

*This is a non-official translation of the Swedish original wording. In case of discrepancies between the English translation and the Swedish original, the Swedish text shall prevail.*



## **NOTICE TO THE ANNUAL GENERAL MEETING OF HEXPOL AB (publ)**

**Shareholders of HEXPOL AB are hereby summoned to the Annual General Meeting (AGM) to be held at 3 p.m. CET on Friday, 28 April 2017 at Malmö Börshus at the address Skeppsbron 2, Malmö, Sweden.**

### **A. RIGHT TO PARTICIPATE IN THE ANNUAL GENERAL MEETING**

Shareholders who wish to participate in the AGM must:

firstly, be registered in the share register maintained by Euroclear Sweden AB no later than 22 April 2017, and

secondly, notify the company of their intention to attend the AGM under the address HEXPOL AB, "Annual General Meeting", c/o Euroclear Sweden, P.O. Box 191, SE-101 23 Stockholm, by phone +46 8 402 90 49 or at the website [www.hexpol.com](http://www.hexpol.com) no later than 24 April 2017.

In connection with notification, shareholders must state their name, address, telephone number (daytime), personal or corporate identity number and information concerning their shareholding. For shareholders who will be represented by proxy at the Annual General Meeting, the original version of a signed and dated power of attorney must be enclosed with the notification. A form for the power of attorney is available on the company's website, [www.hexpol.com](http://www.hexpol.com) and will be sent by mail on request to shareholders who state their address. For those representing a legal entity, a verified copy of the registration certificate or corresponding document showing the company's signatories must also be submitted.

In order to be entitled to participate in the AGM, shareholders whose shareholding is registered in the name of a trustee must, before 22 April 2017, re-register their shares in their own name at Euroclear Sweden AB. Since Saturday 22 April 2017 is not a banking day, Euroclear Sweden AB will issue the share register for the AGM on first preceding banking day i.e. Friday 21 April 2017. Therefore, shareholders who wish to participate in the AGM must already have completed such re-registration on Friday 21 April 2017. Thus, the trustee should be notified well in advance of the aforementioned date.

### **B. AGENDA OF THE ANNUAL GENERAL MEETING**

#### **Proposal for agenda**

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the list of shareholders entitled to vote at the Meeting.
4. Approval of the agenda.
5. Election of one or two officers to verify the minutes.
6. Determination of whether the Meeting has been duly convened.

7. Address by the President.
8. Presentation of
  - a) the annual report and the auditors' report, as well as the consolidated financial report and auditors' report on the consolidated financial report for the financial year 2016, and
  - b) statement from the company's auditor confirming compliance with the guidelines for the remuneration of senior executives that have applied since the preceding AGM.
9. Resolutions concerning
  - a) adoption of the income statement and balance sheet, and of the consolidated income statement and consolidated balance sheet, all as per 31 December 2016,
  - b) disposition of the Company's profit as set forth in the balance sheet adopted by the Meeting and the record date for dividend distribution, and
  - c) discharge of the Board of Directors and the President from personal liability.
10. Determination of the number of members and deputy members of the Board.
11. Determination of the fees to be paid to the Board members and auditors.
12. Election of members of the Board.
13. Election of auditor.
14. Election of members of the Nomination Committee.
15. Determination of guidelines for the remuneration of senior executives.
16. Closing of the Meeting.

## Proposals

### Election of Chairman of the Meeting (Item 2)

The Nomination Committee elected in anticipation of the 2017 AGM, comprising Mikael Ekdahl (Melker Schörling AB), Åsa Nisell (Swedbank Robur fonder), Henrik Didner (Didner & Gerge Fonder) and Elisabeth Jamal Bergström (Handelsbanken Fonder), has proposed that Mikael Ekdahl be elected Chairman of the 2017 AGM.

### Proposed disposition of the Company's profit (Item 9 b)

The Board proposes that a dividend of SEK 4.75 per share be declared and that the record date for the dividend shall be 3 May 2017. If the AGM so resolves, the dividend is expected to be distributed by Euroclear Sweden AB on 8 May 2017.

### Proposals regarding election of Board members and fees (Items 10-12)

The Nomination Committee proposes the following:

- The number of Board Members shall be seven, without deputies.
- Directors' fees shall be paid as follows: SEK 800,000 to the Chairman of the Board and SEK 350,000 to each of the other Board Members elected by the AGM who are not employed by the company. As remuneration for committee work, the chairman of the Audit Committee shall receive SEK 200,000 and each member of the Audit Committee SEK 100,000 and the chairman of the Remuneration Committee shall receive SEK 75,000 and member of the Remuneration Committee SEK 50,000.
- Re-election of Board Members Georg Brunstam, Alf Göransson, Jan-Anders Månson, Malin Persson, Märta Schörling Andreen and Kerstin Lindell as ordinary Board Members and election of Gun Nilsson as new ordinary Board Member.
- New election of Georg Brunstam as the Chairman of the Board.

*Gun Nilsson* (born 1955) is appointed as CEO of Melker Schörling AB and is a Board member in Hexagon AB, Capio AB, Dometic Group AB and Bonnier Holding Aktiefbolag. Gun Nilsson has long experience from the position as CFO of large listed companies such as Nobia AB and Sanitec Oy, and as CEO of Gambro Holding AB and as Vice President and CFO of Duni AB, where she

also has served as a Board member. Gun Nilsson holds a M.Sc. in Business Administration and Economics from Stockholm School of Economics.

#### **Proposal regarding election of auditor (Item 13)**

The Nomination Committee proposes that the registered auditing firm Ernst & Young AB is re-elected as the company's auditor for a period of one year, in accordance with the recommendation of the Audit Committee, whereby it is noted that the auditing firm has notified that, if the auditing firm is re-elected, the authorised public accountant Johan Thuresson will be appointed principally responsible auditor. Fees to auditors shall be payable according to contract.

#### **Proposal regarding election of members of the Nomination Committee (Item 14)**

Shareholders jointly representing approximately 58 per cent of the voting rights in the company propose that the AGM resolve as follows pertaining to Nomination Committee in anticipation of the AGM 2018.

- The Nomination Committee shall have four members.
- Re-election of Mikael Ekdahl (Melker Schörling AB), Åsa Nisell (Swedbank Robur fonder), Henrik Didner (Didner & Gerge Fonder) and Elisabet Jamal Bergström (Handelsbanken Fonder).
- Re-election of Mikael Ekdahl as Chairman of the Nomination Committee.
- Should a shareholder who is represented by one of the Nomination Committee's members cease to belong to the largest shareholders in HEXPOL in terms of voting rights, or should a member of the Nomination Committee no longer be employed by such a shareholder or for some other reason decide to step down from the Nomination Committee prior to the AGM 2018, the Nomination Committee shall be entitled to appoint another representative of the largest shareholders in terms of voting rights to replace such a member.

#### **Proposal for guidelines for remuneration to senior executives (Item 15)**

The Board of Directors proposes that the AGM 2017 resolves on guidelines for remuneration of the CEO and other senior executives in accordance with the following.

The remuneration shall consist of basic remuneration, variable remuneration, other benefits and pension. The variable remuneration shall be based on earnings and the return on capital employed. Other senior executives are defined as members of the Group Management, currently the CFO and the company's business and product area managers. The total remuneration shall be in accordance with the market practice and be competitive to secure that the HEXPOL Group will be able to attract and retain competent senior executives.

The variable part of the salary shall be related to the earnings trend on which the individual may have an impact and be based on the outcome in relation to individually established goals. The variable part of the salary shall be maximized in relation to the fixed remuneration. The variable remuneration shall not qualify for pension. The variable remuneration is capped and shall constitute a maximum of 130 per cent of the basic remuneration.

Each year the Board of Directors shall consider whether or not to recommend the Annual General Meeting to resolve on a share or share rate related incentive program, whereby it is noted that issues and transfers of securities that are resolved upon by the General Meeting in accordance with the so called Leo law-principles in Chapter 16 of the Swedish Companies Act are not subject to these guidelines.

Pension benefits shall either be benefit or fee based, or a combination of both, with an individual pension age, however, never lower than 60 years.

The notice period shall normally be six months on the part of the employee. Between the company and the managing director, the managing director is entitled to a notice period of six months. At notice of termination by the company, a notice period of 24 months shall apply. For other senior executives the notice period shall be six months and on the part of the company normally 12 months.

Remuneration to the managing director and other senior executives shall be prepared by the Remuneration Committee of the Board of Directors and resolved by the Board of Directors based on the proposal of the Remuneration Committee.

These guidelines shall comprise officials who during the validity of these guidelines are part of the Group Management. The guidelines shall apply to employment contracts entered into after the resolution of the Annual General Meeting, and to any amendments of existing contracts. The Board shall be entitled to depart from the guidelines if there are exceptional reasons for doing so in individual cases.

#### **C. NUMBER OF SHARES AND VOTES IN THE COMPANY**

The total number of shares in the company is 344,201,280, of which 14,765,620 shares are of Series A and 329,435,660 shares of Series B. The total number of voting rights in the company is 477,091,860.

#### **D. AVAILABLE DOCUMENTATION**

The Annual Report and the auditor's statement, including the Board's proposal for guidelines for remuneration to senior executives, as well as the auditors' statement regarding whether the guidelines have been complied with and the Board's complete proposal concerning Item 15, as well as the Board's motivated statement to the proposal for dividend distribution according to Item 9 b) will be available for the shareholders at the company's office in Malmö no later than 7 April 2017. Copies of the documents will be sent to those shareholders who request to receive such information and who have provided their address. They will also be available on the company's website [www.hexpol.com](http://www.hexpol.com) and at the AGM.

#### **E. INFORMATION AT THE ANNUAL GENERAL MEETING**

At the AGM, the Board and the President shall, if requested by a shareholder and the Board considers that it can be done without material damage to the company, provide information regarding issues that may (i) affect the assessment of an item on the agenda, (ii) affect the assessment of the company's or a subsidiary's financial situation or (iii) concern the company's relation to another group company. A shareholder who so requests may send questions in advance by mail to HEXPOL AB, "Annual General Meeting", Skeppsbron 3, SE-211 20 Malmö, Sweden, or by email to [info@hexpol.com](mailto:info@hexpol.com).

Malmö in March 2017  
**HEXPOL AB (publ)**  
*Board of Directors*