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## PRESS RELEASE

### Notice of Annual General Meeting 2020

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**AB Industrivärden (publ) will hold its Annual General Meeting at 2 p.m. on April 24, 2020, at Grand Hôtel, Vinterträdgården (entrance at the corner of Stallgatan/Blasieholmsgatan), in Stockholm. Registration opens at 1 p.m.**

#### **Right to attend and notification**

Those who on April 18, 2020, 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 20, 2020, have the right to attend the Annual General Meeting.

Notification may be made by post to AB Industrivärden, "AGM 2020", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden; by phone at +46-8-402 92 86; or by the digital form on Industrivärden's website [www.industrivarden.net](http://www.industrivarden.net). Upon notification, shareholders must provide their name, personal identity number or corporate identity number, address and 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 20, 2020. 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 as per the record day. Such registration may be temporary.

Please note that since the record date April 18, 2020 is a Saturday, shareholders who wish to attend the Annual General Meeting must be registered directly in the share register on Friday April 17, 2020. Shareholders wishing to register their shares in their own name should therefore notify the trustee well in advance of April 17, 2020.

For information on Industrivärden's processing of personal data in relation to the Annual General Meeting 2020, see the privacy notice on the company's website [www.industrivarden.net](http://www.industrivarden.net).

#### **Information about measures due to the new coronavirus**

As a precautionary measure to decrease any risk of the new coronavirus, the company has decided that no beverages and food will be offered, that there will be no company presentations from portfolio companies, that customary presentations will be minimized and that some restrictions will be made as to the attendance of non-shareholders. In light of the recent government instructions Industrivärden would like to encourage all shareholders to carefully consider whether to attend the meeting in person, but instead use its right to vote via proxy. Industrivärden is carefully monitoring the development and will if necessary update the information.

## The Board's proposed agenda

1. Opening of the Annual General 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. Marika Fredriksson (new election)
  - d. Bengt Kjell (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. Resolution on proposal from shareholder Thorwald Arvidsson that the Annual General Meeting resolves
  - a. to insert a second paragraph in the Articles of Association (§ 5) with the following content: All shares shall carry equal rights.
  - b. that § 6 shall cease to apply except from (Sw: m.u.a.) Mom.2.
  - c. to delegate to the Board of Directors to work for abolishment in the Swedish Companies Act of the possibility of having so-called voting power differences, primarily by contacting the Government of Sweden, and
  - d. to delegate to the Board of Directors to prepare a proposal regarding representation on the Board of Directors and the Nomination Committee for the small and medium-sized shareholders, to be referred to the 2021 Annual General Meeting or any prior Extraordinary General Meeting. The mandate shall also include to work for a change of the national legal framework accordingly, primarily by contacting the Government of Sweden.
19. Closing of the Annual General Meeting

## The Board's other proposals

### Dividend and record date

The Board of Directors proposes a dividend of SEK 6.00 per share.

April 28, 2020 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 May 4, 2020.

### Guidelines for compensation of senior executives

These guidelines pertain to Industrivärden's CEO and other members of the Executive Management. The guidelines are to be applied for compensation agreed upon, and changes made to already agreed upon compensation, after the guidelines have been adopted by the 2020 AGM. Compensation decided by the AGM is not covered.

Compared with the guidelines decided upon by the 2019 AGM, the proposal below has been updated to meet the requirements arising out of implementation of the EU's Shareholder Rights Directive.

### *The guidelines' promotion of the Company's business mission, long-term interests and sustainability*

The Company's business mission is to be a long-term asset manager and active owner of listed Nordic companies. The mission, objectives and strategy are presented in more detail on Industrivärden's website [www.industrivarden.net](http://www.industrivarden.net).

Successful and sustainable execution of the Company's mission, objectives and strategy for capitalizing on the Company's long-term interests requires that the Company can recruit and retain qualified employees. The guidelines contribute to this by ensuring that senior executives can be offered a going-rate, competitive total compensation package that is commensurate with their responsibilities and authority.

### *Types of compensation, etc.*

Compensation shall be in line with the going rate in the market and competitive and be related to individual performance as well as the Company's development. Compensation may consist of the following components: fixed cash salary, short-term variable cash compensation, pension benefits and other benefits.

Short-term variable cash compensation may amount to a maximum of 50% of the executive's fixed annual cash salary. The compensation shall be coupled to fulfillment of individual criteria that are set yearly and that are evaluated according to the executive's work contribution and performance. The criteria may be financial or nonfinancial, or they may consist of individually adapted quantitative or qualitative goals. The criteria shall be formulated so that they have a clear coupling to value creation for the Company and promote the Company's business mission and sustainable execution of the Company's long-term interests.

Fulfillment of criteria for payment of short-term variable cash compensation shall be measured during a period of one year. The Compensation Committee is responsible for assessing the extent to which the criteria for payment of short-term variable cash compensation to the CEO is fulfilled. The Board thereafter sets the CEO's compensation. The CEO is responsible for assessing the fulfillment of criteria for payment of short-term variable cash compensation for other senior executives. Short-term variable cash compensation shall not be pensionable.

The Board shall have the opportunity pursuant to law or agreement, with the restrictions that may arise out of such, to fully or partly rescind variable cash compensation paid out on incorrect grounds.

Pension benefits, including disability insurance, (Sw. sjukförsäkring) shall be defined contribution solutions to the extent that the executive is not covered by a defined benefit pension under compulsory collective contract provisions, and shall entitle the executive to receive a pension from 60 or 65 years of age, depending on the position. For the CEO and other senior executives, premiums and other costs related to defined contribution pensions may amount to a combined maximum of 40% of the fixed annual cash salary, depending on the position.

Other benefits may include, among other things, life insurance, health insurance (Sw. sjukvårdsförsäkring), a car benefit and a wellness benefit. For the CEO, such benefits may amount to a maximum of one (1)% of fixed annual cash salary, and for other senior executives they may amount to four (4)% of fixed annual cash salary, depending on the position.

In addition to the above, the general meeting of shareholders may – independently from these guidelines – decide on e.g., share-based and share price-related compensation. Since 2012 the Company has established share-based incentive programs approved by general meetings, of which the 2017–2019 programs are currently in effect. The programs cover all employees and require a personal shareholding and holding period of three (3) years. The outcome is based on performance targets that are related to the long-term growth in Industrivärden's share price. Approved share-based incentive programs are presented in more detail on Industrivärden's website [www.industrivarden.net](http://www.industrivarden.net).

For notice of termination served by the Company, the notice period may be a maximum of two (2) years. Fixed cash salary paid during the notice period and severance pay may together not exceed an amount corresponding to two (2) years' fixed cash salary. For notice given by the executive, the notice period may be a maximum of six (6) months, without any right to severance pay.

Additionally, compensation may be payable for any non-compete obligation. Such payment shall compensate for possible loss of income and shall only be paid to the extent the former executive lacks entitlement to severance pay. Compensation shall amount to a maximum of 60% of fixed cash salary at the time notice was served, unless other terms apply under stipulations of a compulsory collective agreement. It shall be paid during the time the noncompete obligation applies, which shall be a maximum of 12 months after the end of employment.

#### *Decision-making process for setting, revising and implementing the guidelines*

The Compensation Committee's duties include conducting preparatory work for board decisions on proposed guidelines for compensation of senior executives. The Board shall draw up a recommendation for new guidelines at least every fourth year and present the recommendation for decision by the Annual General Meeting. The guidelines apply until new guidelines have been adopted by a general meeting. The Compensation Committee shall also monitor and evaluate variable compensation programs for members of the Executive Management, application of guidelines for compensation of senior executives and applicable compensation structures and compensation levels in the Company.

In the preparatory work for the Board's recommendation on these compensation guidelines, salary and terms of employment for the Company's other employees have been taken into account, whereby information on the employees' total compensation, the components of their compensation and the increase in their compensation and rate of growth over time have made up part of the Compensation Committee's and Board's decision-making documentation in evaluating the fairness of the guidelines and the limitations that arise out of these.

The Compensation Committee's members are independent in relation to the Company and Executive Management. In the Board's handling of and decisions on compensation-related matters, the CEO and other members of the Executive Management are not present to the extent they are the subject of the matters at hand.

## *Departures from the guidelines*

The Board may decide to temporarily depart from the guidelines entirely or partly if in an individual case there are special reasons for doing so and a departure is necessary for safeguarding the Company's long-term interests or to ensure the Company's financial soundness. The Compensation Committee's duties include conducting preparatory work for the Board's decisions on compensation matters, which includes decisions to depart from the guidelines.

## 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 terms of the share savings program (the "Program") now proposed by the Board of Directors to the 2020 Annual General Meeting follow the same basic structure as the Program adopted by the 2019 Annual General Meeting, but have been adjusted with the purpose to (i) increase the element of performance targets in the Program, and (ii) achieve a greater differentiation and expanded scope for outcome in grants of shares among the different categories of participants in the Program.

The Program entails that the employee after three years receives so-called performance shares, provided that certain conditions are fulfilled and that the employee has invested a portion of his or her base salary in Industrivärden shares and that the employee has not given notice or has not been served notice of termination at the time 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 conditions, which are based on the total return for Industrivärden shares during the term of the Program, are deemed 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 2020 Annual General Meeting resolve to implement a long-term share savings program for in total 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 the CEO and a maximum of 4 other members of Industrivärden's management ("CEO" and "Management" respectively), to a maximum of 6 key persons employed by Industrivärden ("Key Persons"), and to other permanent employees of Industrivärden ("Employees"), however in total a maximum of 20 permanent employees of Industrivärden.
- b. Provided that the CEO, Management, Key Persons and Employees (as applicable) have made an own investment 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), such participant is under the terms of the Program offered the opportunity to be granted shares free of charge, as follows:
  - (i) Provided that the total return for the Industrivärden Class C shares during the Lock-in Period is equal to or exceeds 10 percent, all program participants may be granted 0.5 Class C shares in Industrivärden ("Performance Share") per Savings Share,

- (ii) Provided that the average annual total return for Industrivärden Class C shares during the Lock-in Period is equal to or exceeds SIXRX during the same period of time, the CEO and Management may be granted 1 additional Performance Share, Key Persons may be granted 0.5 additional Performance Share, and Employees may be granted 0.5 additional Performance Share, per Savings Share,
- (iii) Provided that the average annual total return for Industrivärden Class C shares during the Lock-in Period is equal to or exceeds SIXRX by 2 percentage points during the same period of time, the CEO and Management may be granted 1.5 additional Performance Shares and Key Persons may be granted an additional 1 Performance Share per Savings Share, and
- (iv) Provided that the average annual total return for Industrivärden Class C shares during the Lock-in Period is equal to or exceeds SIXRX by 3 percentage points during the same period of time, the CEO may be granted 1 additional Performance Share per Savings share.

In total, the Program thus entails that the CEO may be granted 4 Performance Shares per Savings Share, that Management may be granted 3 Performance Shares per Savings Share, that Key Persons may be granted 2 Performance Shares per Savings Share, and that Employees may be granted 1 Performance 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 10 percent of the participant's gross annual base salary for 2020. Acquisition of Savings Shares shall take place during the period from July 20, 2020, until October 30, 2020, however with a right for the Board of Directors to extend the period in certain circumstances (the "Acquisition Period").
- d. Grants of Performance Shares are expected to take place shortly after publication of Industrivärden's third quarter interim report for 2023. The time from the last day of the Acquisition Period to the date of publication of Industrivärden's third quarter interim report for 2023 is defined as the "Lock-in Period."
- e. In order for a program participant to be granted 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 Performance Shares. Should a program participant retire during the Lock-in Period, the entitlement to receive allotment of Performance Shares shall be reduced in proportion to the time remaining in the Lock-in Period.
- f. The Program shall comprise a maximum of 55,000 Class C shares in Industrivärden. Should Savings Shares be acquired at a share price such that the total number of Performance Shares exceeds 55,000, the number of 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 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 Performance Shares or to not grant any Performance Shares at all.
- i. The number of 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 2020 Annual General Meeting has been 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 55,000 Class C shares in Industrivärden, representing approximately 0.01 percent of all outstanding shares in Industrivärden and approximately 0.03 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 12 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 Stefan Nilsson (Handelsbanken Pension Foundation and others). Mats Guldbrand has served as Nominating Committee chair.

Aktiebolaget Industrivärden's 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 2,120,000 (SEK 2,060,000).

Vice Chairman (in the event such is appointed): SEK 1,280,000 (SEK 1,240,000).

Each of the other non-executive directors: SEK 640,000 (SEK 620,000).

No separate fee is to be paid for committee work.

### Board of Directors

Re-election of Pär Boman, Christian Caspar, Bengt Kjell, Fredrik Lundberg, Annika Lundius, Lars Pettersson and Helena Stjernholm, and new election of Marika Fredriksson, as directors. Nina Linander has declined re-election.

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

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

## Number of auditors

One chartered accounting firm.

## Auditor

The Nominating Committee proposes, in accordance with the Audit Committee's recommendation, re-election of the accounting firm Deloitte AB for the period until the end of the 2021 Annual General Meeting. Deloitte AB has notified that if the firm is elected, it will appoint Authorized Public Accountant Hans Warén as chief auditor.

## Auditor's fee

Fee in accordance with approved invoice.

## Nominating Committee

The Nominating Committee is of the opinion that there is no reason to amend the resolution regarding the Nominating Committee that was made at the 2011 Annual General Meeting, and which applies until further notice.

## **Proposals from shareholders**

The complete proposals under item 18 on the agenda are set out in the agenda.

## Majority requirements

A resolution by the General Meeting to amend the Articles of Association in accordance with items 18 a and b are valid if all shareholders represented at the meeting vote in favor of the proposal and those shareholders represent at least nine-tenths of all shares in the Company, alternatively if shareholders representing at least two-thirds of the votes cast as well as the shares represented at the meeting vote in favor of the proposal and holders of half of all shares of Class A and nine-tenths of the shares of Class A represented at the meeting agree to the amendments.

## **Other information relating to the Annual General Meeting**

### 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 268,183,340 are Class A shares and, 167,026,537 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 284,885,993. 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: [legal@industrivarden.se](mailto:legal@industrivarden.se).

Stockholm in March 2020

AB Industrivärden (publ)  
*The Board of Directors*