

## Notice of Annual General Meeting 2020 of AB Fagerhult (publ)

Shareholders of AB Fagerhult (publ), Corporate Identity Number 556110-6203 (“Fagerhult” or the “Company”), are hereby given notice of the Annual General Meeting of the Company to be held on Tuesday, 23 June 2020 at 1:00 p.m. in Fagerhult, Fagerhus, Fagerlidsvägen 1, SE-566 92, Habo, Sweden.

### **INFORMATION REGARDING REMOTE PARTICIPATION IN THE ANNUAL GENERAL MEETING 2020**

In light of the outbreak of the Covid-19 virus and for the safety of all shareholders, the Company encourages its shareholders not to attend the 2020 Annual General Meeting (the “AGM”) in person, especially such shareholders who may and/or are assessed to be in a risk group for the Covid-19 virus or such shareholders who show signs or symptoms identified by the authorities as signals to adhere to social distancing and not participate in gatherings etc.

New temporary legislative rules allow the Company to arrange postal voting for the AGM; i.e. that those who do not wish to attend the meeting in person or remotely can submit their vote to the Company in advance. Due to the current situation shareholders are therefore requested to vote by post or, alternatively, attend by way of a proxy holder. More information regarding voting by post and proxy services can be found on the Fagerhult’s website [www.fagerhultgroup.com](http://www.fagerhultgroup.com).

### **SPECIAL ARRANGEMENTS IN VIEW OF THE COVID-19 VIRUS**

The continued spread of the Covid-19 virus remains difficult to assess with any certainty. Fagerhult is mindful of the health of our shareholders, the Company’s members of the Board of Directors and of its employees and will comply with all applicable restrictions and limitations. As a further precautionary measure, the Company has decided to implement special arrangements at the AGM, including the following:

- Not all members of the Board of Directors of the Company will be present at the AGM and the Chairman of the Board of Directors will not provide his customary opening speech. Instead, the members of the Board of Directors will be available by phone, standing by to convene should the need arise. Furthermore, Fagerhult’s President and Chief Executive Officer Bodil Sonesson will not give her customary presentation. Bodil Sonesson will also be available by phone during the AGM should the need for her participation arise;
- The questions raised at the meeting will focus on the agenda items and other information that the participants have a legal right to receive. There will therefore be no general question session at this meeting. Shareholders may and are encouraged to email any questions in advance of the AGM by sending an email to [AGM2020@fagerhultgroup.com](mailto:AGM2020@fagerhultgroup.com) before 12.00 on 16 June 2020 and received questions will be addressed at the AGM by the Chairman of the Board of Directors; and

- The AGM will not be held in the usual location but in a meeting room separated from the Company's operations facilities. No food or refreshments will be served before or afterwards, there will be no time available for mingling/meeting and the traditional factory tour is cancelled.

Fagerhult may decide on additional precautionary measures in connection with the meeting. Information and any updates on the special arrangements in view of the spread of Covid-19 virus can be found on Fagerhult's website at [www.fagerhultgroup.com](http://www.fagerhultgroup.com).

## **A. REGISTRATION**

Shareholders wishing to take part in the AGM must be registered in the shareholders' register kept by Euroclear Sweden AB no later than Tuesday, 16 June 2020 and register their attendance with Fagerhult no later than 16 June 2020.

Registration can be done via the website [www.fagerhultgroup.com](http://www.fagerhultgroup.com) or by telephone on +46 (0)8-402 9019 or by post to AB Fagerhult, Årsstämma, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. When registering, shareholders are required to indicate their name, personal/corporate identity number, address, telephone number, registered shareholding along with information on any proxies and assistants. Persons attending the AGM under a power of attorney are required to submit the power of attorney to Fagerhult before the meeting. Please note the above mentioned regarding authorities' guidelines and restrictions for persons showing signs and/or symptoms. Such guidelines and restrictions shall apply also to proxy holders.

Holders of nominee-registered shares must, to be entitled to attend the AGM, temporarily have their shares registered in their own name through their nominee to ensure that they are registered in the shareholders' register before 16 June 2020.

Information on documents that will be presented at the AGM are available on the Company's website, [www.fagerhultgroup.com](http://www.fagerhultgroup.com).

## **Privacy policy for processing of personal data in conjunction with general meeting**

For information on how your personal data is processed, see:

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

## **B. PROPOSED AGENDA**

1. Opening of the AGM
  2. Election of a Chairman for the AGM
  3. Preparation and approval of the list of voters
  4. Approval of the agenda
  5. Election of minute-checkers
  6. Determination of whether the AGM has been duly convened
  7. Presentation of the annual report and audit report and the consolidated accounts and consolidated audit report
  8. Resolution on adoption of the income statement and balance sheet and the consolidated income statement and balance sheet
  9. Resolution on the distribution of the Company's profit or loss according to the adopted balance sheet
  10. Resolution on release from liability for Directors and the CEO
  11. Determination of the number of Directors and Deputy Directors
  12. Determination of fees to be paid to the Directors and auditors
  13. Election of a Chairman and Vice Chairman of the Board and other Directors
  14. Election of auditors
  15. Authorisation of the Board of Directors to buy back shares of the Company during the period until the next AGM
  16. Principles for the composition of the Nomination Committee
  17. Determination of principles for remuneration to senior management
  18. Resolution on the Board of Director's proposed amendments to the articles of association.
  19. Closure of the AGM
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## **Item 2 Proposed election of a Chairman for the AGM**

A Nomination Committee consisting of Jan Svensson as Chairman of the Board of AB Fagerhult (co-opted not entitled to vote), Johan Hjertonsson representing Investment AB Latour, Johan Ståhl representing Lannebo Funds, Evert Carlsson representing Swedbank Robur and Adolfo Guzzini representing Fimag S.p.A proposes that Jan Svensson be appointed to chair the AGM.

## **Item 9 Proposed dividend**

As previously announced in the press release dated 17 April 2020, the Board of Directors proposes that this AGM resolves that no dividend be paid and that the available profits be carried forward.

## **Item 11 Proposal for the number of Directors**

The Nomination Committee proposes that the AGM appoint six Directors with no Deputy Directors.

## **Item 12 Proposal for fees to be paid to the Directors and auditors**

The Nomination Committee proposes that fees be paid to the members of the Board of Directors, be unchanged from the fees resolved upon at the 2019 Annual General Meeting as follows: SEK 750,000 to the Chairman of the Board and SEK 350,000 to each of the other non-executive Directors. It is thus proposed that total Directors' fees of SEK 2,500,000 be paid. It is proposed that the Chairman of the Audit Committee be paid SEK 100,000 and other member(s) of the Audit Committee be paid SEK 75,000. It is proposed that fees be paid to the auditors on the basis of approved invoices, as in previous years.

## **Item 13 Proposal for election of a Chairman of the Board, a Vice Chairman of the Board and other Directors**

The Nomination Committee, representing owners holding approximately 60.8 per cent of the capital and votes, proposes that the regular directors Jan Svensson, Eric Douglas, Cecilia Fasth, Morten Falkenberg, Annica Bresky and Teresa Enander be re-elected to the Board.

It is proposed that Jan Svensson be appointed Chairman and that Eric Douglas be appointed Vice Chairman.

## **Item 14 Election of auditors**

The Nomination Committee proposes that PricewaterhouseCoopers AB be appointed auditors for the period until the next AGM.

## **Item 15 Purchase of shares**

The Board of Directors proposes that the AGM resolve to authorise the Board to purchase, during the period until the next AGM, shares up to a maximum of 10 per cent of all outstanding shares of the Company at any given time. Shares may be purchased on Nasdaq Stockholm at a price which is within the registered spread, defined as the spread between highest bid price and lowest ask price. Purchases may be made on one or several occasions.

A resolution of the AGM adopting the Board's proposal under this item requires the approval of shareholders representing at least two-thirds of the votes cast and represented at the AGM.

## **Item 16 Proposal regarding principles for the composition of the Nomination Committee**

The Nomination Committee proposes that the AGM continue to adopt the principles for the composition of the Nomination Committee for the 2020 AGM as was adopted for the 2018 and 2019 AGMs, primarily as follows:

AB Fagerhult is to have a Nomination Committee comprising a representative of each of the four largest shareholders or owner groups in terms of the number of votes plus the Chairman of the Board who shall be co-opted ("adjungerad") without the right to vote.

The Nomination Committee is to be formed after the Chairman of the Board has identified the four largest shareholders in the Company in terms of the number of votes that are to make up the Nomination Committee along with the Chairman. The identity of these shareholders is to be based on the shareholders' register and list of nominees maintained by Euroclear Sweden AB and refer to those shareholders registered under their own names or as members of an owner group as per 31 August 2020. It is not necessary to change the composition of the Nomination Committee if only marginal changes in the ownership of shares occur after this control date.

If one of the four largest shareholders waives their right to appoint a representative, this right is then transferred to the next shareholder that has the largest shareholding of the shareholders not identified as one of the four largest shareholders on the same date. The names of the four members and the names of the shareholders that they represent are to be published not later than in connection with the Company's interim report for the third quarter, and the name of the people who can be contacted to discuss Nomination Committee matters is also to be published. The mandate period of the Nomination Committee is until a new Nomination Committee is appointed.

## **Item 17 Proposal for principles for remuneration to senior management**

The Board of Directors proposes that the AGM approve the following guidelines for remuneration to senior management. Senior management refers to the CEO and Group Management.

The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the AGM. These guidelines do not apply to any remuneration decided or approved by the general meeting of the Company.

For information regarding the Company's business strategy, please see [www.fagerhultgroup.com](http://www.fagerhultgroup.com).

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration.

These guidelines enable the Company to offer the executive management a competitive total remuneration.

The remuneration to senior management supports the Company's strategy and long term development and sustainability in several ways. Firstly, the total compensation is scheduled during the current year as a basic salary plus the annual bonus aimed at improving the overall result. Most importantly the long-term incentive scheme seeks performance in the longer, two-three year term by focusing on sustained delivery. Secondly, the annual bonus scheme is frequently focused on specific longer term aspects, for example sustained growth. Also, the annual schemes and long term schemes tie employees in together working in teams. Fixed annual basic salaries for staff and senior management are reviewed simultaneously, thereby ensuring consistency of levels of increase. Often, there are many members of staff who are offered an annual bonus scheme, which again is tied to similar performance criteria to those of senior management. The establishment and development of the executive remuneration policy is made by a combination of the board and the remuneration committee, sometimes with input from the market outside.

Remuneration to the CEO and other senior management consists of basic salary, variable remuneration, other benefits and pensions. The balance between basic salary and variable remuneration is to be in proportion to the employee's responsibilities and authority.

For the CEO, annual variable remuneration is capped at six months' salary. The variable salary is based on the Fagerhult Group's earnings per share. For other senior management, annual variable remuneration is capped at 30-40 per cent of basic salary. Variable remuneration is set in relation to the Fagerhult Group's earnings per share as well as individual targets.

The retirement age of the CEO and other senior management is 65. For the CEO, pension contributions representing 35 per cent of the fixed annual salary are paid. Pension benefits for other senior management are paid within the framework of applicable supplementary pension plans (ITP) for salaried employees.

For the CEO, the notice period for termination of employment is twelve months if termination is initiated by the Company and six months if initiated by the CEO. If termination is initiated by the Company without reason for termination, the CEO is entitled to severance pay corresponding to 12 months' salary. Severance pay is deducted against other earned income.

For other senior management, the notice period is 12 months if initiated by the Company, and six months if initiated by the employee. No separate agreements exist regarding retirement age, future pension or severance pay.

The Board of Directors shall have the right to depart from these guidelines if there are special reasons for this.

## **Item 18 Resolution on the Board of Director's proposed amendments to the articles of association.**

The Board of Directors proposes the following amendments to the articles of association.

§1 Current wording:

The name of the company is Aktiebolaget Fagerhult. The company is a public company (publ).

§1 Proposed wording:

The name of the company is Aktiebolaget Fagerhult. The company is a public company (publ).  
*[N.b. only the Swedish version needs to be amended.]*

§11 Current wording:

General Meetings may also be held in Jönköping, as well as Fagerhult.

§11 Proposed wording:

General Meetings may also be held in Jönköping or in Stockholm, as well as Fagerhult.

§12 Current Wording:

The company's shares shall be registered in a Central Securities Depository (CSD) in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).

§12 Proposed wording:

The company's shares shall be registered in a central securities depository register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

The proposed amendments to § 1 and §12 of the articles of association are due to legislative amendments. The reason for the proposed amendment to §11 is to have the possibility for practical purposes to hold general meetings also in Stockholm.

## **C. INFORMATION AT THE AGM**

The Board of Directors and CEO shall, if requested by a shareholder, and if the Board considers that this can be done without material damage to the Company, disclose information on circumstances which could influence the assessment of an agenda item, circumstances which could influence the assessment of the Company's or a subsidiary's financial situation and the Company's relationship to another company in the Group. Due to the current circumstances related to the spread of the Covid-19 virus, please note the special arrangements for the AGM. Those wishing to submit questions in advance may do so by sending such inquiries in accordance with the instructions stated above in this notice.

## **D. NUMBER OF SHARES AND VOTES IN THE COMPANY**

At the time of this notice, the total number of shares and votes in the Company is 177,192,843. Fagerhult currently holds 1,046,064 treasury shares, representing 1,046,064 votes, which cannot be represented at the AGM.

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Habo, 19 May 2020

AB Fagerhult (publ)

The Board of Directors