

# Welcome to Nolato Annual General Meeting

The shareholders of Nolato AB (publ) are invited to attend Nolato's Annual General Meeting on Tuesday 24 April, 2018, at 4 pm CET in Grevieparken, Grevie, Sweden.

## Registration

Shareholders wishing to participate in the Annual General Meeting should both be listed on the register of shareholders maintained by Euroclear Sweden AB on Wednesday 18 April, 2018, and should register their intention to attend the meeting with the company no later than 12.00 noon CET on Wednesday 18 April, 2018.

Attendees may register in one of the following ways:

- at [www.nolato.se/arsstamman](http://www.nolato.se/arsstamman) (in Swedish)
- using the reply slip attached to the Annual Report sent out to those shareholders who requested it
- by faxing +46 431 442291
- by writing to Nolato AB, SE-269 04 Torekov, Sweden.

When registering, shareholders should provide the following details:

- name
- address
- phone number
- personal ID or company registration number
- number of shares
- name of any accompanying assistants
- name of any proxy

These details will only be used for the purposes of registering attendance and drawing up a register of voters.

For shareholders who will be represented by a proxy, an original power of attorney should be sent when registering along with, where the party granting power of attorney is a legal entity, proof of registration or other documentation demonstrating the authority of the company signatory.

Shareholders wishing to bring one or two assistants should register their intention to do so before the deadline for shareholder registration.

Shareholders who, through the trust department of a bank or some other manager, have registered their shares in the name of a nominee, must temporarily register the shares in their own name in order to be entitled to participate in the meeting following registration. In order for this registration to be entered in the register of shareholders no later than Wednesday 18 April, 2018, shareholders must request re-registration by the manager well in advance of this date.

## Proposed agenda

1. Opening of meeting and election of chairman for the meeting.
2. Establishment and approval of register of voters.
3. Approval of agenda.
4. Election of one or two people to verify the minutes.
5. Determination of whether meeting has been duly convened.
6. Presentation of the annual accounts, auditor's report, consolidated accounts, auditor's report on consolidated accounts, auditor's statement and Board's proposed dividend.
7. Address by the President and CEO and any shareholder questions for the Board of Directors and management.
8. Resolutions on:
  - a) adoption of income statement and balance sheet and the consolidated income statement and balance sheet,
  - b) appropriation of profits in accordance with the adopted balance sheet,
  - c) discharging the members of the Board and the President from liability.
9. Decision regarding number of Board members, deputy Board members, auditors and deputy auditors.
10. Approval of fees payable to the Board of Directors and the auditors.
11. Election of Board members, deputy Board members, Chairman of the Board, auditors and deputy auditors.
12. Resolution on guidelines for remuneration and other terms of employment for senior executives.
13. Resolution on the Nomination Committee ahead of the next Annual General Meeting.
14. Any other business.
15. Conclusion of the meeting.

## Resolution proposals

### Proposal regarding election of a chairman for the meeting

(agenda item 1):

The Nomination Committee, which was formed in accordance with the nomination procedure agreed on at the 2017 Annual General Meeting, representing the company's major shareholders and around 70% of the total number of votes in the company, has proposed that the Chairman of the Board, Fredrik Arp,

be elected chairman of the 2018 Annual General Meeting.

### Presentation of the annual accounts

(agenda item 6):

In connection with the presentation of the annual accounts, the Board's work in 2017 will be presented, including an account of the Board's work with auditing matters.

### Dividend

(agenda item 8b):

The Board proposes a dividend of SEK 12.50 per share, which constitutes 57% of profit for 2017 after tax. The proposal is consistent with Nolato's dividend policy, which is to propose a dividend that exceeds 50% of profit after tax, taking account of Nolato's long-term development opportunities, financial position and investment needs. The Board of Directors proposes to the Annual General Meeting that Thursday 26 April, 2018, be set as the dividend record date. If the Annual General Meeting passes a resolution in accordance with the Board's proposal, the dividend is expected to be issued by Euroclear Sweden AB on Wednesday 2 May, 2018.

### Election of the Board and auditors and fees payable to the Board and auditors

(agenda items 9–11):

In connection with these items, a presentation of the Nomination Committee's work, function and members will be made.

The Nomination Committee has notified the company that it will recommend the Annual General Meeting resolve:

- that the Board of Directors consist of eight ordinary members and no deputies.
- that there be one auditor and no deputy auditor.
- that until the next Annual General Meeting, the Board of Directors receive fees totalling SEK 1,883,000, excluding travel allowance (1,971,000) to be distributed as follows among the non-employed members elected by the Annual General Meeting: SEK 310,000 (445,000) to the Chairman of the Board and SEK 200,000 (194,000) each to the other members. SEK 65,000 (63,000) to the Chairman of the Audit Committee and SEK 43,000 (42,000) to the ordinary member. SEK 65,000 (63,000) to the Chairman of the Remuneration Committee. It shall be possible to invoice the fees, including any social security contributions, provided that it is cost-neutral for the company and in accordance with prevailing tax regulations.

– that the auditor’s fee be payable as agreed, and that any additional work be remunerated by agreement.  
– that Board members Fredrik Arp, Dag Andersson, Sven Boström-Svensson, Lovisa Hamrin, Åsa Hedin, Henrik Jorlén, Lars-Åke Rydh and Jenny Sjö Dahl be re-elected.  
– that Fredrik Arp be re-elected as Chairman of the Board.  
– that registered auditing firm Ernst & Young AB be appointed auditor, with authorised public accountant Joakim Falck as principal auditor, until the end of the 2019 Annual General Meeting, as recommended by the Audit Committee.

By way of information, the fee to the Chairman has previously covered work on the Board and certain other services. Under new rules, the fee for work on the Board is divided into SEK 3 10,000 as per the above proposal and remuneration for other agreed services corresponding to a Board fee of SEK 1 50,000. The total cost to Nolato amounts to SEK 460,000 (445,000).

#### The Board’s proposed guidelines for the remuneration of senior executives (agenda item 12):

In connection with the presentation of the Board’s proposals, the Board’s work in 2017 with remuneration for senior executives will be reported. An account of the work, function and members of the Remuneration Committee will be provided.

The senior executives are the President and CEO and other members of Group management (five people in total). The Board of Directors proposes that the Annual General Meeting ratify the following guidelines for the remuneration of senior executives. These largely correspond to the guidelines applied by the company in 2017. The Board’s proposal mainly involves applying salaries and other terms of employment that are in line with market norms. Remuneration shall consist of a fixed base salary, variable remuneration, pension premiums and other remuneration. Variable remuneration shall be based primarily on fulfilling targets in terms of financial outcomes. Variable remuneration may amount to a maximum of 40% of base salary, and a maximum of 50% for the President and CEO. For the President and CEO and other senior executives, a defined contribution pension plan and a retirement age of 65 shall apply. Total redundancy pay and severance pay may not exceed 24 months’ pay for senior executives.

Senior executives also participate in a share warrants programme. An extraordinary general meeting in 2016 resolved on an issue of warrants to Nolato’s management, giving the opportunity to acquire options at a market price. Those who acquire these options are offered a bonus payment corresponding to half of the participant’s option premium and the income tax charged on such bonus payment, provided that the participant’s employment does not cease before three years have elapsed.

The Board has the right to deviate from the above guidelines should the Board deem in special cases that there are specific reasons to justify such action.

#### Proposal for Nomination Committee (agenda item 13):

The Nomination Committee has notified the company that it will recommend the Annual General Meeting resolves:

1. That the company have a Nomination Committee consisting of one representative for each of the five largest shareholders in terms of the number of votes at the end of September. The names of the five shareholder representatives and the names of the shareholders whom they represent shall be made public as soon as they have been appointed, but no later than six months before the 2019 Annual General Meeting.

The Nomination Committee’s mandate period shall run until a new Nomination Committee has been elected. Unless the members of the Nomination Committee agree otherwise, the Chairman of the Nomination Committee shall be the member who represents the largest shareholder in terms of number of votes. If a member leaves the Nomination Committee, the shareholder concerned appoints a new member.

2. That the Nomination Committee draw up proposals on the following matters to be presented to the 2019 Annual General Meeting for resolution:

- (a) a proposal for the chairman of the Annual General Meeting,
- (b) proposals for members of the Board,
- (c) a proposal for the Chairman of the Board,

- (d) proposals for auditors,
- (e) proposed fees for members of the Board, as allocated between the Chairman of the Board and other members of the Board,
- (f) proposal for fees for the company’s auditors,
- (g) proposals for the Nomination Committee ahead of the 2020 Annual General Meeting.

#### Information at the meeting

During the Annual General Meeting, the Board of Directors and the President and CEO may – if shareholders so request, and if the Board is of the opinion that such information can be provided without causing significant harm to the company’s business activities – provide information about the company’s finances and about circumstances that could affect the assessment of matters dealt with at the meeting.

#### The company’s shares

The company has 2,759,400 A shares and 23,548,008 B shares, totalling 26,307,408 shares. An A share entitles the holder to ten votes, while a B share entitles the holder to one vote. The company has a total of 51,142,008 votes.

#### Other

The reporting documents, the auditor’s report, the auditor’s statement on the remuneration of senior executives, proposed appropriation of profits, proxy forms and additional documentation to be submitted at the meeting in accordance with item 6 of the agenda will be available at the company’s headquarters at Nolatovägen, 269 04 Torekov, Sweden no later than 3 April 2018.

These documents are also available from Nolato’s website, [www.nolato.com](http://www.nolato.com), under Corporate Governance, and can be sent to those shareholders who have requested copies.

We look forward to your participation.

Torekov, March 2018  
Nolato AB (publ)  
Nolato’s Board of Directors