are to take place in accordance with the instructions for the Nomination Committee, which it is proposed that the Annual General Meeting adopt (items 15 and 16).

**Proposal regarding remuneration guidelines and other employment conditions for the Group management (item 17)**

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, including the President, currently comprises 13 persons.

Nobia's salary policy stipulates that total remuneration shall correspond to market levels. A continuous IPE (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 other senior executives following a resolution by the Board.

The variable salary portion is normally divided between a number of targets, for example: i) The Group's earnings, ii) Earnings in the business unit for which the manager is responsible, and iii) Individual/quantitative targets. The variable salary portion is based on a period of service of one (1) 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. In the event of a maximum outcome, which presupposes that all bonus-related targets are fulfilled, the variable salary costs for Group management are estimated to amount to approximately SEK 11.7 million (excluding social security contributions). The calculation is based on the current composition of Group management.

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.

To strengthen senior managers' commitment to and ownership in the company, and to attract, motivate and retain key employees in the Group, Nobia has implemented long-term share-based incentive schemes since 2005, following decisions by the respective Annual General Meetings. The Board has proposed to the 2015 Annual General Meeting a long-term performance share plan based on the same principles that apply to previously adopted performance share plans. For 2015, the costs for the proposed performance share plan are estimated to amount to approximately SEK 27.7 million. The costs are distributed over a

three-year vesting period. For information about the proposed performance share plan, refer to the Board's proposal in a separate document.

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 performance share plan and transfer of bought-back shares under the plan (item 18)**

The Board of Directors proposes that the Annual General Meeting resolves on the performance share plan ("Performance Share Plan 2015") for the company and on the transfer of bought-back shares as a part of Performance Share Plan 2015, according to items A) and B) below.

#### **A) PERFORMANCE SHARE PLAN 2015**

##### **Participants in Performance Share Plan 2015**

Performance Share Plan 2015 comprises approximately 100 employees consisting of senior managers and employees with senior positions within the Nobia Group, divided into three categories. The first category includes the President, the second category comprises approximately 13 members of the Group management and the third category comprises approximately 86 other employees in senior positions within the Nobia Group.

##### **Personal investment and allocation of share rights**

To participate in the plan, the participants must purchase Nobia shares at market price ("Saving Shares") at a value corresponding to 25, 50, 75 or 100 per cent of the participant's monthly salary for March 2015, before tax.

For category 1, i.e. the President of the company, each Saving Share gives entitlement to one matching share right ("Matching Share Right") and four performance share rights ("Performance Share Right") (together referred to as "Share Rights"). For category 2, i.e. the other approximately 13 members of the Group management, each Saving Share gives entitlement to one Matching Share Right and three Performance Share Rights. For category 3, i.e. the other approximately 86 employees in senior positions, each Saving Share gives entitlement to one Matching Share Right and one Performance Share Right. Allocation of Nobia shares shall normally take place within two weeks after announcement of Nobia's interim report for the first quarter of 2018 (the "Vesting Period").

##### **Terms for all Share Rights**

For all Share Rights the following conditions apply:

- The Share Rights are allocated free of charge.
- Each Matching Share Right entitles the participant to receive, free of charge, one Nobia share on condition that the participant remains employed within the Nobia Group and that all Saving Shares held are retained during the Vesting Period. In addition, allocation of shares on the basis of the participant's holdings of Performance Share Rights requires that Nobia has fulfilled a financial performance target condition.
- The participants are not entitled to transfer, pledge or dispose of the Share Rights or exercise any shareholders' rights regarding the Share Rights during the Vesting Period.

- Nobia will not compensate the participants in the plan for dividends made in respect of the shares that the respective Share Right qualifies for.

### **Performance Share Rights**

The number of Nobia shares that will be awarded on the basis of the Performance Share Rights depends on the degree of fulfilment of a range established by the Board of Directors in relation to Nobia's cumulative earnings per share in the 2015 and 2016 fiscal years. The level of fulfilment will be measured linearly. If the minimum level in the range is not achieved, the Performance Share Rights will not give entitlement to any shares and if the maximum level in the range is achieved, each Performance Share Right gives entitlement to one share.

### **Scope, hedging and costs**

The number of Saving Shares depends on the amount the participant invests and the price of the Nobia share at the time of acquisition. The maximum number of shares in Nobia that can be allocated under Performance Share Plan 2015 shall be limited to 1,500,000 (subject to recalculation), which represents approximately 0.9 per cent of the outstanding shares and votes. In order to secure the delivery of Nobia shares under Performance Share Plan 2015, the Board of Directors proposes that the Board of Directors be entitled to decide on alternative methods for transfer of Nobia shares under the plan. The Board of Directors therefore proposes that it be entitled to transfer bought-back Nobia shares to the participants or to enter into so-called equity swap agreements with third parties in order to fulfil its obligations under the plan (under item B) below). In the event that delivery of Nobia shares is secured by an equity swap agreement, the Board of Directors proposes that it be entitled to transfer bought-back Nobia shares on Nasdaq Stockholm to fund potential costs related to the agreement and the plan. Based on a constant share price during the plan, and a Vesting Period of approximately three (3) years, the cost of Performance Share Plan 2015 including social security costs is estimated to amount to approximately SEK 27.7 million which on an annual basis is approximately 0.3 per cent of Nobia's total costs for employee benefits during the 2014 fiscal year. The plan has no limitation on maximum profits per Share Right for the participants and therefore no maximum social security costs can be calculated.

### **The proposal by the Board of Directors**

Referring to the description above, the Board of Directors proposes that the Annual General Meeting resolves to introduce Performance Share Plan 2015.

### **Majority requirement**

A resolution to introduce Performance Share Plan 2015, in accordance with the Board of Directors' proposal, is valid where supported by shareholders holding more than half of the votes cast at the Annual General Meeting.

## **B) TRANSFER OF SHARES WITH REFERENCE TO PERFORMANCE SHARE PLAN 2015**

### **Background**

In order to implement Performance Share Plan 2015 in a cost-efficient and flexible manner, the Board of Directors has considered different methods for ensuring the delivery of Nobia shares to participants under Performance Share Plan 2015. Based on these considerations, the Board of Directors intends to ensure delivery by transferring shares held by Nobia to the participants. A transfer of Nobia's bought-back shares in this way requires a particularly high majority requirement to be met at the Annual General Meeting. In the event that the Board of

Directors' proposal regarding the transfer of bought-back shares to the participants does not receive the required majority decision, the Board of Directors intends to enter into an equity swap agreement with a third party to secure that delivery of Nobia shares can be made to the participants. If delivery of Nobia shares is ensured by an equity swap agreement, it is proposed that the Board of Directors be entitled to transfer bought-back Nobia shares on Nasdaq Stockholm to finance potential costs related to the agreement and the plan. A transfer of Nobia's bought-back shares in this way requires a qualified majority decision. If no such majority decision is reached, the Board of Directors intends to enter into an equity swap agreement and to finance the agreement in other ways than by way of transfer of bought-back shares.

#### **1) Proposal regarding transfer of bought-back shares to participants**

Therefore, the Board of Directors proposes firstly that the Annual General Meeting resolve on the transfer of bought-back shares in accordance with the terms set out below:

- (i) A transfer of a maximum of 1,500,000 Nobia shares to participants in Performance Share Plan 2015 may be made (or a higher number of shares that may result from a recalculation due to changes resulting from a bonus issue, a share split or a reverse share split, a rights issue or similar actions carried out by Nobia, according to customary practice for corresponding incentive plans).
- (ii) The transfer of shares shall be made free of charge at the relevant time and in accordance with the conditions under which the participants in Performance Share Plan 2015 are entitled to receive allocation of shares.

The reason for the deviation from shareholders' preferential rights is that the transfer of the shares is part of executing Performance Share Plan 2015. Therefore, and in light of the above, the Board of Directors considers it to be to the benefit of Nobia to transfer shares in accordance with the proposal.

#### **2) Proposal on the transfer of bought-back shares on Nasdaq Stockholm**

If the Board of Directors' proposal in item 1) above does not receive the required majority decision, the Board of Directors proposes secondly that the Annual General Meeting resolve on the transfer of bought-back shares as follows. Until the next Annual General Meeting, a transfer may be made on one or more occasions, of maximum 1,500,000 Nobia shares on Nasdaq Stockholm to cover potential costs related to the equity swap agreement or to Performance Share Plan 2015 (or a higher number of Nobia shares that may result from a recalculation due to Nobia implementing a bonus issue, a share split or a reverse share split, a rights issue or similar measures, in accordance with what is customary practice for corresponding incentive plans). The transfer shall take place at the registered spread at the given time.

The reason for the deviation from shareholders' preferential rights is that the transfer of the shares is a step in executing Performance Share Plan 2015. Therefore, and in light of the above, the Board of Directors considers it to be to the benefit of Nobia to transfer the shares in accordance with the proposal.

#### **Majority Requirement**

A resolution to approve the Board of Directors' proposal under item 1 above is valid where supported by shareholders holding no less than nine-tenths of both the votes cast and the

shares represented at the Annual General Meeting. A resolution to approve the Board of Directors' proposal pursuant to item 2) above, which will apply only to the extent that the proposal in item 1) has not received the required majority, is valid where supported by shareholders holding no less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting. The Board of Directors' proposal pursuant to this item B is conditional on the Board of Directors' proposal regarding the introduction of Performance Share Plan 2015 being approved by the Annual General Meeting (see item A above).

### **Proposal regarding authorisation for the Board of Directors to acquire and sell treasury shares (item 19)**

#### *Acquisitions of treasury shares*

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

1. Acquisitions may be made on Nasdaq 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 Stockholm may only be effected at a price within the currently effective registered price interval on Nasdaq 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 twenty (20) per cent.
5. However, the authorisation may be used on one or several occasions only until the 2016 Annual General Meeting.

#### *Sales of bought-back shares*

The Board also proposes that the Annual General Meeting authorise the Board of Directors to resolve to sell bought-back shares in accordance with the following.

1. Sales of shares may only take place outside Nasdaq 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 2016 Annual General Meeting.

The purpose of the authorisation to acquire and sell treasury shares 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

enable the assurance of costs and delivery in connection with all of the Nobia Group's long-term employee share option schemes and performance share plans.

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The Board of Directors' complete proposal regarding the distribution of profit and the Board of Directors' statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act according to item 10, the proposal regarding remuneration guidelines and other employment conditions for the Group management according to item 17, the proposal regarding the performance share plan and sales of treasury shares according to item 18, the proposal regarding authorisation for the Board of Directors to acquire and sell treasury shares and the Board of Directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act according to item 19, the annual accounts according to item 7 and the auditor's statement on the application of remuneration guidelines and other employment conditions for Group management will be available at the company's office at Klarabergsviadukten 70, A5, SE-107 24, Stockholm, Sweden and on the company's website [www.nobia.com](http://www.nobia.com) from 24 March 2015. 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 18 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.

The Report by the Board of Directors on the Remuneration Committee's evaluation of remuneration to senior executives, 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 2015

**Nobia AB (publ)**

*Board of Directors*