

# NOTICE OF ANNUAL GENERAL MEETING IN THULE GROUP AB

The shareholders of Thule Group AB (publ), reg. no 556770-6311, are hereby invited to attend the Annual General Meeting ("AGM") to be held on Tuesday 28 April 2020 at 11.00 a.m. CET, at Quality Hotel View, Hyllie Stationstorg 29, Malmö, Sweden.

## RIGHT TO ATTEND

Shareholders who wish to attend the AGM must:

- be recorded in the share register kept by Euroclear Sweden AB (the Swedish Central Securities Depository) on Wednesday 22 April 2020, and
- notify the company of their intention to attend the AGM by Wednesday 22 April 2020, preferably before 4.00 p.m. CET.

In order to participate in the AGM, shareholders with nominee-registered shares should request their bank or broker to have the shares temporarily owner-registered with Euroclear Sweden AB by Wednesday 22 April 2020. Shareholders are therefore requested to notify their nominees in due time before the said date.

## NOTICE OF ATTENDANCE

Notice of attendance shall be made in writing to Thule Group AB, "AGM", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden, by telephone +46 8 402 92 95, or on the company's website, [www.thulegroup.com](http://www.thulegroup.com). The notice of attendance shall state name, personal (or corporate) identity number, telephone number and name of advisor, if any. Shareholders represented by proxy should submit a power of attorney to the company prior to the AGM. A proxy form is available at the company and on the company's website. Representatives of a legal entity shall present a copy of the certificate of registration or similar document of authorisation.

Due to the Corona virus, the company will take measures at the AGM in order to limit the risk of the virus being spread. This is expected to entail that there will not be served any food and drink in connection with the AGM and also that there will be no exhibition of the company's products, which otherwise usually takes place in connection with the AGM. Shareholders are asked to keep themselves updated through the company's website and shareholders who give notice of attendance will receive relevant information.

## PROPOSAL FOR AGENDA

1. Opening of the Meeting
2. Election of Chairman of the Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of person(s) to approve the minutes
6. Determination of compliance with the rules of convocation
7. The CEO's report
8. Report on the work of the Board of Directors, including the work and functions of the Remuneration Committee and the Audit Committee appointed by the Board
9. Presentation of
  - a. the Annual Report and the Auditor's Report
  - b. the Consolidated Accounts and the Group Auditor's Report

- c. the statement by the auditor on the compliance of the Guidelines for Remuneration to Senior Executives
- 10. Resolution regarding
  - a. adoption of the Income Statement and the Balance Sheet as well as the Consolidated Income Statement and the Consolidated Balance Sheet
  - b. dispositions in respect of the company's profit according to the adopted Balance Sheet
  - c. discharge from liability of the Board of Directors and CEO
- 11. Establishment of the number of Board members
- 12. Establishment of fees to the Board members
- 13. Election of the Board of Directors and the Chairman of the Board
- 14. Establishment of the auditor's fee
- 15. Election of auditor
- 16. Resolution regarding Guidelines for Remuneration to Senior Executives
- 17. Resolution on amendments in the Articles of Association
- 18. Resolution regarding an incentive program for executive management and key employees by way of (A) directed issue of subscription warrants, (B) approval of transfer of subscription warrants and (C) payment of retention bonus
- 19. Closing of the Meeting

## **PROPOSALS BY THE NOMINATION COMMITTEE (item 2 and 11-15)**

According to the resolution of the General Meeting, the Nomination Committee in respect of the AGM shall consist of representatives of the four largest shareholders registered in the share register kept by Euroclear Sweden AB as at 31 August every year and the Chairman of the Board. Accordingly, the Nomination Committee has consisted of Anders Oscarsson (appointed by AMF Försäkring och Fonder), Charlotta Faxén (appointed by Lannebo Fonder), John Hernander (appointed by Nordea Fonder), Helen Fasth Gillstedt (appointed by Handelsbanken Fonder) and Bengt Baron, in his capacity as Chairman of the Board of Thule Group. The Nomination Committee has proposed as follows:

**Chairman of the AGM:** Bengt Baron, Chairman of the Board, is proposed to be elected Chairman of the AGM.

**Board of Directors:** The number of Board members shall be six, without any deputies. Re-election shall be made of the board members Bengt Baron, Mattias Ankarberg, Hans Eckerström, Heléne Mellquist and Helene Willberg and new election of Therese Reuterswärd. Bengt Baron shall be re-elected Chairman of the Board.

### **Board member proposed for new election:**

Therese Reuterswärd, born 1981, holds a master's degree in media technology from KTH: Royal Institute of Technology in Stockholm. Most recently, Therese worked at Mathem where she had the position Director of Product. Before that she has held the position as Head of Digital at Arla Foods, and several digital roles within, among others, Nespresso, Electrolux and Scandic Hotels. Ongoing board assignments: Deputy board member in Robam AB. Holding in Thule Group AB: 430 shares.

**Board and Committee fees:** Board fees, excluding remuneration for Committee work, are to be unchanged and shall be paid by SEK 1,075,000 to the Chairman of the Board and SEK 385,000 to each of the Board members elected by the AGM. Work in the Audit Committee shall continue to be remunerated by SEK 200,000 to the Chairman of the Audit Committee and SEK 70,000 to each of the other members. Work in the Remuneration Committee shall continue to be remunerated by SEK 85,000 to the Chairman of the Remuneration Committee and SEK 40,000 to each of the other members.

**Auditor and Auditor's fee:** PricewaterhouseCoopers AB shall be re-elected auditor for the period until the end of the 2021 Annual General Meeting, in accordance with the recommendation of the

Audit Committee. If elected, PricewaterhouseCoopers AB has informed that Eric Salander will be auditor-in-charge. The auditor's fee shall be paid according to approved invoice.

## **DIVIDEND (item 10 (b))**

The Board of Directors proposes that no dividend is to be distributed for the financial year 2019, and that the funds available for distribution of SEK 2,194,090,472, including this year's profit of SEK 814,371,957, is carried forward.

## **GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES (item 16)**

The Board of Directors proposes that the AGM 2020 resolves to adopt the following guidelines for executive remuneration to apply until the AGM 2021.

The executives covered by the guidelines are the CEO and the other members of the Group Management. The basis for the remuneration to members of the Group Management shall be the sustainability of the Company within a commercial financial development, organizational structure to provide for a professionalism that is adapted to the Company's strategic objectives and also to provide the Company with the adequate competence and resources at any given time. The remuneration to the Group Management shall comprise a fixed salary on market terms, variable remuneration intended to stimulate the fulfilment of the Company's objectives regarding commercial and sustainable development, pension benefits and competitive other benefits. The total remuneration shall be on market terms, be competitive and reflect the individual's performance and responsibilities.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Long-term share-based incentive schemes have been implemented in the Company. Such schemes have been resolved by the AGM 2017 and are therefore excluded from these guidelines. The long-term share-based incentive scheme proposed by the Board of Directors and submitted to the AGM 2020 for approval is excluded for the same reason. The proposed scheme is in principle equivalent to the current scheme. The purpose of the share-based incentive scheme is, among other things, to stimulate a sustainable and favourable value development of Thule Group's share that will benefit the shareholders. The basis of the incentive scheme is the Company's strategic plan and sustainable development. The scheme also constitute an incentive to fulfil the growth objectives that the Company stipulated in its strategic three year plan. The incentive schemes have been designed in accordance with similar schemes in other publicly traded companies and are meant to provide for Thule Group's progress, as well as to ensure long-term loyalty and commitment from the participants in relation to the Company's interests.

Fixed salary shall be on market terms. The variable remuneration may comprise annual variable cash remuneration and long-term variable cash remuneration, shares and/or share-based instruments in Thule Group AB. Annual variable cash remuneration shall be measured during a calendar year and be conditional upon the fulfilment of predefined and measurable objectives, such as sales development, EBIT results, cash flow and fulfilment of personal goals for each year. The variable remuneration shall amount to a maximum of 75 per cent of the annual fixed salary for the CEO and 60 per cent for the other executives. The terms and conditions for variable remuneration shall be designed so that the Board of Directors may choose, under exceptional economic circumstances, to limit or refrain from payment of variable remuneration if such a measure is considered reasonable.

For members of the Group Management, pension benefits, including health insurance (Sw: *sjukförsäkring*), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 35 per cent of the annual fixed salary.

Other benefits may include, among other things, life insurance, medical insurance (Sw: *sjukvårdsförsäkring*), company car and fuel benefit. Such benefits may amount to a maximum of 10 per cent of the annual fixed salary.

Severance payments may be made when the employment is terminated by Thule Group. Members of the Group Management shall have a period of notice of not more than 12 months, in combination with severance pay corresponding to a maximum of 6-12 months fixed salary. No severance payment will be made when the employment is terminated by the employee.

In the preparation of the Board of Directors' proposal for these remuneration guidelines, remuneration 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 development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report.

The Board of Directors has established a 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 third year and submit it to the AGM. 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 Group Management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the Remuneration Committee are independent of the Company and its management. The CEO and other members of the Group 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.

The Board of Directors may temporarily resolve to derogate from the guidelines, 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 and sustainability, or to ensure the Company's financial viability.

## **PROPOSAL FOR AMENDMENTS IN THE ARTICLES OF ASSOCIATION (item 17)**

The Board of Directors proposes that § 9 para. 2 of the Articles of Association is amended as set out below, in order for it to be compliant with the expected amendment of the Swedish Companies Act.

§ 9 para. 2 – Shareholders wishing to participate in the General Meeting of Shareholders must, firstly, be registered in the transcript of the entire shareholders' register *on the record date for the Meeting, which is established in accordance with the Swedish Companies Act*, and, secondly, notify the company of their intention to attend the Meeting not later than the day stipulated in the notice convening the General Meeting. The latter day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the five weekdays before the Meeting.

Although it is proposed that the formal Swedish version of § 1 of the Articles of Association shall be amended, § 1 of the English translation corresponds also to the new Swedish version, why it shall continue to read as follows.

§ 1 – The registered name of the company is Thule Group AB. The company is a public limited liability company.

The Board finally proposes that § 11 of the Articles of Association is amended as set out below due to a previous legislative amendment.

§ 11 – The company's shares are to be registered in a share register in accordance with the Swedish *Central Securities Depositories and Financial Instruments Accounts Act* (1998:1479).

The resolution by the meeting on amendments in the Articles of Association requires the support of shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting.

**RESOLUTION REGARDING AN INCENTIVE PROGRAM FOR EXECUTIVE MANAGEMENT AND KEY EMPLOYEES BY WAY OF (A) DIRECTED ISSUE OF SUBSCRIPTION WARRANTS, (B) APPROVAL OF TRANSFER OF SUBSCRIPTION WARRANTS AND (C) PAYMENT OF RETENTION BONUS (item 18)**

The Board of Directors of Thule Group AB (publ) (the "**Company**") proposes that the general meeting resolves on an incentive program for executive management and key employees in the group based on issue and transfer of subscription warrants (the "**Warrants Program 2020/2023**"), on the following principal conditions.

**A. Issue of subscription warrants**

A maximum of 2,090,000 subscription warrants shall be issued. The right to subscribe for the subscription warrants shall, with deviation from the shareholders' preferential right, vest in the Company's wholly-owned subsidiary Thule AB, with right and obligation for the subsidiary to transfer the subscription warrants to executive management and key employees within Thule Group and its subsidiaries. Thule AB shall not be entitled to dispose of the subscription warrants in any other way. The subscription warrants shall be issued free of charge to Thule AB. Subscription for the subscription warrants shall be made on a separate subscription list on 30 June 2020 at the latest, with a right for the Board to extend the subscription period. Each subscription warrant shall entitle to subscription for one (1) new share in the Company. Subscription for shares by virtue of the subscription warrants may be effected as from 15 June 2023 up to and including 15 December 2023.

The subscription price per share shall correspond to 118 per cent of the volume weighted mean value according to Nasdaq Stockholm's official price list for share in the Company during the period from and including 29 April 2020 up to and including 13 May 2020. If, at the time of subscription, the share price most recently paid for a share in the Company at the closing of the stock exchange on the business day immediately preceding the subscription exceeds 162.3 per cent of the average share price upon which the subscription price has been determined, in accordance with the above, the subscription price shall be increased correspondingly by an amount equivalent to the amount of said closing price that exceeds 162.3 per cent of the average share price upon which the subscription price has been determined. A share, which has been issued upon subscription, will entitle to dividends for the first time on the first record date for dividend occurring after subscription of shares through exercise of warrants has been executed.

The reasons for the deviation from the shareholders' preferential right are that the Board is of the opinion that an incentive program which offers executive management and key employees the opportunity to take part in a long-term increase in value of the Company will enhance the commitment and responsibility, and results in an increased motivation and loyalty to work for a favorable financial development of the Company. An incentive program is also expected to improve the possibilities to recruit and retain competent, motivated and committed employees and in turn to promote the Company's business strategy, long-term interests and sustainability.

**B. Transfer of subscription warrants**

The subscription warrants shall be transferred by Thule AB, on one or several occasions, to employees within Thule Group and its subsidiaries, in accordance with the guidelines stated below. Transfer shall be made at market value at the time of transfer, to be established by an independent valuation institute, by application of the Black & Scholes valuation method. Allotment of subscription

warrants shall be made to the CEO with a maximum of 250,800 subscription warrants, to the CFO and President Region Americas with a maximum of 146,300 subscription warrants per person, to other Global and Regional Senior Management (currently 8 persons) with a maximum of 88,825 subscription warrants per person and to other Key Employees and Commercial Management (currently 25 persons) with a maximum of 22,440 subscription warrants per person.

## **C. Retention bonus**

As part of the Warrants Program 2020/2023, participants receive a retention bonus in the form of a gross salary addition from the Company that in total amounts to the amount paid by the participant for its subscription warrants, provided that the participant at the time of payment remains in its position (or equivalent) within the group and has not terminated its employment. The bonus is payable in connection with the ordinary salary payment in December 2023. The Board may, if necessary in individual cases, resolve on alternative payment schedules or that bonus under certain circumstances will not be paid or may be reclaimed, subject to the limitations which may follow from applicable law.

### ***Costs, dilution etc.***

The Company's cost for the "retention bonus" to the participants is estimated, at full initial participation, including social security contributions, and at an assumed market value for the subscription warrants on the allotment date of SEK 11 per warrant, to amount to a maximum of approximately SEK 28.7 million. In addition, the Company may be charged minor costs for social security contributions for subscription warrants to participants in other jurisdictions. Other than that, the Warrants Program 2020/2023 is not expected to entail any significant costs for the Company. For that reason, no measures to secure the program has been taken.

Assuming that all 2,090,000 subscription warrants in the Warrants Program 2020/2023 are exercised for subscription of new shares, the Company's share capital will increase by a maximum of SEK 23,358.58, resulting in a maximum dilution effect equivalent to approximately 2.03 per cent calculated as the number of new shares in proportion to the number of existing shares. The key figure earnings per share for the full year 2019 including dilution effect and cost for retention bonus had in such case been affected such that the result per share had been reduced by approximately SEK 0.23 from SEK 8.56 to SEK 8.33. The above is subject to re-calculations of the subscription warrants in accordance with the customary terms stated in the complete terms and conditions.

### ***Current incentive program***

There are currently 1,950,645 issued subscription warrants within an incentive program for executive management and key employees in series 2017/2020, of which 1,340,500 subscription warrants have been allotted, which corresponds to a dilution of approximately 1.3 per cent, calculated as the number of new shares in proportion to the number of existing shares. Subscription warrants in series 2017/2020 can be exercised 15 May-15 December 2020. The subscription price is currently SEK 182.40, however if at the time of subscription of new shares, the share price most recently paid for a share in the Company at the closing of the stock exchange on the business day immediately preceding the subscription exceeds 162.3 per cent of the subscription price, the subscription price shall be increased by an amount equivalent to the amount of said subscription price that exceeds 162.3 per cent of the subscription price.

### ***The preparation of the proposal***

The Board's proposal has been prepared by the Board's Remuneration Committee and the Board. The Remuneration Committee has consulted a pair of the company's larger shareholders (AMF Försäkring & Fonder and Nordea Fonder, which together represents approximately 15 per cent of the votes in the Company) in connection with the preparation of the proposal in order to receive feedback and suggestions on the form of the proposal. These shareholders are positive to the final proposal although it shall be noted that they are not legally obliged to support the proposal at the general meeting.

**Majority requirement**

The resolution of the general meeting above is proposed to be adopted as one joint resolution. A valid resolution requires that shareholders representing at least nine tenths (9/10) of the votes cast and shares represented at the general meeting support the resolution.

**DOCUMENTS AND OTHER INFORMATION**

The company's financial statements, auditor's report and other documents pursuant to item 9 and the Board's complete proposals for the resolutions under items 16-18 will be available at the company and on the company's website, [www.thulegroup.com](http://www.thulegroup.com), from 7 April 2020 at the latest and will be sent to shareholders upon request. Copies will also be available at the AGM.

The Board and the CEO shall at the AGM, if any shareholder so requests and the Board believes that it can be done without significant harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial position and the company's relation to other companies within the group.

The total number of shares and votes in the company amounts to 103,208,606. The company holds no own shares.

**PROCESSING OF PERSONAL DATA**

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

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Malmö in March 2020

**The Board of Thule Group AB (publ)**