

*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 Thursday, 28 April 2022 at Clarion Malmö Live at the address Dag Hammarskjölds torg 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 should refrain from participating in the AGM. Shareholders are encouraged to carefully consider the opportunity to exercise their voting rights at the AGM by voting in advance (so called postal voting). 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](http://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 on 20 April 2022, 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), or submit a postal vote, no later than 22 April 2022.

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 AGM, 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. Shareholders exercising their voting rights by postal voting are not required to notify the company separately of their participation in the AGM, see below under "Postal voting". In order to be entitled to participate in the AGM, shareholders whose shareholding is registered in the name of a trustee must, before 20 April 2022, re-register their shares in their own name at Euroclear Sweden AB. Voting rights registration requested by the shareholder at such time that the registration has been completed by the nominee no later than 22 April 2022 will be taken into account in the preparation of the share register.

Thus, the trustee should be notified well in advance of the aforementioned date.

## B. POSTAL VOTING

The Board has resolved that shareholders may exercise their voting rights at the AGM by voting in advance, so called postal voting, in accordance with the Act (2022:121) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A special form must be used for the postal vote. The postal voting form is available on the company's website [www.hexpol.com](http://www.hexpol.com). A separate notification to the AGM is not required as the postal voting form will also be considered as a notification. Completed and signed postal voting forms may be sent by mail to HEXPOL AB, "Annual General Meeting", c/o Euroclear Sweden, P.O. Box 191, SE-101 23 Stockholm, Sweden, or by e-mail to [GeneralMeetingServices@euroclear.com](mailto:GeneralMeetingServices@euroclear.com). Completed forms must be received by Euroclear Sweden AB no later than 22 April 2022. Shareholders who are natural persons may also cast their votes electronically through verification with BankID via Euroclear Sweden AB's website <https://anmalan.vpc.se/EuroclearProxy>. Such electronic votes must be submitted no later than 22 April 2022.

Shareholders may not submit special instructions or conditions with the postal vote. In such case, the entire postal vote is invalid. If the shareholder submits the postal vote by proxy, a power of attorney must be attached to the form. If the form is submitted by a legal person, the form must be signed by an authorised signatory and a registration certificate or other authorization document must be attached to the form. Further instructions and conditions can be found in the postal voting form and at <https://anmalan.vpc.se/EuroclearProxy>.

## C. 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 2021, 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 2021,
  - 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. Resolution on approval of remuneration report.
16. Proposal of guidelines for the remuneration of senior executives.
17. Proposal regarding amendment of the Articles of Association.
18. Closing of the Meeting.

## Proposals

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

The Nomination Committee elected in anticipation of the 2022 AGM, comprising Mikael Ekdahl (Melker Schörling AB), Henrik Didner (Didner & Gerge Fonder), Jesper Wilgodt (Alecta Pensionsförsäkring) and Mats Gustafsson (Lannebo Fonder) has proposed that Alf Göransson be elected Chairman of the 2022 AGM.

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

The Board proposes that a dividend of SEK 6.00 per share be declared and that the record date for the dividend shall be 2 May 2022. If the AGM so resolves, the dividend is expected to be distributed by Euroclear Sweden AB on 5 May 2022.

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

The Nomination Committee proposes the following:

- The number of Board Members shall be six, without deputies.
- Directors' fees shall be paid as follows: SEK 1,040,000 to the Chairman of the Board and SEK 420,000 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 150,000 and member of the Remuneration Committee SEK 50,000.
- Re-election of Board Members Alf Göransson, Kerstin Lindell, Jan-Anders Månson, Gun Nilsson, Malin Persson and Märta Schörling Andreen as ordinary Board Members.
- Re-election of Alf Göransson as the Chairman of the Board.

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

The Nomination Committee proposes, in accordance with the recommendation of the Audit Committee, re-election of the authorised public accountants Joakim Falck and Karoline Tedevall, both active at Ernst & Young AB, as the company's auditors for a mandate period of one year. The Nomination Committee further proposes re-election of the authorised public accountants Ola Larsmon and Peter Gunnarsson as deputy auditors for a mandate period of one year. 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 2023.

- The Nomination Committee shall have four members.
- Re-election of Mikael Ekdahl (Melker Schörling AB), Henrik Didner (Didner & Gerge Fonder) and Jesper Wilgodt (Alecta Pensionsförsäkring), and new election of Hjalmar Ek (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 2023, the Nomination Committee shall be entitled to appoint another representative of the largest shareholders in terms of voting rights to replace such a member.

### *Tasks of the Nomination Committee*

The tasks of the Nomination Committee are to prepare proposals ahead of the AGM 2023 regarding election of Chairman and other Board Members, election of Chairman of the AGM, remuneration

matters and other related matters, election of members of the Nomination Committee or principles for the appointment of Nomination Committee and, together with the Audit Committee, prepare a proposal regarding election of auditor, and otherwise pursue the tasks that, according to the Swedish Code of Corporate Governance, are the responsibility of a nomination committee.

### **Approval of remuneration report (Item 15)**

The Board proposes that the AGM resolves to approve the Board's remuneration report pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

### **Proposal for guidelines for remuneration to senior executives (Item 16)**

The Board proposes that the AGM resolves on guidelines for remuneration to the managing director and other senior executives as follows. Other senior executives are defined as members of the group management. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the AGM. These guidelines do not apply to any remuneration decided or approved by the general meeting.

#### *Guiding principles and types of remuneration*

A prerequisite for the successful implementation of the company's vision, 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. More information regarding HEXPOL's vision and business strategy is available on the company's website [www.hexpol.com](http://www.hexpol.com).

#### *Types of remuneration*

The total remuneration to senior executives 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.

#### *Fixed remuneration*

The fixed remuneration for senior executives in HEXPOL shall be market-based and competitive. It shall be based on the individual executive's area of responsibility, authority, competence and level of experience.

#### *Variable remuneration*

In addition to fixed annual cash salary, senior executives shall be able to obtain a variable remuneration. The criteria for the remuneration and the conditions for payment shall be designed so as to contribute to the company's vision, 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 working capital. The company's sustainability work includes an environmental target meaning that carbon dioxide emissions shall be reduced in relation to objectives established by the Board. The variable remuneration consists of three parts. The first part, annual variable cash remuneration, shall be linked to individualised predetermined and measurable criteria and shall be based on earnings and working capital. The second part, cash remuneration in accordance with the company's long-term cash-based incentive program (LTI), shall be based on increased earnings per share. The third part shall be based on reduction of carbon dioxide emissions.

For cash remuneration in accordance with LTI, payment of the remuneration shall be made by half the second year after the measurement period has ended and the remaining half the third year 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 vision, business strategy, long-term interests and sustainability.

When the measurement period has ended it shall be determined to which extent the criteria for awarding variable cash remuneration have been satisfied. 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.

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 140 per cent of the fixed annual cash salary, of which 80 per cent is attributable to annual cash remuneration, 50 per cent is attributable to LTI and ten per cent is attributable to fulfillment of environmental objectives related to reduction of carbon dioxide emissions.

#### *Pension*

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 in general not qualify for pension benefits. Variable cash remuneration shall qualify for pension benefits only to the extent required by mandatory collective agreement provisions applicable to the executive. For other executives, pension benefits, including health insurance, shall either be benefit or fee based, or a combination of both. The pension premiums for premium defined pension shall amount to no more than 45 per cent of the fixed annual cash salary.

#### *Other benefits*

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.

#### *Salary and employment conditions for employees*

In the preparation of the Board's 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's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The development of the gap between the remuneration to senior executives and remuneration to other employees will be disclosed in the remuneration report.

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

The Board 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 based on the proposal of the remuneration committee. The committee's tasks include preparing the Board's decision to propose guidelines for executive remuneration. The Board 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's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. The Board shall annually draw up a remuneration report that shall be presented to the AGM for approval.

#### *Derogation from the guidelines*

The Board 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's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

#### *Description of material changes of the guidelines and how the shareholders' opinions are considered*

No material amendments have been made to the guidelines. In relation to the guidelines for remuneration to senior executives adopted on the AGM 2021, the guidelines also include a variable remuneration of maximum 10 per cent of the fixed annual cash salary attributable to fulfillment of environmental objectives established by the Board related to reduction of carbon dioxide emissions.

No remarks on the remuneration guidelines have emerged.

### **Proposal regarding amendment of the Articles of Association (Item 17)**

The Board proposes that the AGM resolves to insert a new section in the Articles of Association allowing the Board to collect powers of attorney in accordance with the procedure described in Chapter 7, Section 4 of the Swedish Companies Act and allowing the Board to decide that shareholders shall have the right to exercise their votes by post before a General Meeting. Further, a number of editorial amendments are proposed regarding renumbering of the sections. Section 11 is proposed to have the following wording:

#### *§ 11 Collection of powers of attorney and voting by post*

*The Board of Directors may collect powers of attorney in accordance with the procedure described in Chapter 7, Section 4, second paragraph of the Swedish Companies Act (2005:551).*

*The Board of Directors has the right before a General Meeting to decide that shareholders shall be able to exercise their right to vote by post before the General Meeting.*

The Board further proposes that the AGM authorises the Managing Director, or anyone appointed by the Managing Director, to make any minor 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.

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

The total number of shares in the company is 344,436,846 of which 14,765,620 shares are of Series A and 329,671,226 shares of Series B. The total number of voting rights in the company is 477,327,426.

## **E. 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, the Board's remuneration report, the Board's complete proposals concerning Items 16 and 17, as well as the Board's motivated statement to the proposal for dividend distribution according to Item 9 b) will be kept available for the shareholders at the company's office in Malmö no later than 7 April 2022. 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.

## **F. 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).

## **A. 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 2022  
**HEXPOL AB (publ)**  
*Board of Directors*