

## **ANNUAL GENERAL MEETING OF NOBIA AB (PUBL)**

**The shareholders of Nobia AB (publ) (“Nobia”) are hereby invited to the Annual General Meeting on Thursday, 2 May 2019 at 5:00 p.m. CET at Kapitel 8 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 Thursday, 25 April 2019, and, *secondly* notify Nobia of their participation not later than Thursday, 25 April 2019.

### **Notification of attendance**

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

- By e-mail: bolagsstamma@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

The notification shall state the shareholder’s:

- Name
- Personal identity number/Corporate Registration Number
- Address and daytime telephone number
- Shareholding
- When applicable, 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 to the notification.

### **Proxy**

Shareholders represented by proxy shall issue a dated 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.nobias.com](http://www.nobias.com), and will be sent to shareholders who so request and inform the company of their 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 Thursday, 25 April

2019, entailing that the request for re-registration must be made to the nominee well in advance of this date.

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

Nobia has a total of 170,293,458 shares and votes. Nobia currently holds 1,606,568 treasury shares, corresponding to 1,606,568 votes, which cannot be represented at the Meeting.

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

Shareholders are reminded of their right to, at the Annual General Meeting, 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. Election of members of the Nomination Committee and election of the Chairman of the Nomination Committee;
16. Proposal regarding remuneration guidelines and other employment conditions for the Group management;
17. Proposal regarding the performance share plan and transfer of bought-back shares under the plan;
18. Proposal regarding authorisation for the Board of Directors to acquire and sell treasury shares;
19. Closing of the Meeting.

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

Board of Directors proposes that funds totalling approximately SEK 1,456 million at the disposition of the Annual General Meeting be appropriated such that SEK 4.00 per share, totalling approximately SEK 675 million, be distributed to shareholders as an ordinary dividend and that the remaining amount be carried forward. The Board proposes Monday, 6 May 2019 as the record date. 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 Thursday, 9 May 2019.

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

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 47 per cent of the shares and votes in Nobia.

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

- Chairman of the Board Hans Eckerström be elected Chairman of the Annual General Meeting (item 2);
- The number of members of the Board of Directors shall be seven, 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 410,000. However, the fee payable to the Chairman of the Board of Directors shall be SEK 1,200,000. It is proposed that the fee for the Chairman of the Audit Committee be SEK 150,000 and the fee for members of the Committee be SEK 125,000. It is proposed that no fees be paid for other work in Committees (item 13);
- Re-election of the following current members of the Board of Directors: George Adams, Hans Eckerström, Morten Falkenberg, Nora Førisdal Larssen, Jill Little and Stefan Jacobsson, and election of Marlene Forsell as a new member of the Board of Directors. Lilian Fossum Biner, Christina Ståhl and Ricard Wennerklint have declined re-election. The Nomination Committee proposes that Hans Eckerström be re-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 Deloitte AB with Authorised Public Accountant Daniel de Paula 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);
- The Nomination Committee proposes that the Annual General Meeting elects Peter Hofvenstam representing Nordstjernan, Ricard Wennerklint representing If Skadeförsäkring, Mats Gustafsson representing Lannebo Fonder and Arne Lööv representing the Fourth Swedish National Pension Fund as members of the Nomination Committee until the conclusion of the 2020 Annual General Meeting. The Nomination Committee proposes that Peter Hofvenstam be appointed Chairman of the Nomination Committee (items 15).

By way of information, it is noted that no amendments are proposed to the instructions for the Nomination Committee as adopted at the 2015 Annual General Meeting.

## **Proposal regarding remuneration guidelines and other employment conditions for the Group management (item 16)**

The Board proposes that the Annual General Meeting resolves on the following guidelines for determining remuneration and other employment conditions for the President and other members of Group management. The Group management, including the President, currently comprises 12 persons.

Nobia's policy is that the total remuneration shall correspond to market levels. An on-going evaluation of positions is conducted to ensure market levels in each country.

Members of the Group management receive both a fixed and a variable salary portion. The general principle is that the variable salary portion may amount to a maximum of 40 per cent of the fixed annual salary. The exception to this principle is the President, whose variable salary portion may amount to a maximum of 65 per cent of the fixed annual salary. Exceptions may also be made for other senior executives following a decision by the Board.

The variable salary portion is normally divided into a number of targets, for example the Group's results, results 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 (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. The cost for the variable salary for the Group management may, at maximum outcome, assuming that all bonus targets are met, amount to approximately SEK 16.6 million (excluding social security costs). The calculation is based on the Group management's current composition.

Members of the Group management employed in Sweden are entitled to pensions under the ITP system or equivalent. The age of retirement is 65 years. In addition to the ITP plan, the management has a right to, after resolution by the Board, an expanded premium based pension right on salary portions exceeding 30 base amounts.

The Group management's employment agreements include remuneration and termination provisions. According to these agreements, an employment may normally be terminated by the employee with a notice period of six months and by the company with a notice period of twelve months.

With the purpose of increasing senior executives' engagement and ownership in the company as well as attracting, motivating and retaining key employees within the Group Nobia has, following resolutions on each Annual General Meeting since 2005, executed long-term share-related incentive schemes. The Board of Directors has proposed a long-term share performance plan ahead of the 2019 Annual General Meeting as well. For information regarding the proposed share performance plan, including estimated total cost, please refer to the Board of Director's separate proposal.

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 17)**

The Board of Directors proposes that the Annual General Meeting resolves on the performance share plan ("**Performance Share Plan 2019**") for the company and on the transfer of bought-back shares, according to items A), B) and C) below.

## **A) PERFORMANCE SHARE PLAN 2019**

### **Participants in Performance Share Plan 2019**

Performance Share Plan 2019 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 11 members of the Group management and the third category comprises approximately 88 other employees in senior positions within the Nobia Group.

### **The personal investment and allocation of share rights**

To participate in the plan the participant is required to acquire shares in Nobia (“**Saving Shares**”) to a value corresponding to either 25, 50, 75 or 100 per cent of the participant’s monthly salary in March 2019 before tax. The number of share rights that a participant can be allocated depends on the category to which the participant belongs.

Allocation of Nobia shares shall normally take place within two weeks after announcement of Nobia’s interim report for the first quarter of 2022 (the “**Vesting Period**”, which begins when the participant signs an agreement on participation in the plan).

### **Terms for share rights**

The following conditions apply to share rights:

- Share rights are allocated free of charge.
- The participants are not entitled to transfer, pledge or divest the share rights or exercise any shareholders’ rights regarding the share rights during the Vesting Period.
- To be entitled to receive shares under the share rights, it is required, with certain exemptions, that the participant remains employed within the Nobia Group and that none of the Saving Shares acquired initially have been disposed of during the vesting period. In addition, allocation of shares requires that Nobia has fulfilled performance targets.
- If Nobia pays dividends to the shareholders, the participants will be compensated by an increase in the number of shares that each share right qualifies for.

### **Performance targets**

The share rights are divided into Series A and Series B according to the different performance targets included in Performance Share Plan 2019. Out of the allocation of share rights to each participant, half of the rights shall be of Series A and half of the rights shall be of Series B. The number of Nobia shares that will be awarded on the basis of the share rights depends on fulfilment of the performance targets for each series. The Board of Directors shall establish a minimum level and a maximum level for each performance target.

**Series A** Allocation requires that target levels established by the Board of Directors are achieved related to average operating profit during the financial years 2019-2021. The Board of Directors will adjust the outcome for items affecting comparability and for effects of any bought-back shares in Nobia. Furthermore, allocation requires that the total shareholder return (TSR) of the Nobia share during a measure period (see below) is not negative.

**Series B** Allocation requires that targets levels are achieved related to the average total shareholder return (TSR) for the Nobia share during a measure period (see below). The maximum level, which entitles to full allocation, requires that the average total shareholder return (TSR) for the Nobia share per year amounts to 12.5 per cent during the measure period. The minimum level for allocation

requires that the average total shareholder return (TSR) for the Nobia share per year amounts to 5 per cent during the measure period.

The total shareholder return (TSR) of the Nobia share is measured as follows. The start value is the average volume weighted price paid (index value) for the Nobia share on Nasdaq Stockholm during the five working days preceding the day of transfer of shares to the participant according to item B) below and the end value is the average volume weighted price paid for the Nobia share on Nasdaq Stockholm during the five working days after the announcement of Nobia's year-end report 2022. When calculating the total shareholder return, any dividends to the shareholders during the measure period shall also be considered.

If the established minimum levels for the performance targets are achieved, the share rights will entitle to 25 per cent allocation. If the minimum level in the range is not achieved, the share rights will not give entitlement to any allocation while each share right gives entitlement to one Nobia share if the maximum level in the range is achieved. Between the minimum level and the maximum level, allocation will be linear, based on the values in between.

### **Scope, hedging, costs and the value**

The maximum number of shares in Nobia that can be allocated under Performance Share Plan 2019, including the shares that may be divested on Nasdaq Stockholm to cover costs related to Performance Share Plan 2019, shall be limited to 1,500,000 (subject to recalculation), which represents approximately 1 per cent of the outstanding shares and votes. In order to secure the delivery of Nobia shares under Performance Share Plan 2019, 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 (pursuant to item C) below). If the maximum level for both performance targets is achieved, the estimated value increase over three years is approximately SEK 4 billion whereof approximately SEK 71 million, or 2 per cent, is expected to go to the participants of the plan. Based on the assumptions *inter alia* that all persons who have been offered participation in the plan participate, that the participants make maximum investments, that there is a full achievement of the maximum levels of both performance targets, that approximately 80 per cent of the participants stay in the plan and with certain estimated social security costs, the aggregate estimated costs are approximately SEK 36 million. 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 2019.

### **Majority requirement**

A resolution to introduce Performance Share Plan 2019, 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 SAVING SHARES TO PARTICIPANTS UNDER PERFORMANCE SHARE PLAN 2019**

### **Background**

Nobia has 1,606,568 bought-back shares from before. Nobia assesses it appropriate and effective, both for Nobia and for participants, to give the participants the possibility to acquire Saving Shares directly from Nobia for Performance Share Plan 2019 as opposed to acquiring

shares on the stock market.

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

The Board of Directors therefore proposes that the Annual General Meeting resolves on the transfer of bought-back shares in accordance with the terms set out below:

- (i) Transfer can be made of a maximum of 300,000 Nobia shares to participants in Performance Share Plan 2019 to be used as Saving Shares in Performance Share Plan 2019.
- (ii) The transfer of shares shall be made at market value which shall be an amount equivalent to the average volume weighted price paid for the Nobia share on Nasdaq Stockholm during a period of five working days preceding the day transfer is made to the participant in question under Performance Share Plan 2019. Transfer of shares shall take place at a time during the period 15 May-31 October 2019.

The reason for the deviation from shareholders' preferential rights is that the transfer of the shares is part of executing Performance Share Plan 2019. 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.

**Majority requirement**

The Board of Directors' proposal under item 1) above is valid if supported by shareholders holding no less than nine-tenths 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 upon that the Board of Directors' proposal on Performance Share Plan 2019 is approved by the Annual General Meeting (item A) above). To the extent that the Board of Directors' proposal on transfer of bought-back shares to the participants according to item 1) above does not hold the required majority, the Board of Directors intends to let the participants acquire Saving Shares on the stock market.

**C) TRANSFER OF SHARES UPON ALLOCATION UNDER PERFORMANCE SHARE PLAN 2019**

**Background**

In order to implement Performance Share Plan 2019 in a cost-efficient and flexible manner, the Board of Directors has considered different methods for ensuring the delivery of Nobia shares to participants upon allocation under Performance Share Plan 2019.

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 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, 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.

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

The Board of Directors therefore proposes that the Annual General Meeting resolves on the transfer of bought-back shares in accordance with the terms set out below:

- (i) Transfer can be made of a maximum of 1,500,000 Nobia shares to participants in Performance Share Plan 2019 (or a higher number that may result from a recalculation due to Nobia implementing a bonus issue, a share split or a reverse share split, a new share issue or similar measures, in accordance with what is

customary practice for corresponding incentive plans).

- (ii) The transfer of shares shall be made without payment and at the time according to the terms and conditions when the participants in Performance Share Plan 2019 are entitled to receiving 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 2019. 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.

### **Majority requirement**

The Board of Directors' proposal under item 1) above is valid if supported by shareholders holding no less than nine-tenths of both the votes cast and the shares represented at the Annual General Meeting. The Board of Directors' proposal pursuant to this item C is conditional upon that the Board of Directors' proposal on Performance Share Plan 2019 is approved by the Annual General Meeting (item A) above).

### **Proposal regarding authorisation for the Board of Directors to acquire and sell treasury shares (item 18)**

#### *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 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. The authorisation may be used on one or several occasions, but only until the 2020 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 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 2020 Annual General Meeting.

The purpose of the abovementioned authorisations to acquire and sell treasury shares is to finance the acquisition of operations through payment with treasury shares and to continuously be able to 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 the Nobia Group's long-term 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 16, the proposal regarding the performance share plan and sales of treasury shares according to item 17, 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 18, 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) at the latest three weeks before the Annual General Meeting. These documents will also be sent to shareholders who so request and inform the company of their address. The Board of Directors' complete proposal regarding item 17 will also 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 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).

For information about the processing of personal data, please refer to the integrity policy on the Euroclear Sweden AB website, <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Stockholm, April 2019  
**Nobia AB (publ)**  
*Board of Directors*