

## PRESS RELEASE

### Notice of Annual General Meeting 2019

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**AB Industrivärden (publ) will hold its Annual General Meeting at 2 p.m. on April 17, 2019, at Grand Hôtel, Vinterträdgården (entrance at the corner of Stallgatan/Blasieholmsgatan), in Stockholm. Registration opens at 1 p.m., during which Industrivärden's 75-year anniversary will be celebrated with light refreshments. As is customary, a few of Industrivärden's portfolio companies will present their operations.**

#### Right to attend and notification

Those who on April 11, 2019, are registered as shareholders in the shareholder register maintained by Euroclear Sweden AB and who have notified the Company of their intention to attend the Annual General Meeting by no later than April 11, 2019, have the right to attend the Annual General Meeting.

Notification may be made by post to AB Industrivärden, "Annual General Meeting 2019", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden; by phone at +46 (0)8 402 92 86; or by electronic form on Industrivärden's website, [www.industrivarden.net](http://www.industrivarden.net). Upon notification, shareholders must provide their name, personal identity number/corporate identity number, address, phone number, and number of assistants (maximum two), if any.

Proxies, certificates of incorporation and other authorization documents must be on hand at the Annual General Meeting, and to facilitate entry to the meeting, they should be submitted to the Company no later than April 11, 2019. Any proxies must be shown in original and may not be older than one year unless a longer validity period (maximum five years) is stated in the proxy. The Company provides proxy forms on its website, [www.industrivarden.net](http://www.industrivarden.net).

Shareholders whose shares are registered in the name of a nominee must, in order to be entitled to attend the meeting, in addition to the above notification to attend the meeting, request that their nominee re-register their shares in their own name, so that the shareholder is registered in the shareholder register on April 11, 2019. Such registration may be temporary. Shareholders who wish to register their shares in their own name should inform their nominee well in advance of April 11, 2019.

For information on Industrivärden's processing of personal data in relation to the Annual General Meeting 2019, see the privacy notice on the company's website [www.industrivarden.net](http://www.industrivarden.net).

#### The Board's proposed agenda

1. Opening of the meeting
2. Election of a chairman to preside over the Annual General Meeting
3. Drawing-up and approval of the register of voters
4. Approval of the agenda
5. Election of persons to check the minutes
6. Decision as to whether the Annual General Meeting has been duly convened
7. Presentation of:
  - a. the annual report and audit report, and of the consolidated accounts and audit report for the Group
  - b. the auditor's statement on whether the guidelines for executive compensation, which have applied since the previous Annual General Meeting, have been followed

- c. the Board's proposed distribution of earnings and statement in support of such proposal
8. Address by the CEO
9. Decisions concerning:
  - a. adoption of the Income Statement and Balance Sheet, and the Consolidated Income Statement and Consolidated Balance Sheet
  - b. distribution of the Company's earnings as shown in the adopted Balance Sheet
  - c. the record date, in the event the Annual General Meeting resolves to distribute earnings
  - d. discharge from liability to the Company of the members of the Board of Directors and the CEO
10. Decision on the number of directors
11. Decision regarding directors' fees for each of the Company directors
12. Election of board of directors and the Chairman of the Board  
The Nomination Committee's proposal:
  - a. Pär Boman (re-election)
  - b. Christian Caspar (re-election)
  - c. Bengt Kjell (re-election)
  - d. Nina Linander (re-election)
  - e. Fredrik Lundberg (re-election)
  - f. Annika Lundius (re-election)
  - g. Lars Pettersson (re-election)
  - h. Helena Stjernholm (re-election)
  - i. Fredrik Lundberg as Chairman of the Board (re-election)
13. Decision on the number of auditors
14. Decision on the auditor's fees
15. Election of auditor
16. Decision on guidelines for executive compensation
17. Decision on a long-term share savings program
18. Closing of the Annual General Meeting

## **The Board's other proposals**

### Dividend and record date

The Board of Directors proposes a dividend of SEK 5.75 per share.

April 23, 2019, has been proposed as the record date for payment of the dividend. Provided that the Annual General Meeting votes in favor of this proposal, dividends are expected to be sent out via Euroclear Sweden AB on April 26, 2019.

### Guidelines for compensation of senior executives

The Board of Directors proposes that the meeting resolve on the following guidelines for compensation of senior executives. The proposal is in its entirety consistent with the guidelines resolved by the 2018 Annual General Meeting.

Compensation paid to the CEO and other members of the executive management shall consist of a base salary, variable salary, other benefits and pension. The total compensation should correspond to market terms and be competitive, and shall commensurate with the executive's responsibilities and authority. The variable salary consists of a short-term variable salary component (yearly) and a long-term variable salary component. The short-term variable salary component is based on individually set goals, shall have a cap, and never exceed fifty (50) percent of the base salary. The long-term variable salary is based on the long-term growth in the Company's share price and shall have a cap. None of the variable components shall be pensionable. Upon termination of an executive's employment contract by the Company, up to a maximum of a two-year notice period applies. No severance pay should be payable. Pension benefits shall in all material respects be defined-contribution, and give the members of the executive management the right to retirement benefits from 60 or 65 years of age, depending on their position. The Board may depart from these guidelines if there are special reasons for doing so in individual cases.

## Long-term share savings program

### *Background*

Since 2012 the Annual General Meetings have resolved on the implementation of long-term share saving programs for employees of the Company. The share savings program (the "Program") now proposed by the Board of Directors to the 2019 Annual General Meeting corresponds in all material respects with the program adopted by the 2018 Annual General Meeting.

The Program entails that the employee after three years receives so-called matching shares and, if the performance conditions are fulfilled, so-called performance shares, provided that the employee has invested a portion of his or her base salary in Industrivärden shares and that the participant has not given notice or has not been served notice of termination at the time of the shares were granted.

The purpose of the Program is to encourage Industrivärden's employees to increase their shareholdings and thereby further emphasize long-term shareholder value. The share savings program is deemed to increase Industrivärden's prospects for retaining and recruiting competent employees as well as the employees' interest and involvement in Industrivärden's business and development. The performance condition, which is based on the total return for Industrivärden shares during the term of the Program, is assessed to further enhance the participants' long-term commitment and the mutual interests between Industrivärden's shareholders and employees. The Program is intended to be annually recurring and constitute the form of long-term variable salary.

The Board of Directors thus proposes that the 2019 Annual General Meeting resolve to implement a long-term share savings program for no more than 20 employees of Industrivärden.

### *The Board of Directors' proposal for resolution*

The Board of Directors proposes that the Annual General Meeting resolve to implement the Program based on the terms and conditions set out below.

- a. The Program is open to a maximum of 5 members of Industrivärden's management ("Management"), to a maximum of 6 key persons employed at Industrivärden ("Key Persons"), and to other permanent employees of Industrivärden who are not Management or Key Persons ("Employees"), however in total a maximum of 20 permanent employees of Industrivärden.
- b. Under the terms of the Program, Management, Key Persons and Employees are offered the opportunity to, provided that they have made an investment of their own in Class C shares in Industrivärden ("Savings Shares") during the Acquisition Period (defined in item c below), from a designated third party at the end of the Lock-in Period (defined in point d below) be granted 0.5 Class C shares in Industrivärden free of charge ("Matching Shares") per Savings Share. The Program also entails that Management, Key Persons and Employees, free of charge and in addition to granted Matching Shares, may be granted additional Class C shares based on the total return of Class C shares during the Lock-in Period compared with the SIXRX total return index during the same period of time ("Performance Shares"), in accordance with the following: Provided that the average annual total return for the Class C shares during the Lock-in Period is equal to or exceeds SIXRX during the same period of time, Management may be granted 1.0 Performance Share, Key Persons may be granted 0.5 Performance Share, and Employees may be granted 0.5 Performance Share. Provided that the average annual total return of the Class C share during the Lock-in Period exceeds SIXRX by two (2) percentage points per year during the same period of time, Management may additionally be granted 1.0 Performance Share and Key Persons may additionally be granted 0.5 Performance Share. In total, the Program thus entails that Management may be granted 2.5 shares per Savings Share, that Key Persons may be granted 1.5 shares per Savings Share, and that Employees may be granted 1.0 share per Savings Share.
- c. The maximum number of Savings Shares that each program participant may acquire is limited in such way that Savings Shares may be acquired for an amount corresponding to a maximum of ten (10) percent of the participant's gross annual base salary for 2019. Acquisition of Savings Shares shall take place during the period July 19 - October 31, 2019, however with a right for the Board of Directors to prolong the period in certain circumstances (the "Acquisition Period").

- d. Grants of Matching Shares and Performance Shares are expected to take place shortly after the publication of Industrivärden's third quarter interim report for 2022. The time from the last day of the Acquisition Period to the date of publication of Industrivärden's third quarter interim report 2022, is defined as the "Lock-in Period".
- e. In order for a program participant to be granted Matching Shares and Performance Shares it is required that, with certain specific exemptions, the participant has not been given notice or has not been served notice of termination of employment in Industrivärden during the Lock-in Period and that the participant, throughout the Lock-in Period, has retained the Savings Shares. Saving Shares disposed of prior to the expiration of the Lock-in Period will therefore not entitle to any grants of Matching Shares or Performance Shares. Should a program participant retire during the Lock-up Period, the entitlement to receive allotment of Matching Shares and Performance Shares shall be reduced in proportion to the time remaining in the Lock-in Period.
- f. The Program shall comprise a maximum of 50,000 shares of Class C shares in Industrivärden. Should Savings Shares be acquired at a share price such that the total number of Matching Shares and Performance Shares exceeds 50,000, the number of Matching Shares and Performance Shares that may be transferred to the program participants will be proportionally reduced.
- g. The Board of Directors shall be authorized to establish the detailed terms and conditions for the Program.
- h. In the event significant changes occur in Industrivärden or the market, or in the event the costs for the Program significantly exceed the estimated costs, and this, in the opinion of the Board of Directors, results in a situation where the conditions for grants of Matching Shares and Performance Shares under the Program become unreasonable, the Board of Directors shall be entitled to make adjustments to the Program, including, among other things, a decision to reduce the grant of Matching Shares and Performance Shares or to not grant any Matching Shares or Performance Shares at all.
- i. The number of Matching Shares and Performance Shares shall be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar company events.

#### *Drafting of the proposal*

The proposal regarding the Program to the 2019 Annual General Meeting has been prepared and decided on by the Board of Directors following preparation by the Compensation Committee.

#### *Hedging, etc.*

To hedge the financial exposure that the Program is expected to have, the Board of Directors intends to enter into a share swap agreement with a third party on behalf of Industrivärden, at market terms, whereby the third party in its own name shall be entitled to acquire and transfer Class C shares in Industrivärden to the program participants.

As proposed the Program may comprise a maximum of 50,000 Class C shares in Industrivärden, representing approximately 0.01 percent of all outstanding shares in Industrivärden and approximately 0.02 percent of all outstanding Class C shares in Industrivärden.

In accordance with the scope of the Program as described above, the cost upon full grant is estimated to approximately SEK 8.3 million, under the assumption all employees participate in the Program and that all program participants acquire the maximum number of Savings Shares.

The Program is expected to have only marginal effect on Industrivärden's and the Industrivärden Group's key ratios.

#### *Majority requirements*

The Annual General Meeting's resolution in accordance with the above requires a majority of more than half of the votes cast.

#### **Nominating Committee's proposals**

The Nominating Committee has consisted of Fredrik Lundberg, (Chairman of the Board of AB Industrivärden), Bo Damberg (the Jan Wallander and Tom Hedelius Foundation and others), Mats Guldbrand (L E Lundbergföretagen), Mikael Schmidt (SCA pension foundations and others), and Håkan Sandberg (Handelsbanken Pension Foundation and others). Mats Guldbrand has served as Nominating Committee chair.

The Nominating Committee proposes the following:

## AGM Chairman

Attorney Sven Unger.

## Number of directors

Eight directors and no deputy directors.

## Directors' fees

Chairman of the Board: SEK 2,060,000 (SEK 2,000,000).

Vice Chairman (in the event such is appointed): SEK 1,240,000 (SEK 1,200,000).

Each of the other non-executive directors: SEK 620,000 (SEK 600,000).

No separate fee is to be paid for committee work.

## Board of Directors

Re-election of Pär Boman, Christian Caspar, Bengt Kjell, Nina Linander, Fredrik Lundberg, Annika Lundius, Lars Pettersson and Helena Stjernholm.

Re-election of Fredrik Lundberg as Chairman of the Board.

Biographical information about the proposed directors can be found on Industrivärden's website [www.industrivarden.net](http://www.industrivarden.net).

## Number of auditors

A chartered accounting firm.

## Auditor

The Nominating Committee proposes election of the accounting firm Deloitte AB, in accordance with the Audit Committee's recommendation, for the period until the end of the Annual General Meeting 2020. Deloitte AB has notified that if the firm is elected, it will appoint Authorized Public Accountant Hans Warén as chief auditor.

The Audit Committee's recommendation to the Nominating Committee has been motivated as follows: Deloitte AB has the relevant experience of auditing a publicly listed investment company and fulfills Industrivärden's requirements in respect of industry- and stock market experience, resources and quality. In view thereof and the composition of the audit team and fee level, the Audit Committee has deemed Deloitte AB to best meet Industrivärden's requirements.

The Audit Committee has alternatively to Deloitte AB, for the period until the end of the Annual General Meeting 2020, recommended re-election of the accounting firm PricewaterhouseCoopers AB (PwC). Under the EU Regulation of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, PwC can be re-elected as auditing firm for the financial year 2020 but not longer.

## Auditor's fee

Fee in accordance with approved invoice.

## **Documents**

Accounting records, audit reports and auditors' statements, and the Board's proposed distribution of earnings and statement in support of such proposal, will be on hand for the shareholders at the Company three weeks before the Annual General Meeting. These documents will also then be posted on the Company's website, [www.industrivarden.net](http://www.industrivarden.net), and will be sent to shareholders at their postal address upon request. The documents will also be available at the Annual General Meeting.

## **Number of shares and votes in the Company**

The total number of shares in AB Industrivärden is 435,209,877, of which 268,183,457 are Class A shares and, 167,026,420 are Class C shares. Each Class A share carries one vote and each Class C share carries one-tenth of a vote. The total number of votes is 284,886,099. This data pertains to the conditions at the time this notice was issued.

## **Disclosures at the Annual General Meeting**

The shareholders have the right to certain disclosures at the Annual General Meeting: The Board of Directors and CEO shall, if requested by any shareholder, and if the Board believes that it can be done without causing material harm to the Company, provide disclosures on conditions that could affect the assessment of a matter on the agenda, conditions that could have an effect on the assessment of the Company's or a subsidiary's financial situation or the Company's relations with another Group company. A shareholder who wishes to submit questions in advance can do so by post: AB Industrivärden, the Board of Directors, Box 5403, SE-114 84 Stockholm, Sweden, or by e-mail: [agm@industrivarden.se](mailto:agm@industrivarden.se).

Stockholm in March 2019

AB Industrivärden (publ)  
*The Board of Directors*