

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 Tuesday, 28 April 2020 at Malmö Börshus at the address Skeppsbron 2, Malmö, Sweden.

Due to the continued spread of the coronavirus, precautionary measures will be implemented in connection with the AGM. The AGM will be held as short as possible and no food will be offered after the AGM. Shareholders, proxy holders and assistants showing any symptoms of infection, who have infected family members or who belong to a risk group should refrain from participating in the AGM. Shareholders are encouraged to carefully consider the opportunity to issue a power of attorney and voting instructions to a proxy. The company closely monitors developments on the coronavirus and may, when necessary, with short notice impose further precautionary measures. We encourage shareholders to stay updated via the company's website www.hexpol.com.

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 2020, 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 no later than 22 April 2020.

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 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 2020, re-register their shares in their own name at Euroclear Sweden AB. 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 2019, 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 2019,
 - 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. Proposal regarding amendment of the Articles of Association.
17. Closing of the Meeting.

Proposals

Election of Chairman of the Meeting (Item 2)

The Nomination Committee elected in anticipation of the 2020 AGM, comprising Mikael Ekdahl (Melker Schörling AB), Åsa Nisell (Swedbank Robur fonder), Henrik Didner (Didner & Gerge Fonder) and Marcus Lüttgen (Alecta Pensionsförsäkring), has proposed that Georg Brunstam be elected Chairman of the 2020 AGM.

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

The Board proposes that a dividend of SEK 2.30 per share be declared and that the record date for the dividend shall be 30 April 2020. If the AGM so resolves, the dividend is expected to be distributed by Euroclear Sweden AB on 6 May 2020.

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 950,000 to the Chairman of the Board and SEK 400,000 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 250,000 and each member of the Audit Committee SEK 125,000 and the chairman of the Remuneration Committee shall receive SEK 100,000 and member of the Remuneration Committee SEK 50,000.

- Re-election of Board Members Georg Brunstam, Alf Göransson, Kerstin Lindell, Jan-Anders Månson, Gun Nilsson, Malin Persson and Märta Schörling Andreen as ordinary Board Members.
- Re-election of Georg Brunstam as the Chairman of the Board.

In addition to the Nomination Committee's proposal, the Board proposes that remuneration corresponding to the terms for the former managing director shall be paid to the Chairman of the Board for full-time work in addition to the assignment as Chairman of the Board until a new managing director has taken office.

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 54 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 2021.

- The Nomination Committee shall have four members.
- Re-election of Mikael Ekdahl (Melker Schörling AB), Henrik Didner (Didner & Gerge Fonder) and Marcus Lüttgen (Alecta Pensionsförsäkring) and new election of Mats Gustafsson (Lannebo 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 2021, 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 Annual General Meeting resolves on guidelines for remuneration to the managing director, other senior executives and working Chairman of the Board as follows. Other senior executives are defined as members of the group management. What is stated in the guidelines regarding the managing director shall also apply to the working Chairman of the Board. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting. These guidelines do not apply to any remuneration decided or approved by the general meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

For information regarding the company's business strategy, see www.hexpol.com. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to attract and retain qualified senior executives. To this end, it is necessary that the company offers competitive remuneration on market terms. These guidelines enable the company to offer the executive management a competitive total remuneration.

A warrants programme has been implemented for members of the group management, senior executives and key employees within the HEXPOL Group. The programme has been resolved by the general meeting and is therefore excluded from these guidelines. For more information regarding this programme, see <http://investors.hexpol.com/en/warrants-programme>.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and consist of fixed cash salary, variable remuneration, other benefits and pension. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related incentive programmes.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration is capped and shall constitute a maximum of 130 per cent of the fixed annual cash salary.

For senior executives, pension benefits shall be paid not earlier than from the age of 60 years. For the managing director, pension benefits, including health insurance (*Sw: sjukförsäkring*), shall either be benefit or fee based, or a combination of both. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary. For other executives, pension benefits, including health insurance, shall either be benefit or fee based, or a combination of both. Variable cash remuneration shall qualify for pension benefits only to the extent required by mandatory collective agreement provisions applicable to the executive. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance (*Sw: sjukvårdsförsäkring*) and company cars. Premiums and other costs relating to such benefits may amount to not more than 10 per cent of the fixed annual cash salary.

In relation to employments governed by rules other than Swedish, duly adjustments may be made for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Termination of employment

The notice period shall normally be six months on the part of the employee, without the right to severance pay. 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 normally be 12 months on the part of the company. Fixed cash salary during the period of notice and severance pay may normally together not exceed an amount equivalent to the fixed cash salary for two years for the managing director, and the fixed cash salary for one year for other senior executives.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to individualised predetermined and measurable criteria. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The criteria applied are based on earnings, earnings per share and capital.

The variable cash remuneration shall be based on earnings and capital. Cash remuneration in accordance with the company's long-term cash-based incentive program (LTI) shall be based on earnings per share. For cash remuneration in accordance with LTI, payment of the remuneration shall be made by half approximately one year after the measurement period has ended and by half approximately two years after the measurement period has ended. The design of the criteria for variable cash remuneration and the terms for payment contributes to the company's business strategy, long-term interests and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable cash remuneration to the managing director. For variable cash remuneration to other executives, the managing director is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Salary and employment conditions for employees

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The board of directors has established a remuneration committee. Remuneration to the managing director and other senior executives shall be prepared by the remuneration committee and resolved by the board of directors based on the proposal of the remuneration committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The managing director and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Proposal regarding amendment of the Articles of Association (Item 16)

The Board proposes that the Annual General Meeting resolves on amendments of the Articles of Association in accordance with the below in order to adapt the Articles of Association to changes in legislation made since the latest amendment of the Articles of Association and upcoming changes due to the implementation of the EU Shareholder Rights Directive.

§ 1 Company Name (*Sw. Företagsnamn*)

The term “trade name” (*Sw. firma*) has been replaced by the term “company name” by the new Swedish Companies Name Act (*Sw. lag om företagsnamn*). The Board proposes that the wording in § 1 of the Articles of Association is amended so that the term “trade name” is replaced with “company name”.

§ 8 Convening notice

An expected change of legislation during 2020 will entail that the wording in the current Articles of Association regarding the right to participate at general meetings will be in conflict with applicable law. The Board therefore proposes that the wording in § 8 of the Articles of Association is amended in accordance with the below so that the reference to the obligation for shareholders who wish to participate at general meetings to be included in the share register five working days prior to the general meeting is removed.

<i>Current wording</i>	<i>Proposed wording</i>
To attend a General Meeting the shareholder must be recorded in a transcript or other presentation of the complete share register relating to facts recorded five weekdays prior to the General Meeting and must notify the company of his/her intention to attend the Meeting not later than 12.00 hrs on the date stated in the convening notice. This day must never be a Sunday, public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year’s Eve, nor may this day fall earlier than five weekdays before the General Meeting.	To attend a General Meeting the shareholder must be recorded in a transcript or other presentation of the complete share register relating to facts recorded five weekdays prior to the General Meeting and must notify the company of his/her intention to attend the Meeting not later than 12.00 hrs on the date stated in the convening notice. This day must never be a Sunday, public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year’s Eve, nor may this day fall earlier than five weekdays before the General Meeting.

§ 12 Company with shares registered in record day register

The Board proposes that the wording in § 12 of the Articles of Association is amended so that reference is made to the current wording of the title of the statute, that is the Swedish *Central Securities Depositories and Financial Instruments Accounts Act* (SFS 1998:1479).

The Board further proposes that the General Meeting authorises the Board, or anyone appointed by the Board to make any adjustments that may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office (*Sw. Bolagsverket*).

In order for this resolution to be valid, it must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the general meeting.

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 and 16, 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 2020. 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 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.

F. PROCESSING OF PERSONAL DATA

For information about the processing of your personal data, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Malmö in March 2020
HEXPOL AB (publ)
Board of Directors