

## **Notice to attend the Annual General Meeting of Addtech AB (publ)**

The shareholders of Addtech AB (publ), reg. no. 556302-9726, are hereby given notice to attend the Annual General Meeting to be held at 1:00 pm CET on Thursday the 29 August 2019, at IVA's Konferenscenter, Grev Turegatan 16, Stockholm. Registration for the meeting commences at 12:30 pm CET.

### **NOTICE OF PARTICIPATION**

Shareholders who wish to attend in the proceedings of the Annual General Meeting must:

- be entered in the shareholders' register kept on behalf of the company by Euroclear Sweden AB, as of Friday, 23 August 2019; and
- notify the Company's head office at Addtech AB (publ), Box 5112, SE-102 43 Stockholm, Sweden or by telephone +46 8 470 49 00, or by fax +46 8 470 49 01, or via e-mail to [info@addtech.com](mailto:info@addtech.com) no later than by 3:00 pm on Friday the 23 August 2019. The notification must contain the shareholder's name, social security number (registration number), address, telephone number and the number of shares represented as well as any attending counsel, maximum two.

Personal data obtained from the share register kept by Euroclear Sweden AB, notices and attendance at the meeting and information on representatives, proxies and assistants will be used for registration, preparation of the voting list for the meeting and, where appropriate, the minutes of the meeting. Personal data is handled in accordance with the Data Protection Regulation (European Parliament and Council Regulation (EU) 2016/679). For full information regarding the Company's handling of personal data, please refer to our privacy policy: <https://www.addtech.se/legal-rights/>.

Shareholders whose shares are registered under a trustee must temporarily register their shares in their own name in order to exercise their voting rights at the Annual General Meeting. Such registration must be completed as of Friday the 23 August 2019 in order for due registration to take place.

If participation will be by proxy, the shareholder shall issue a written, signed and dated proxy together with any documents verifying authority. Proxies for legal entities must also be accompanied by a certificate of incorporation or equivalent document verifying authority. A copy of the proxy and any certificate of incorporation should, in advance, before the meeting be sent to the Company at the above address. The original proxy shall also be presented at the meeting. The Company provides the shareholders with proxy forms, which can be obtained at the Company's head office or on the Company's website [www.addtech.com/general-meeting/](http://www.addtech.com/general-meeting/) latest on Thursday the 8 August 2019.

### **PROPOSED AGENDA**

1. Opening of the Meeting.
2. Election of Chairman to preside over the Meeting.
3. Preparation and approval of Electoral Register.
4. Approval of the agenda.
5. Election of one or two persons to approve the Minutes.
6. Determination of whether the Meeting has been properly convened.

7. Presentation of the Annual report and the Audit Report and the Consolidated Financial Statements and the Consolidated Audit Report.
8. Presentation by the CEO.
9. Resolutions
  - a. regarding adoption of the Income Statement and the Balance Sheet and the Consolidated Income Statement and the Consolidated Balance Sheet,
  - b. regarding allocation of the Company's profit in accordance with the duly adopted Balance Sheet, and
  - c. regarding discharge from liability for the members of the Board of Directors and the CEO.
10. Report on the work of the Nomination Committee.
11. Determination of the number of Board members.
12. Resolution of fees for the Board of Directors and the Auditor.
13. Election of Board members and Chairman of the Board of Directors.
14. Election of Auditor.
15. Resolution regarding guidelines for remuneration of members of senior management.
16. Resolution regarding issuing call options for repurchased shares and the transfer of repurchased shares to management personnel (the "2019 Share-Related Incentive Scheme").
17. Resolution regarding authorisation for the Board of Directors to decide on the purchase and conveyance of own shares.
18. Closing of the Meeting.

#### **THE NOMINATION COMMITTEE'S PROPOSED RESOLUTION WITH RESPECT TO ITEMS 2 AND 11-14 ON THE AGENDA**

It was resolved at the Annual General Meeting 2012 that the principles of appointing the Nomination Committee shall be in force until further notice. In accordance with these principles, the Chairman of the Board has contacted the Company's five largest registered shareholders in terms of votes as of 31 December 2018 and asked them to appoint members together with the Chairman to constitute the Nomination Committee for the Annual General Meeting 2019.

The Nomination Committee consists of Anders Börjesson (Chairman of the board), Tom Hedelius, Åsa Nisell (appointed by Swedbank Robur fonder), Mats Gustafsson (appointed by Lannebo fonder) and Johan Strandberg (appointed by SEB Investment Management). Anders Börjesson is the Chairman of the Nomination Committee. The Nomination Committee, whose members represent 47,4 percent of the votes in the Company, has announced the following proposals:

#### **2. Election of the Chairman to preside over the Meeting**

The Chairman of the Board, Anders Börjesson, is proposed as Chairman to preside over the Meeting.

#### **11. Determination of the number of Board members**

The Nomination Committee proposes that the Board of Directors shall consist of seven Board members.

#### **12. Determination of fees for the Board of Directors and the Auditor**

The fees are as follows: SEK 740,000 to the Chairman of the Board and SEK 370,000 to each of the other Board member appointed by the Annual General Meeting who are not employed by the Company and additionally SEK 50,000 to each member of the Remuneration Committee. Total fees amount to SEK 3,060,000.

Subject to Swedish law and requiring an agreement with the Company, a Board member may invoice the Company such fees, including any social security charges and VAT, from a legal entity owned by the member. Such a procedure must be cost neutral for the Company.

Audit fees will be paid according to approved invoice.

#### **13. Election of Board members and Chairman of the Board of Directors**

Re-election of the Board members Anders Börjesson, Eva Elmstedt, Kenth Eriksson, Henrik Hedelius, Ulf Mattsson, Malin Nordesjö and Johan Sjö.

Anders Börjesson is proposed to be re-elected as Chairman of the Board.

Further information about the proposed directors is available on [www.addtech.se](http://www.addtech.se).

#### **14. Election of Auditor**

The Nomination Committee proposes that the Annual General Meeting shall elect the auditing company KPMG AB. KPMG AB has notified that the authorized auditor Joakim Thilstedt remain as Auditor in charge.

### **PROPOSAL BY THE BOARD OF DIRECTORS WITH RESPECT TO RESOLUTIONS UNDER ITEMS 9b AND 15-17**

#### **9b. Resolution with respect to disposition of the Company's profit according to the adopted Balance Sheet.**

The Board of Directors proposes that the profit is allocated so that MSEK 336 (268) is distributed to shareholders and that the remaining part of the Company's earnings, MSEK 254 (404), is carried forward.

This means that the Board of Directors proposes to distribute to the shareholders a dividend of SEK 5.00 (4.00) per share and that Monday the 2 September 2019 shall be the record date for receiving the dividend.

If the Annual General Meeting resolves in accordance with the proposal, the dividend is estimated to be transferred through Euroclear Sweden AB on Thursday the 5 September 2019 to those who are registered in the share register on the record date.

## **15. Resolution regarding guidelines for remuneration to members of senior management**

The Board of Directors proposes that the Annual General Meeting passes a resolution on guidelines for remuneration to members of senior management with the following main terms:

The guidelines shall apply for remuneration to the CEO and the other members of Addtechs's Group management (the "Group Management").

Addtech strives to offer total remuneration which is reasonable and competitive, and which thereby serves to attract and retain qualified employees. The total remuneration, which varies in relation to the individual's and the Group's performance, may consist of the components set out below.

Fixed salary shall constitute the basis for the total remuneration. The salary shall be competitive and reflect the responsibilities of the position. The fixed salary shall be reviewed annually.

Variable salary is primarily based on the Group's earnings growth, profitability and cash flow. The annual variable portion may amount to a maximum of 40 percent of the fixed salary.

The Board of Directors will evaluate on an annual basis whether a long-term incentive scheme shall be proposed to the Annual General Meeting or not, and if so, whether the proposed long-term incentive scheme shall include transfer of shares in the Company.

Retirement pension, health care benefits and medical benefits shall be designed in such a way as to reflect rules, regulations and established practice on the market. Pension plans shall be defined cost to the greatest extent possible. Other benefits may be provided to individual members or the entire Group Management and designed in relation to established practice on the market. Such benefits shall not constitute a significant portion of total remuneration.

Members of Group Management are obliged to comply with a 6-month period of notice in the event of termination at the initiative of the employee and shall have a right to a maximum of a 12-month period of notice in the event of termination at the initiative of the Company. Upon termination by the Company, members of the Group Management shall have the right to a severance payment equivalent to a maximum of 12 months' salary, in addition to salary and other employment benefits during the period of notice. No severance payment shall be payable in the event of termination at the initiative of the employee.

The Board of Directors shall have the right, in individual cases and where special reasons exist to deviate from the above-mentioned guidelines for remuneration. In the event of any such deviation, information about this and the reasons for the deviation shall be presented at the following Annual General Meeting.

The Remuneration Committee, appointed by the Board of Directors, prepares and submits proposals to the Board of Directors regarding remuneration to the CEO. Based on proposals by the CEO, the Remuneration Committee sets the remuneration to the other members of the Group Management. The Board of Directors is informed of the decisions of the Remuneration Committee.

The above guidelines are a complete presentation of the proposal for a decision at the Annual General Meeting.

**16. Resolution regarding issuing call options for repurchased shares and the transfer of repurchased shares to management personnel (the “2019 Share-Related Incentive Scheme”)**

The Board of Directors proposes that the Annual General Meeting should pass a resolution to adopt a long-term incentive scheme, the 2019 Share-Related Incentive Scheme (the “Scheme”). The Scheme is proposed to include approximately 25 members of management personnel within the Addtech Group in which the participants are being given the opportunity to acquire, at market price, call options relating to class B shares in Addtech AB (publ) (the “Company”) repurchased by the Company, with the participants receiving a certain subsidy on premiums paid for the options after two years.

The proposal of the Board of Directors also means that the Annual General Meeting approves that the Company transfers – with deviation from the shareholders’ preferential rights – up to 300,000 of the Company’s repurchased class B shares to the option holders at the agreed exercise price in connection with any exercise of the call options (subject to any recalculations). The Board of Directors’ proposal ultimately means that the Annual General Meeting approves that the Series B shares that the Company acquired in accordance with previous authorization are allowed to be transferred in order to secure delivery of shares under the proposed Scheme. The company currently holds a total of 993,418 shares of series B in the Company.

This proposal has been prepared by the Company’s Remuneration Committee in consultation with the Company’s Board of Directors. The decision to propose the Scheme to the Annual General Meeting has been taken by the Board of Directors. The Company’s directors are not included in the Scheme.

The Scheme involves the following main terms and conditions:

- a) The number of call options to be issued shall not exceed 300,000, corresponding to approximately 0.4 percent of the total number of shares and approximately 0.3 percent of the total number of votes in the Company (shares class B held by the Company are included). Each call option entitles the holder to acquire one (1) repurchased class B share in the Company during the period from 5 September 2022 to 2 June 2023. Shares may not, however, be purchased during any such period when trading in the Company’s shares is forbidden in accordance with regulation (EU) no 596/2014 of the European Parliament and of the Council of April 16 2014 on Market Abuse (or any other equivalent legislation which applies at any given time).
- b) The purchase price for shares upon exercise of the options shall correspond to 120 percent of the volume-weighted average of the price paid for the Company’s B shares on Nasdaq Stockholm during the period from 30 August 2019 to 12 September 2019. If, at the time of subscription, the share price of class B shares in the Company exceeds 200 percent of the average price during the period 30 August 2019 until 12 September 2019, the exercise price will be increased in increments of SEK 1 for every SEK that the price by the amount that exceeds 200 percent.
- c) The right to acquire call options shall be granted to the Group Management and further approximately 20 members of management within the Addtech Group who are directly able to influence the Group’s profits. The CEO shall be offered a maximum of 30,000 call options, other members of the Group management shall be offered a maximum of 25,000 call options per individual, and other management personnel will be offered a maximum of 12,500 call options.

- d) If a person who is entitled to an allocation refrains in full or in part from acquiring call options offered to them, such un-acquired call options shall be divided on a pro rata basis between those persons who are entitled to an allocation and who have, in writing, expressed their interest in acquiring additional call options. Persons who are entitled to an allocation may not come to acquire more than an additional 30 percent of the original number of call options offered in this manner.
- e) The Board of Directors shall establish the final distribution of call options according to the principles outlined in items c) and d) above, as well as the number of call options the employees within each category shall be offered to acquire.
- f) Notice of acquiring call options must be given no later than 17 September 2019.
- g) The premium for the call options shall correspond to the market value of the call options according to an external independent valuation, applying the Black - Scholes model. The measuring period for calculating the option premium will be based on the volume-weighted average of the price paid for the shares of class B in the Company on Nasdaq Stockholm during the period from 6 September 2019 until 12 September 2019.
- h) Issuing call options to employees outside Sweden is dependent on tax effects, that there is no legal impediment, and that the Board of Directors determines that such allocation can be carried out with reasonable administrative and financial resources. The Board of Directors shall be entitled to make such minor amendments to the Scheme as required by applicable foreign legislation and regulations.
- i) The call options are freely transferable.
- j) The number of shares which the call options bring entitlement to acquire and the exercise price may be recalculated as a result of e.g. bonus issues, share consolidations or splits, new issues, a reduction in the share capital or similar actions. The time at which shares are transferred may be brought forward as a result of any merger or similar actions.
- k) In order to encourage participation in the Scheme, a subsidy can be paid corresponding to the premium paid for each call option. This subsidy shall in that case be paid during September 2021.
- l) The company has the right to repurchase the call options by the holder if the holder does not wish to use all acquired call options and has notified the Company about this. Acquisition of options shall occur at a price which at the time was equivalent to no more than the market value. Repurchase of call options cannot be made during such period when trading with shares in the Company is prohibited by Article 19 of the European Parliament and Council Regulation (EU) No 596/2014 of 16 April 2014 on market abuse (market abuse regulation), or the prevailing corresponding legislation.
- m) The Board of Directors shall, within the framework of the above conditions and policies be responsible for the preparation and management of the Scheme.

The costs of the Scheme consist of the subsidy paid during September 2021 as detailed above and the social security charges payable on this subsidy. The total cost of the subsidy, including social security charges, has been estimated to approximately MSEK 6.5 after corporate tax (calculated based on the prevailing market conditions on 9 July 2019). Against this subsidy, the option premium corresponds to a total of approximately MSEK 6.2 which the Company will receive on transferring the call options (calculated based on the prevailing market conditions on 9 July 2019), as a result of which the Scheme will not involve any material net charge to the Company's equity.

The reason for deviation from the shareholders' preferential rights and the Board of Directors' reasons for carrying out this Scheme is that senior management within the Addtech Group should be able to benefit from and strive for, through their own investment, an increase in the price of the Company's shares, thus more closely aligning the interests of senior managers and the Company's

shareholders. The purpose of the Scheme is also to contribute towards management personnel increasing their long-term shareholdings in the Company. The Scheme is also expected to create conditions for retaining and recruiting competent personnel for the Addtech Group, to provide competitive remuneration and to align the interests of the shareholders and management. The members of management included in the Scheme are the group that, in an otherwise heavily decentralized organization, can create positive effects through cooperation between the Group's subsidiaries. On the basis of this, the Board of Directors believes that the introduction of the Scheme will have a positive effect on the continued development of the Addtech Group, and that the Scheme will benefit both the shareholders and the Company.

The Company has three long-term incentive schemes since earlier, the 2016, 2017 and 2018 Share Related Incentive Schemes.

In the Share-based Incentive Scheme of 2016, there are a total of 300,000 outstanding call options, which entitles the acquisition of 300,000 shares of class B in the Company. The exercise price for these call options was set at SEK 159.00 per share and the exercise period covers the time from 16 September 2019 to 5 June 2020.

In the Share-based Incentive Scheme of 2017, there are a total of 300,000 outstanding call options, which entitles the acquisition of 300,000 shares of class B in the Company. The exercise price for these call options was set at SEK 178,50 per share and the exercise period covers the time from 14 September 2020 to 4 June 2021.

In the Share-based Incentive Scheme of 2018, there are a total of 300,000 outstanding call options, which entitles the acquisition of 300,000 shares of class B in the Company. The exercise price for these call options was set at SEK 232,90 per share and the exercise period covers the time from 6 September 2021 to 3 June 2022.

All underlying 900,000 shares of class B in the Company of outstanding options correspond in their entirety to the already repurchased class B shares in the Company.

The resolution proposed by the Board of Directors in accordance with item 16 must be approved by shareholders representing not less than nine tenths of the votes cast and shares represented at the Annual General Meeting.

#### **17. Resolution to authorize the Board of Directors to decide on the acquisition and transfer of own shares**

The Board of Directors proposes that the Annual General Meeting passes a resolution authorizing the Board of Directors to decide – during the period until the next Annual General Meeting – to acquire a maximum number of class B shares so that the Company's holding of own shares at any given time does not exceed 10 percent of the total number of shares outstanding in the Company. Acquisition shall be made on Nasdaq Stockholm in accordance with stock exchange regulations at a price within the, at each time, registered price interval, which is the interval between the highest purchase price and the lowest sale price. The acquisition will be paid in cash and must be made on one or several occasions.

The Board of Directors further proposes that the Annual General Meeting authorizes the Board of Directors – during the period until the next Annual General Meeting – to sell its own shares in ways

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other than on Nasdaq Stockholm. The authorization may be exercised on one or more occasions and covers all shares held by the Company at the time of the decision of the Board of Directors. The authorization includes the right to decide to deviate from shareholders' preferential rights and that payment may be effected in forms other than money.

The purpose of the authorization is to adapt the Group's capital structure and to enable companies or business operations to be acquired in the future through payment with own shares. The holding of own shares also safeguards the Company's obligations under the share-based incentive Scheme resolved at the Annual General Meeting in 2016, 2017 and 2018 and the Share-Related Incentive Scheme proposed under item 16 above.

The resolution proposed by the Board of Directors in accordance with point 17, must be approved by shareholders representing not less than two thirds of the votes cast and shares represented at the Annual General Meeting.

## **SHARES AND VOTES**

The Company has issued a total of 68,198,496 shares, of these are 3,229,500 class A shares and 64,968,996 are class B shares, of which the Company holds 993,418 shares. The total number of votes, after deduction of the shares the Company holds, is 96,270,578. This information relates to the situation at the time of issuing this notice.

## **SHAREHOLDERS RIGHT TO REQUEST INFORMATION**

Pursuant to Chapter 7, section 32 of the Swedish Companies Act (*Sw. aktiebolagslagen*), the Board of Directors and the managing director are under a duty to, if any shareholder so requests and the Board of Directors deems that it can be made without material damage to the company, provide information at the Annual General Meeting, regarding circumstances which may affect the assessment of a matter on the agenda or the company's economic situation. The duty of disclosure also includes the Company's relationship to other group companies, the consolidated accounts and such circumstances regarding subsidiaries which are set out in the preceding sentence.

## **DOCUMENTATION**

Accounting documents, the auditor's report and the Board of Directors' complete proposals in accordance with points 9b (including the Board of Directors' statement in accordance with chapter 18, section 4 of the Swedish Companies Act), 15 (including the auditor's statement in accordance with Chapter 8, section 54 of the Swedish Companies Act and the Nomination Committee's assessment of incentive schemes and application of the guidelines for remuneration to senior management approved by the Annual General Meeting), 16 and 17 (including the Board of Directors' statement in accordance with chapter 19, section 22 of the Swedish Companies Act) of the agenda will be available at the Company no later than Friday, 19 July 2019 and will be sent to shareholders who so request and provide their postal address.



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**ADDTECH**

These documents will also be available on the Company's website on the same date. The Nomination Committee's proposals and reasoned opinions and details of all proposed members of the Board of Directors will be available on the Company's website from the date of issuances of this notice.

*Stockholm, July 2019*

*The Board of Directors*

*Addtech AB (publ)*

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