

*The English text is a translation of the Swedish original version. In the event of a conflict between the English and the Swedish texts the Swedish text shall prevail.*

## **Thule Group AB (publ)**

### **Proposal by the Board of Directors for 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**

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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 conditions.

#### **A. Issue of subscription warrants**

1. A maximum of 2,090,000 subscription warrants shall be issued.
2. 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.
3. The subscription warrants shall be issued free of charge to Thule AB.
4. 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.
5. Each subscription warrant shall entitle to subscription for one (1) new share in the Company.
6. Subscription for shares by virtue of the subscription warrants may be effected as from 15 June 2023 up to and including 15 December 2023.
7. 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.

8. 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.
9. Applicable terms for re-calculation and other terms for the Subscription Warrants Program 2020/2023 are set forth in the “*Terms and conditions for subscription warrants series 2020/2023 regarding subscription for shares in Thue Group AB (publ)*”.
10. The Board, or anyone appointed by the Board, shall be authorized to make such minor adjustments of the resolutions of the general meeting, including appendices, that may be necessary in connection with registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

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**

Warrants Program 2020/2023 shall principally be carried out in accordance with what is stated below.

1. 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.
2. 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.
3. Allotment of subscription warrants shall be made in accordance with the following guidelines:

<b>Position</b>	<b>Number of subscription warrants</b>
CEO	A maximum of 250,800 subscription warrants
CFO and <i>President Region Americas</i>	A maximum of 146,300 subscription warrants per person
<i>Other Global and Regional Senior Management</i> (currently 8 persons)	A maximum of 88, 825 subscription warrants per person
<i>Other Key Employees and Commercial Management</i> (currently 25 persons)	A maximum of 22,440 subscription warrants per person

The first allotment is expected to take place during May 2020. There will be no over-subscription.

4. The total number of subscription warrants issued in Warrants Program 2020/2023 exceeds the number of subscription warrants expected to be allotted in the first allotment. The subscription warrants remaining after the first allotment may be allotted to future employees or employees who have been promoted at market value, applicable from time to time, in accordance with the allotment principles stated above, whereby the above stated number of employees in each category may be changed. Transfer of subscription warrants to future employees may not occur after the annual general meeting 2021.
5. Right to allotment in the Warrants Program 2020/2023 requires that the employee, at the time for allotment, holds its position or has signed an agreement regarding it and has not, at such time, informed or been informed that the employment will be terminated.
6. When acquiring the subscription warrants, the warrant holder shall enter into a pre-emption agreement with Thule AB on customary conditions established by the Board. The agreement shall entitle the Board, under certain circumstances and in whole or in part, to reclaim acquired subscription warrants (or value received from dispositions of subscription warrants), subject to the limitations which may follow from applicable law.

### **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.

### ***Participants in other jurisdictions***

For participants in jurisdictions other than Sweden, it is implied that the further transfer of the subscription warrants is legally possible and that further transfer, in the Board's opinion, can be carried out with reasonable administrative and financial efforts at their established market value. The Board shall have the right to adjust the terms of the Warrants Program 2020/2023 to the extent required in order for allotment and exercise of subscription warrants to participants in other jurisdictions, to the extent practically possible, to be carried out under the same conditions imposed by the Warrants Program 2020/2023.

### ***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.

When preparing the proposal, the Board has also particularly considered the proposal in light of the latest development of events in connection with the spread of Covid-19 (Corona virus). The Board is convinced that the adoption of an incentive program, with the same structure and process as already in place in the Company, will have a long-term positive effect on the Company's shareholders. The proposal contributes in a decisive manner to the Company's long-term perspective by enhancing its ability to retain and attract key employees.

### ***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.

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Malmö in March 2020  
**Thule Group AB (publ)**  
*The Board of Directors*