

*English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.*

## **NOTICE OF THE ANNUAL GENERAL MEETING FOR GRÄNGES AB**

Gränges AB (publ) will hold its Annual General Meeting on Thursday 6 May 2021.

**Due to the extraordinary situation as a result of Covid-19, the General Meeting will be held in a different way than usually. In order to reduce the risk of spreading the new coronavirus and having regard to the authorities' regulations and advice on avoiding public gatherings, the General Meeting will be carried out through advance voting (postal voting). No meeting with the possibility to attend in person or to be represented by a proxy will take place, i.e. the General Meeting will be held without physical presence.**

### **Right to attend and notification to the company**

Shareholders wishing to attend the General Meeting through advance voting must:

- be registered as shareholders in the share register maintained by Euroclear Sweden AB as of Wednesday 28 April 2021, and
- notify by casting its advance vote in accordance with the instructions under the heading *Advance voting* below so that the advance voting form is received by Euroclear Sweden AB no later than on Wednesday 5 May 2021.

In order to participate in the General Meeting, those whose shares are registered in the name of a nominee must request their bank or broker to have their shares registered in their own name with Euroclear Sweden AB no later than on Friday 30 April 2021, therefore, the bank or broker should be notified well in advance before said date. This registration may be made temporarily.

Information on the resolutions passed at the General Meeting will be published on Thursday 6 May 2021, as soon as the result of the voting has been finally confirmed.

Please see below for further information on the processing of personal data.

### **Advance voting**

The shareholders may only exercise their voting rights at the General Meeting by voting in advance, so-called postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on the company's website, [www.granges.com](http://www.granges.com). The advance voting form is considered as the notification of participation.

The completed voting form must be received by Euroclear Sweden AB (which administers the forms on behalf of the company) no later than on Wednesday 5 May 2021. The form shall in due time be submitted via e-mail to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com) or by mail to Gränges AB, "AGM", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm. Shareholders who are natural persons may also cast their advance votes electronically through BankID verification via Euroclear Sweden AB's website, <https://anmalan.vpc.se/euroclearproxy>. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid.

In the advance voting form, shareholders can request that a resolution in one or some of the items on the proposed agenda below are deferred to a so-called continued general meeting, which must not solely be an advance voting meeting. Such continued general meeting to decide on a particular matter shall take place if the General Meeting decides on it or if shareholders of at least one tenth of all shares in the company request it.

If the shareholder votes in advance by proxy, a signed and dated power of attorney shall be enclosed to the form. Forms of power-of-attorney in Swedish and English are available on the company's website, [www.granges.com](http://www.granges.com). A power-of-attorney may also be obtained at the company or ordered by phone from Euroclear Sweden AB using the telephone number below. If the power-of-attorney is issued by a legal entity, a verified copy of the registration certificate or an equivalent authority document for the legal entity must be appended. The power-of-attorney and the registration certificate may not be older than one year. However, a longer period of validity may be specified on the power-of-attorney, although no longer than five years from the date of issue.

Further instructions and conditions are included in the advance voting form.

For questions about the General Meeting or to have the advance voting form or any power-of-attorney sent by post, please contact Euroclear Sweden AB on phone number +46 8 402 91 33 (Monday-Friday at 09.00-16.00).

## Proposed agenda

1. Opening of the General Meeting and election of the Chair for the General Meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of persons to check the minutes
5. Determination of whether the General Meeting was duly convened
6. Presentation of the annual report and auditor's report as well as the consolidated financial statements and auditor's report for the Group.
7. Resolutions on:

- a) adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet,
  - b) appropriation of the company's earnings according to the adopted balance sheet and setting of the record date for the dividend,
  - c) discharging the members of the Board of Directors and the Chief Executive Officer from liability vis-à-vis the company
8. Resolution on the number of Board members
  9. Resolution on fees payable to the Board members
  10. Election of the Board members and the Chair of the Board
  11. Resolution on the number of auditors, fees to the auditor and election of auditor
  12. Resolution on approval of the remuneration report
  13. Resolution on LTI programme for 2021 for senior managers
  14. Resolution on issue authorisation
  15. Conclusion of the General Meeting

### Nomination Committee's proposals

The Nomination Committee for the 2021 AGM consisted of the following members: Jannis Kitsakis at Fjärde AP-fonden (Chair of the Nomination Committee); Anders Algotsson at AFA Försäkring; Niklas Johansson at Handelsbanken Fonder; and Fredrik Arp (Chair of the Board).

The Nomination Committee proposes the following to the 2021 Annual General Meeting:

#### **Election of the Chair for the General Meeting (item 1)**

The Nomination Committee proposes that Fredrik Arp be elected as Chair of the General Meeting, or if Fredrik Arp is prevented from attending, the person the Nomination Committee proposes instead.

#### **Resolution on the number of Board members (item 8)**

The Nomination Committee proposes that for the period up to the close of the next AGM, the Board of Directors should consist of seven members elected by the General Meeting with no alternates.

#### **Resolution on fees payable to the Board members (item 9)**

The Nomination Committee proposes that fees to the Board members for the period up to the close of the next AGM be paid with SEK 775,000 for the Chair of the Board and SEK 325,000 for the other members elected by the General Meeting. Remuneration shall be paid with SEK 125,000 for the chair of the Audit Committee and SEK 55,000 for the other members. Remuneration shall be paid with SEK 60,000 for the chair of the Remuneration Committee and SEK 30,000 for the other members. Fees to all the employee representatives of the Board shall remain unchanged at SEK 40,000 each, for the same period.

**Election of Board members and the Chair of the Board (item 10)**

The Nomination Committee proposes election of Martina Buchhauser and re-election of Fredrik Arp, Carina Andersson, Mats Backman, Peter Carlsson, Katarina Lindström and Hans Porat as Board members, up to the close of the next AGM. Ragnhild Wiborg has declined re-election. It is proposed that Fredrik Arp is re-elected as the Chair of the Board.

Information about the proposed Board members is available on the company's website, [www.granges.com](http://www.granges.com).

**Resolution on the number of auditors, fees to the auditor and election of auditor (item 11)**

The Nomination Committee proposes that the company, for the period up to the close of the next AGM, have one auditor and no deputy auditor, that fees to the auditor be paid in accordance with approved invoices and that the registered accountancy firm Ernst & Young AB is elected as auditor for the period up to the close of the next AGM.

The Nomination Committee's proposal accords with the recommendation of the Audit Committee.

Ernst & Young AB has notified that if the General Meeting approves the Nomination Committee's proposal, the authorised public accountant Andreas Troberg will be appointed as the chief auditor.

## The Board of Directors' proposals

**Preparation and approval of the voting list (item 2)**

The voting list proposed for approval is the voting list that has been established by Euroclear Sweden AB on behalf of the company, based on the share register and received advance votes, and controlled and approved by the persons elected to check the minutes.

**Election of persons to check the minutes (item 4)**

Niklas Johansson and Anders Algotsson, or if one or both of them are prevented, the person or persons instead appointed by the Board of Directors, are proposed to be elected to approve the minutes of the General Meeting together with the Chair. The task of approving the minutes of the General Meeting also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the General Meeting.

**Resolutions on the appropriation of the company's earnings according to the adopted balance sheet and setting of the record date for the dividend (item 7b)**

The Board of Directors proposes that the retained earnings of SEK 3,362,113,781 be appropriated as follows: Payment to the shareholders of a dividend of SEK 116,939,480 which is equivalent to SEK 1.10 per share, and the remaining amount of SEK 3,245,174,301 to be carried forward. The proposed record date for the dividend is 10 May 2021. If the

General Meeting resolves in accordance with the proposal, the dividend is expected to be distributed through Euroclear Sweden AB on 14 May 2021.

#### **Resolution on approval of the remuneration report (item 12)**

The Board of Directors proposes that the General Meeting resolves to approve the Board's remuneration report on remuneration in accordance with Chapter 8, Section 53 a of the Swedish Companies Act.

#### **Resolution on LTI programme for 2021 for senior managers (item 13)**

The Board of Directors proposes that the General Meeting, as a supplement to the annual incentive programme ("STI 2021"), resolves on a long-term incentive programme ("LTI 2021") for senior managers, i.e. the CEO and the Deputy CEO of the Group, and senior managers reporting directly to the CEO, mainly according to the following:

- STI 2021 measures EBIT (50 per cent), cash conversion (30 per cent) and individual performance (20 per cent), for a maximum payout of 60 per cent of annual basic pay. For the President Americas the maximum payout is 100 per cent of annual basic pay.
- LTI 2021, where a payout equivalent to the amount of STI 2021 is allocated, and indexed to the total return of the Gränges' share. The vesting periods for LTI 2021 will run over the years 2022, 2023, and 2024 ("Vesting periods") and payment is made proportionately on an annual basis over a period of three years provided that the individual remains in the Gränges Group's employ.

#### ***Purpose of Gränges LTI 2021***

The purpose of Gränges LTI 2021 is to provide remuneration in line with market terms and at the same time stimulate a long-term commitment to Gränges by linking the participants' remuneration to the interests of the shareholders, through indexation with the total return of the Gränges' share. LTI 2021 is also expected to help Gränges retain and recruit persons with special expertise and relevant experience.

#### ***The role of Gränges' Board of Directors in LTI 2021***

Gränges' Board of Directors is authorised to interpret LTI 2021, including but not limited to:

- Deciding on the participants in LTI 2021.
- Deciding on the participants' payout from LTI 2021, including determining the development of the total return during the Vesting periods.
- Adjusting the terms and conditions for LTI 2021 to comply with legal requirements, regulations et cetera.
- Adjusting the payout for LTI 2021 in the event significant changes take place that affect the Gränges Group or its business environment, resulting in a situation where the terms of LTI 2021 are deemed inappropriate or to give an unreasonable result.

#### ***Participation in LTI 2021***

- Payments within the framework of LTI 2021 will only be made to participants who, at the time of the payment, haven't terminated or been terminated from their

employment, provided that no local laws or regulations exist entitling participants to LTI payouts. Deviations from this principle (so-called “good leaver” agreements) must be approved by Gränges’ Board of Directors.

- In the event of death or retirement occurring during a Vesting period, the participant will be assigned a proportionate payout corresponding to actual working period in relation to the Vesting period, provided that no local laws or regulations exist entitling the participant to a different payout.<sup>1</sup> Total return is calculated based on the closing price on the last trading day of the month before the date of death or retirement. Assigned amount will be paid out no later than two months from the date of death or retirement.<sup>2</sup>
- If a participant is absent due to illness or any other reason for a period of more than three months in total during any Vesting period for LTI 2021, the participant will be allocated a proportional payout for the actual working period relative to the Vesting period, provided that no local laws or regulations exist entitling the participant to a different payout.
- Gränges’ Board of Directors welcomes senior managers to invest in the own share.

#### **Administration, payout and payments**

Gränges’ finance department is responsible for maintaining a register of funds allocated within the framework of LTI 2021 and for proposing payouts, adjusted to the total return of the Gränges’ share, for approval by Gränges’ Board of Directors.

Indexation of the total return in LTI 2021 is calculated as follows:

- Starting point: The average closing price for the Gränges share on Nasdaq Stockholm during the ten trading days after the publication date for the 2021 year-end report.
- Dividends: Dividends during the respective Vesting period will increase the percentage value of LTI 2021, where the percentage is calculated as the dividend in SEK divided by the closing price on the dividend date.
- Ending points: The average closing price for the Gränges share on Nasdaq Stockholm during the ten trading days after the publication dates for the year-end reports for the years 2022, 2023 and 2024.

Payouts under LTI 2021 will as a rule not be regarded as pensionable income. In cases where pension plans define payouts as pensionable income (for example ITP in Sweden), the payout from LTI 2021 will be reduced as follows:

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<sup>1</sup> In which the days remaining of the month where the event of death or retirement occurs shall be considered working days.

<sup>2</sup> If, for example, a person receives SEK 300,000 in STI for 2021 a corresponding amount is allocated to the LTI bank in the purpose of being paid during 2023, 2024, and 2025. If the person is deceased or retired on the 15 August 2022 all of August is included in the calculation below, that is 8/12<sup>th</sup> of the Vesting period 2022. If the total return up to the 31 July 2022 (if that is a stock trading day – if not the last stock trading day of July) is 10 per cent, the LTI bank is worth SEK 330,000, which equals SEK 110,000 regarding the Vesting period 2022. Of this amount the deceased or retired has earned 8/12<sup>th</sup>, that is SEK 73,333. The remaining part of the LTI bank regarding 2021 is not paid out.

- Defined contribution pension plans: The payout is reduced by an amount equivalent to the premium in the defined contribution pension plan relating to LTI 2021.
- Defined benefit pension plans: The payout is reduced by a factor aimed at achieving a cost-neutral solution for Gränges. This factor is to be proposed by Gränges' CFO and approved by Gränges' Board of Directors.

Payouts from LTI 2021 take place during 2023, 2024 and 2025 in connection with payouts from STI, provided approval has been received from Gränges' Board of Directors. The total payout from STI and paying LTI programmes may not exceed 150 per cent of annual basic pay as of the date of the payout. This shall not apply to the person holding the position as President Americas, whose total payout from STI and paying LTI programmes is limited to 200 per cent of annual basic pay.

Gränges' Annual General Meeting is to decide on new long-term incentive programmes every year.

#### **Resolution on issue authorisation (item 14)**

The Board of Directors proposes that the General Meeting passes a resolution on issue authorisation mainly according to the following:

The Board of Directors is to be authorised to, on one or more occasions until the next AGM, issue new shares and/or convertible bonds as follows.

An issue of new shares and/or convertible bonds can be decided with or without regard to shareholders' pre-emption rights. Following this authorisation, a total maximum number of shares equivalent to 10 per cent of the total number of outstanding shares in the company on the date of the General Meeting's authorisation resolution, may be issued in new share issues and/or through the conversions of convertible bonds (this does not prevent convertible bonds from being combined with conversion terms which, if applied, may result in a different number of shares).

This authorisation is to include the right to issue shares and/or convertible bonds with cash payment, payment by contribution in kind or payment by way of set-off, and otherwise subject to conditions as set out in Chapter 2, section 5, second paragraph 1–3 and 5 of the Swedish Companies Act.

An issue of shares and/or convertible bonds without regard to pre-emption rights for the shareholders with cash payment or payment by way of set-off must take place on market conditions.

The reason for the proposal and the possibility to disapply the shareholders' pre-emption rights is to allow for flexibility in connection with any acquisitions or the raising of capital.

The Board of Directors, or a party designated by the Board, has the right to decide on minor changes to the General Meeting's resolution that may be necessary in connection with registration of the resolution with the Swedish Companies Registration Office or due to other formal requirements.

### Special majority requirement

For a decision according to item 14 on issue authorisation, to be valid, the proposal must be supported by shareholders holding at least two thirds of both the votes cast and the shares represented at the General Meeting.

### Documents

All document in accordance with the Swedish Companies Act will be available at the company and on the company's website, [www.granges.com](http://www.granges.com), no later than as from Thursday 15 April 2021 and will be immediately dispatched at no cost for the recipient to the shareholders who request them and provide their postal address. The share register will be available at the company at Linnégatan 18 in Stockholm. All documents, including the share register, will be provided by being held available accordingly.

### Information

Shareholder are entitled to request information regarding items on the agenda or the company's financial statement position in accordance with Chapter 7 Section 32 and Section 57 of the Swedish Companies Act. A request regarding such information shall be submitted in writing to the company on Gränges AB, Linnégatan 18, 114 47 Stockholm, or via e-mail to Gränges' General Counsel, [niclas.nelson@granges.com](mailto:niclas.nelson@granges.com), no later than on Monday 26 April 2021. The information is provided by being available at the company at Linnégatan 18 in Stockholm, and on the company's website, [www.granges.com](http://www.granges.com), no later than on Saturday 1 May 2021. The information will be sent within the same time to the shareholder who has requested it and provided its postal address.

### Number of shares and votes

The total number of shares in the company as of the issue date for the notice of the General Meeting is 106,308,618 shares, which is equivalent to 106,308,618 votes. As of the same date, the company is holding no shares in treasury.

### Processing of personal data

For information on how your personal data is processed, please see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

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Stockholm in March 2021

**Gränges AB (publ)**

*Board of Directors*