

*N.B. This English text is an unofficial translation of the Swedish original of the notice to attend the Annual General Meeting in Hoylu AB (publ), and in case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **NOTICE TO ATTEND THE ANNUAL GENERAL MEETING OF HOYLU AB (PUBL)**

The shareholders of Hoylu AB (publ), reg. no 559084-6381 (the "**Company**") are hereby summoned to attend the annual general meeting held at 09:00 (CEST) on Thursday 25 June 2020 at the premises of Eversheds Sutherland Advokatbyrå located at Strandvägen 1, Stockholm, Sweden. Registration begins at 08.45 (CEST).

### **INFORMATION RELATED TO THE CORONA VIRUS**

To minimise the risk of spreading the corona virus, no food and beverages will be served at the AGM. Participation of board members and company management will be restricted to online where possible. Shareholders who so desire can attend via a representative.

### **NOTIFICATION OF PARTICIPATION ETC.**

Shareholders who wish to attend the annual general meeting must:

- be recorded as shareholders in the share register maintained by Euroclear Sweden AB on Thursday 18 June 2020;
- no later than on Thursday 18 June 2020, preferably before 16:00 (CEST), have given notice of their participation and potential assistants by mail to Hoylu AB (publ), Tunnbindaregatan 37, 602 21 Norrköping, Sweden, or by email to [bolagsstamma@hoylu.com](mailto:bolagsstamma@hoylu.com), or by telephone at +46 040-170600 during office hours.

The notification should state name, personal identification number or registration number, address, day-time phone number and when applicable information regarding any representative, proxy and or at most two assistants. If applicable, the notification must include authorization documents such as certificate of registration or equivalent documents.

Shareholders whose shares are nominee-registered must, in order to have the right to attend the annual general meeting, request to be temporarily registered in the share register kept by Euroclear Sweden AB. The shareholder must instruct their nominee thereof in due time prior to Thursday 18 June 2020, by which date such registration must be executed.

Shareholders represented by proxy shall issue a written and dated power of attorney signed by the shareholder. The power of attorney may not be issued earlier than one year before the date of the general meeting, with the exception of the power of attorney specifies a longer period, up to a maximum of five years. A power of attorney issued by a legal entity shall have a registration certificate attached, or if such certificate does not exist, equivalent documents. Original power of attorney and any registration certificate should, in advance of the general meeting be sent to the Company at the address above. A power of attorney form may be ordered from the Company and are available on the Company's website [www.hoylu.com](http://www.hoylu.com).

## **PROPOSED AGENDA**

1. Opening of the annual general meeting
2. Appointment of a chairman of the general meeting
3. Preparation and approval of the voting register
4. Appointment of one (1) or two (2) persons to verify the minutes of the meeting
5. Determination of whether the annual general meeting was duly convened
6. Approval of the agenda
7. Presentation of the annual accounts and the auditor's report as well as the consolidated annual accounts and auditor's report on the consolidated accounts
8. Resolution on:
  - a. adoption of the profit and loss account and balance sheet, as well as the consolidated profit and loss account and balance sheet;
  - b. appropriations of the Company's profits or losses in accordance with the adopted balance sheet; and
  - c. discharge from liability of the Board of Directors and the CEO
9. Determination of remuneration for the Board of Directors and the auditor
10. Appointment of Board of Directors and auditor
11. Resolution of adoption of guidelines for remuneration to senior executives
12. Resolution to amend the Articles of Association
13. Resolution to authorize the Board of Directors to resolve to issue new shares, convertible loan notes and/or warrants
14. Resolution on approval of the board of directors' decision to issue new shares with deviation from the shareholders' pre-emption right
15. Resolution to a) approve the Board of Directors' proposed new share-based incentive program through b) directed issue of warrants and c) approval of transfer of warrants
16. Resolution to a) approve by shareholder Fougner Invest AS proposed share-based incentive program through b) directed issue of warrants and c) approval of transfer of warrants
17. Resolution to authorize the Board of Directors to undertake minor adjustments of the resolutions
18. Closure of the annual general meeting

## **PROPOSED RESOLUTIONS**

### **Appointment of a chairman of the general meeting (item 2)**

The Chairman of the Board, Björn Wallin, is resolved to be appointed as chairman of the annual general meeting.

### **Appropriations of the Company's profits or losses in accordance with the adopted balance sheet (item 8b)**

The Board proposes that all retained earnings and profit from the financial year 2019 is carried forward. The Board proposes no dividend for the financial year 2019.

### **Determination of remuneration for the Board of Directors and the auditor (item 9)**

A remuneration of totalling SEK 550,000 is to be distributed to the Board of Directors, of which SEK 250,000 is to be distributed to the Chairman of the Board and SEK 150,000 each to the other Directors appointed by the annual general meeting. A Director who at the same time is employed by the Company shall not receive any director's fee.

Remuneration to the auditor are to be paid according to current account and approved invoices.

### **Appointment of Board of Directors and auditor (item 10)**

It is proposed that the number of Directors, until the end of the next annual general meeting, consists of four (4) Directors and no deputies.

It is proposed to re-elect each of Björn Wallin (chairman), Stein Revelsby, Ian Sandmæl and Hans Othar Blix as Directors in the Company.

The Board further proposes that the registered auditing firm Deloitte AB be re-elected to serve for the period until the end of the next annual general meeting (with authorized public accountant Henrik Ekström as auditor-in-charge until further notice).

Complete information of the Directors of the Board and accountant will be published on the Company's website three weeks before the annual general meeting at the latest.

### **Resolution regarding adoption of guidelines for remuneration to senior executives (item 11)**

The Board propose to the annual general meeting to resolve on the guidelines below for the determination of remuneration and other employment conditions for the CEO and other senior executives.

The compensation level and structure shall be at market level, competitive and consider the individual's areas of responsibility and expertise. The total compensation shall be a balanced mix of fixed salaries, variable compensation, retirement and health plans, any other benefits and terms for dismissal and severance payments. The remuneration may also, subject to shareholder approval, comprise stock related long-term incentive programs.

The variable compensation varies for each senior executive and shall primarily be related to the Company's budget and may not exceed fifty (50) percent of the senior executive's fixed salary. The variable compensation for the CEO, however, may not exceed seventy-five (75) percent of the fixed salary.

The Board may, if special reasons for doing so exist and as provided for in Chapter 8, Section 53 of the Swedish Companies Act, do minor changes on an individual basis from the abovementioned guidelines.

## **Resolution to amend the Articles of Association (item 12)**

The Board of Directors proposes that § 4, 5, 8 and 9 of the Articles of Association are amended in accordance with the below.

### **§ 4**

*"Aktiekapitalet ska vara lägst 3 091 465 kronor och högst 12 365 860 kronor.*

*The share capital shall be not less than SEK 3,091,465 and no more than SEK 12,365,860."*

### **§ 5**

*"Antal aktier ska vara lägst 37 500 000 och högst 150 000 000.*

*The number of shares shall be no fewer than 37,500,000 and no more than 150,000,000."*

The reason for the proposed changes in § 4 and § 5 is to give the Company the flexibility to issue more shares if needed in connection with potential transactions etc.

### **§ 8**

*"Kallelse till årsstämma samt kallelse till extra bolagsstämma där frågor om ändring av bolagsordningen kommer att behandlas ska utfärdas tidigast sex veckor och senast fyra veckor före stämman. Kallelse till annan extra bolagsstämma ska utfärdas tidigast sex veckor och senast två veckor före stämman. Kallelse till bolagsstämma ska ske genom annonsering i Post- och Inrikes Tidningar samt på bolagets hemsida. Att kallelse skett ska annonseras i Svenska Dagbladet.*

*Notice to attend an annual general meeting or extraordinary general meeting at which the issue of amendment of the articles of association is to be addressed shall be given not earlier than six weeks and not later than four weeks prior to the meeting. Notice to attend any other extraordinary general meeting shall be given not earlier than six weeks and not later than two weeks prior to the meeting. Notice to attend a general meeting shall be published in Post- och Inrikes Tidningar and on the company's website. The fact that notice has been given shall be published in Svenska Dagbladet."*

The reason for the proposed change in § 8 is that it has come to the Boards knowledge that publications in Svenska Dagbladet can be more flexible and be made at a lower cost than in Dagens Industri.

### **§ 9**

*"Aktieägare som vill deltaga i bolagsstämman ska anmäla sitt deltagande till bolaget senast den tidpunkt och den dag som anges i kallelsen till stämman. Denna dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och inte infalla tidigare än femte vardagen innan stämman.*

*Aktieägare får vid bolagsstämman medföra ett (1) eller två (2) biträden, dock endast om aktieägaren anmält detta enligt föregående stycke.*

*Shareholders wishing to attend a general meeting must notify the company of intent to participate no later than the day specified in the notice to the general meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not take place earlier than the fifth business day prior to the general meeting.*

*Shareholders may bring one (1) or two (2) advisors to the general meeting, subject to the shareholder notifying this according to what is set out above."*

As there is no requirement to include information regarding the record date in the Articles of Association, since this is regulated by the Companies Act (2005: 551), and as the current wording of paragraph 9 of the Articles of Association is not compatible with an expected change in the Companies Act which is expected to enter into force in 2020, the Board of Directors proposes that paragraph 9 of the Articles of Association shall be amended as set out above.

*A valid resolution pursuant to this item requires that the resolution be supported by shareholders*

*representing at least two-thirds (2/3) of both the votes cast and the shares represented at the annual general meeting.*

**Resolution regarding authorizing the Board of Directors to resolve to issue new shares, issue convertible loan notes and/or issue warrants (item 13)**

The board of directors proposes that the general meeting authorizes the Board to resolve, on one or more occasions, during the period and until the end of the next annual general meeting, to increase the Company's share capital through new issue of shares, convertible loan notes, and/or warrants to the extent permitted by the Articles of Association from time to time.

New issue of shares, as well as issue of warrants and convertible loan notes, shall be able to take place with or without deviation from the shareholders' pre-emption right, against cash payment, for payment in kind, by way of set-off, or on conditions following from Chapter 2, Section 5 of the Swedish Companies Act. According to Chapter 16 of the Swedish Companies Act, this authorization does not authorize the board of directors to resolve on issue to Board Directors and/or employees of the Company.

*A valid resolution pursuant to this item requires that the resolution be supported by shareholders representing at least two-thirds (2/3) of both the votes cast and the shares represented at the annual general meeting.*

**Resolution on approval of the board of directors' decision to issue new shares with deviation from the shareholders' pre-emption right (item 14)**

The board of directors proposes that the general meeting approve the board of directors' resolution to increase the Company's share capital by no more than SEK 213,611.04 due to the issue of up to 2,591,140 new shares.

The new shares shall be issued at a subscription price of SEK 1.50 per share, which corresponds to approximately 21 per cent discount based on the closing price on 5 May 2020.

Subscription of new shares was completed on 18 May 2020 in accordance with the board's resolution. The right to subscribe for the new shares was, disapplying from the shareholders' pre-emption rights, vested in Truls Baklid, Jakob Leitner and Thomas Seifried (employees of the Company) and to the board member Hans Othar Blix. In total, 2,524,474 new shares were subscribed for.

The reason for derogating the shareholders' pre-emption right is that the employees and the member of the Board, through their own investment, should be able to access and work for a positive value development of the Company's shares and thus achieve alignment of interest with the Company's shareholders.

The new shares entitle the holder to a dividend as from the date on which the shares are entered in the share register maintained by Euroclear Sweden AB.

*A valid resolution pursuant to this item requires that the resolution be supported by shareholders representing at least nine-tenths (9/10) of both the votes cast and the shares represented at the annual general meeting.*

**Resolution to a) approve the Board of Directors' proposed new share-based incentive program through b) directed issue of warrants and c) approval of transfer of warrants (item 15)**

The Board of Directors proposes that the general meeting resolves to approve the Board of Directors decision on 6 May 2020 on a share based incentive program for certain employees and consultants in the Company and its subsidiaries (the "**Incentive Program 2020/2023A**") in accordance with what is stated under section a) below.

In order to secure the Company's commitments under the Incentive Program 2020/2023A, the Board of Directors also proposes that the annual general meeting shall resolve on a directed issue of warrants in accordance with what is stated under section b) below and resolve to approve the transfer of warrants to certain employees and consultants in the Company and its subsidiaries as specified under section c) below.

## **a) Resolution on the adoption of a new share-based incentive program**

The Board propose that the general meeting resolves to adopt the Incentive Program 2020/2023A on the following principal terms and conditions:

- The Incentive Program 2020/2023A shall conclude a maximum of 9,000,000 warrants.
- Every warrant entitles to subscription of one new share in the Company against payment of a subscription price amounting to SEK 2.2 The subscription price and the number of shares that each warrant entitles to may be subject to recalculation as a result of a bonus issue, split, rights issue and similar measures, whereby the conditions for re-calculation in the complete terms and conditions applicable for the warrants shall be applied.
- The Incentive Program 2020/2023A shall be offered to employees and certain consultants in the Company or the Company's subsidiaries as of 31 December 2020. An offer shall be made in accordance with the following principles:
  - a. The CEO A maximum of 1,600,000 warrants\*
  - b. Senior Management A maximum of 3,800,000 warrants\*
  - c. Other employees A maximum of 3,600,000 warrants\*
  - d. Long-term consultants A maximum of 400,000 warrants\*

\*The allocation of warrants in each category will partly be subject to each participant, holding warrants under the previous Employee Stock Option Program 2018 and/or the Employee Stock Option Program 2019, waiving all its rights under the Employee Stock Option Program 2018 and/or the Employee Stock Option Program 2019. In this respect, the allocation will be made on a 1:1 ratio, implying that each holder will be offered one new warrant in the Incentive Program 2020/2023A in exchange for waiving its right to one warrant in a previous program. For the avoidance of doubt, holders of warrants in the Employee Stock Option Program 2018 and/or the Employee Stock Option Program 2019 that are no longer active consultants or employed by the Company or its subsidiaries will not be subject for this offer.

- The notification to participate in the Incentive Program shall be submitted to the Company no later than on 31 December 2020. The Board of Directors has the right to extend such deadline.
- Allotted warrants are earned during a period of three years as follows:
  - 1/3 of the allotted warrants will be earned on 31 December 2021;
  - 1/3 of the allotted warrants will be earned on 31 December 2022; and
  - 1/3 of the allotted warrants will be earned on 31 December 2023.
- Earnings require that the participant be still employed by the Company and has not terminated the employment on the day when the respective earnings take place. In the event that participants cease to be employed or terminate their employment with the Company before a vesting day, already earned warrants may be exercised at the ordinary time for exercise as described below, but further earnings will not take place.
- The warrants are granted free of charge.
- The warrants shall not constitute securities and cannot be transferable or pledged. However, the rights under the warrants are transferred to the decedent estate in connection with the participant's death.

- The participants in the Incentive Program 2020/2023A can exercise allotted and earned warrants during the period from 1 January 2024 to 30 June 2024.
- Participation in Incentive Program 2020/2023A presupposes that such participation can legally take place and that such participation, according to the Company's assessment, can take place with reasonable administrative costs and financial contributions.
- The warrants shall be regulated in special agreements with the respective participants. The Board of Directors shall be responsible for the design and management of the Incentive Program 2020/2023A within the framework of the above-mentioned main terms and conditions.

#### **b) Resolution on a directed issue of warrants**

In order to enable the Company's delivery of shares according to the Incentive Program 2020/2023A and to secure related costs, primarily social security contributions, the Board of Directors proposes that the annual general meeting resolves on a directed issue of a maximum of 9,000,000 warrants and on approval of transfer of warrants on the following principal terms and conditions:

- With deviation from shareholders' pre-emptive right, the warrants may only be subscribed for by Hoylu Intressenter AB (the "**Subsidiary**"). The reason for the deviation from shareholders' pre-emptive right is that the warrants may be used within the framework of the Incentive Program 2020/2023A.
- Subscription by the Subsidiary shall be made on 30 June 2020 at the latest. The Board of Directors shall have the right to postpone the subscription date. Oversubscription may not occur.
- The warrants shall be issued without consideration. The reason is that the warrants are issued to the Subsidiary as part of the adoption of the Incentive Program 2020/2023A
- Each warrant entitles to subscription of one new share in the Company against payment of a subscription price amounting to SEK 2.2 Payment for a new share in the Company can be made in cash or by way of set-off.
- The subscription price and the number of shares that each warrant entitles to may be subject to recalculation as a result of, inter alia, bonus issue, split and rights issues. Complete terms and conditions will be available on the Company's website.
- The shares that are added through the exercise of option rights entitle the holder to dividend from the first record date for dividends that occur after the share has been entered into the Company's share register.
- Upon full exercise of the warrants, up to 9,000,000 shares may be issued, which corresponds to a dilution of approximately 11.2 per cent of the Company's share capital and votes.

#### **c) Resolution on approval of transfer of warrants**

The Board of Directors proposes that the annual general meeting resolves to approve that the Subsidiary may transfer warrants to participants in the Incentive Program 2020/2023A without consideration in connection with warrants being exercised in accordance with the conditions under section a) above or otherwise disposing of the warrants to secure the Company's commitments and costs in relation to the Incentive Program 2020/2023A.

#### **Additional information on the Incentive Program 2020/2023**

The reason for the adoption of the Incentive Program 2020/2023A and the deviation from shareholders' pre-emptive right to subscribe for new warrants is to be able to create opportunities for the Company and its subsidiaries to retain competent personnel by offering a long-term ownership commitment for

the employees. Such ownership involvement is expected to stimulate employees to increase their interest in the business and the earnings trend and increase the sense of belonging to the Company.

The proposal has been prepared by the Company's Board of Directors. Stein Revelsby, CEO and director in the Company, has not participated in the preparation of the proposal.

The Board of Directors considers that the Incentive Program 2020/2023A will cause costs in the form of accounting costs and partly in the form of employer's social contributions.

*A valid resolution pursuant to this item requires that the resolution be supported by shareholders representing at least nine-tenths (9/10) of both the votes cast and the shares represented at the annual general meeting.*

**Resolution to a) approve by shareholder Fougner Invest AS proposed share-based incentive program through b) directed issue of warrants and c) approval of transfer of warrants (item 16)**

Fougner Invest AS, shareholder in the Company, proposes that the general meeting resolves on a share based incentive program for the board of directors in the Company (the "**Incentive Program 2020/2023B**") on the same terms as the Incentive Program 2020/2023A in item 15 above.

In order to secure the Company's commitments under the Incentive Program 2020/2023B, Fougner Invest AS's also proposes that the annual general meeting shall resolve on a directed issue of warrants in accordance with what is stated under section b) below and resolve to approve the transfer of warrants to certain the board of directors in the Company as specified under section c) below.

**a) Resolution on the adoption of a share-based incentive program**

Fougner Invest AS propose that the general meeting resolves to adopt the Incentive Program 2020/2023B on the following principal terms and conditions:

- The Incentive Program 2020/2023B shall conclude a maximum of 450,000 warrants.
- Every warrant entitles to subscription of one new share in the Company against payment of a subscription price amounting to SEK 2.2 The subscription price and the number of shares that each warrant entitles to may be subject to recalculation as a result of a bonus issue, split, rights issue and similar measures, whereby the conditions for re-calculation in the complete terms and conditions applicable for the warrants shall be applied.
- The Incentive Program 2020/2023B shall be offered to each elected board of director at the annual general meeting in 2020 in accordance with the following principles:
  - a. The chairman 150,000 warrants
  - b. Each director (non-employed) 150,000 warrants
- Allotted warrants are earned during a period of three years as follows:
  - 1/3 of the allotted warrants will be earned on the day before the AGM 2021;
  - 1/3 of the allotted warrants will be earned on the day before the AGM 2022; and
  - 1/3 of the allotted warrants will be earned on the day before the AGM 2023.
- Earnings require that the participant be still appointed as a director of the board in the Company and has not resigned on the day when the respective earnings take place. In the event that participants resign before a vesting day, already earned warrants may be exercised at the ordinary time for exercise as described below, but further earnings will not take place.



- The warrants are granted free of charge.
- The warrants shall not constitute securities and cannot be transferable or pledged. However, the rights under the warrants are transferred to the decedent estate in connection with the participant's death.
- The participants in the Incentive Program 2020/2023B can exercise allotted and earned warrants during the period from 1 January 2024 to 30 June 2024.
- Participation in Incentive Program 2020/2023B presupposes that such participation can legally take place and that such participation, according to the shareholders' assessment, can take place with reasonable administrative costs and financial contributions.
- The warrants shall be regulated in special agreements with the respective participants.

#### **b) Resolution on a directed issue of warrants**

In order to enable the Company's delivery of shares according to the Incentive Program 2020/2023B and to secure related costs, primarily social security contributions, Fougner Invest AS propose that the annual general meeting resolves on a directed issue of a maximum of 450,000 warrants and on approval of transfer of warrants on the following principal terms and conditions:

- With deviation from shareholders' pre-emptive right, the warrants may only be subscribed for by Hoylu Intressenter AB (the "**Subsidiary**"). The reason for the deviation from shareholders' pre-emptive right is that the warrants may be used within the framework of the extended Incentive Program 2020/2023B.
- Subscription by the Subsidiary shall be made on 30 June 2020 at the latest. The Board of Directors shall have the right to postpone the subscription date. Oversubscription may not occur.
- The warrants shall be issued without consideration. The reason is that the warrants are issued to the Subsidiary as part of the adoption of the Incentive Program 2020/2023B.
- Each warrant entitles to subscription of one new share in the Company against payment of a subscription price amounting to SEK 2.2 Payment for a new share in the Company can be made in cash or by way of set-off.
- The subscription price and the number of shares that each warrant entitles to may be subject to recalculation as a result of, inter alia, bonus issue, split and rights issues. Complete terms and conditions will be available on the Company's website.
- The shares that are added through the exercise of option rights entitle the holder to dividend from the first record date for dividends that occur after the share has been entered into the Company's share register.
- Upon full exercise of the warrants, up to 450,000 shares may be issued, which corresponds to a dilution of approximately 0.63 per cent of the Company's share capital and votes.

#### **c) Resolution on approval of transfer of warrants**

Fougner Invest AS further propose that the annual general meeting resolves to approve that the Subsidiary may transfer warrants to participants in the extended Incentive Program 2020/2023B without consideration in connection with warrants being exercised in accordance with the conditions under

section a) above or otherwise disposing of the warrants to secure the Company's commitments and costs in relation to the extended Incentive Program 2020/2023B.

*A valid resolution pursuant to this item requires that the resolution be supported by shareholders representing at least nine-tenths (9/10) of both the votes cast and the shares represented at the annual general meeting.*

**Resolution to authorize the Board of Directors to undertake minor adjustments of the resolutions (item 17)**

The Board proposes that the annual general meeting authorizes the Board, the CEO or the person otherwise designated by the Board, to undertake such minor adjustments and clarifications of the decisions made at the annual general meeting to the extent required for registration of the resolutions.

**OTHER**

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

As of the date of this notice, the total number of shares in the Company is 71,185,767, representing a total of 71,185,767 votes. The Company holds no own shares.

**Shareholders' right to information**

Shareholders are informed of their right under Chapter 7, Section 32 of the Swedish Companies Act to request information about circumstances that may affect the assessment of an item of business on the agenda and about circumstances that may affect the assessment of the Company's financial situation. The Board and the CEO shall provide such information if the Board considers that this can be done without significant damage to the Company. The duty of disclosure also applies to the Company's relationships with other companies in the group, the consolidated financial statements and such circumstances as detailed above applicable to subsidiaries.

Shareholders have a right to ask the Company questions at the annual general meeting on the items and proposals to be considered at the annual general meeting.

**Documents**

The annual accounts, consolidated annual accounts, auditor's report and other documents related to the resolutions proposed to the annual general meeting will be available at the Company's head office and on the Company's webpage, [www.hoylu.com](http://www.hoylu.com), no later than three weeks prior to the annual general meeting and will also be sent to those shareholders who so request and provide their postal address. The documents will also be available at the annual general meeting.

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Stockholm in May 2020

**Hoylu AB (publ)**

*The Board of Directors*