

## **NOTIFICATION OF THE ANNUAL GENERAL MEETING OF BYGGMAX GROUP AB (PUBL)**

Shareholders of Byggmax Group AB (publ), Corporate Registration Number 556656-3531, (the “**Company**”) are hereby notified of the Annual General Meeting (AGM) to be held on Wednesday, May 15, 2013, at 10:00 a.m. at Primus Konferens, Primusgatan 18 in Stockholm.

### **Notification, etc.**

Shareholders who wish to participate at the AGM must:

- both be listed in the register of shareholders maintained by Euroclear Sweden AB on Wednesday, May 8, 2013, and
- notify the Company of their intention to attend the AGM no later than at 4.00 p.m. on Wednesday, May 8, 2013, to the address Byggmax Group AB (publ), Box 6063, SE-171 06 Solna, Sweden (Labeled “Annual General Meeting”), by telephone +46 8 514 930 60 or by e-mail to [info@byggmax.se](mailto:info@byggmax.se).

When giving notice of participation, shareholders must state: their name, personal ID/corporate registration number (or equivalent), address, daytime telephone number, shareholding in Byggmax, the names of any advisors (maximum two) and, when applicable, the name of a proxy or legal representative.

### **Trustee registered shares**

In order to participate at the AGM, shareholders who have registered their shares in the name of a trustee must temporarily re-register the shares in their own names in the register of shareholders maintained by Euroclear Sweden AB. Such temporary re-registration must be executed with Euroclear Sweden AB not later than Wednesday, May 8, 2013, which means that shareholders are advised to notify their trustee well in advance of this date.

### **Proxies**

Shareholders who intend to be represented by proxy must issue a dated power of attorney for the proxy. If the power of attorney is issued by a legal entity, an attested copy of the certificate of registration or its equivalent for the legal entity must be enclosed with the notice of participation. The period of validity of the power of attorney is permitted to extend to five years from the date of issue. An original of the power of attorney and, when applicable, the certificate of registration should be submitted to the Company at the above address, in good time, prior to the AGM. The Company provides proxy forms on request and these are also available from the Company’s website, [www.byggmax.com](http://www.byggmax.com).

### **Number of shares and votes**

The Company had a total of 60,737,045 shares at the date of issue of the notification. The total number of votes in the Company is 60,737,045. The Company does not own any treasury shares.

### **Proposed agenda**

1. Opening of the Meeting and election of Chairman for the Meeting
2. Preparation and approval of the voting list

3. Approval of the agenda
4. Election of one or two persons to verify the minutes
5. Determination of whether the Meeting has been duly convened
6. Presentation of the Annual Report and the Auditors' Report, as well as the Consolidated Financial Statements and the Consolidated Auditor's Report
7. Address by the President
8. Resolution regarding the adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet
9. Resolution regarding the appropriation of the Company's profit in accordance with the adopted Balance Sheet, and the record date for the dividend
10. Resolution regarding discharge from liability of the Board of Directors and the President
11. Determination of the number of Board members and deputy Board members
12. Determination of remuneration to the Board of Directors
13. Election of Board members and Chairman of the Board
14. Proposal regarding the principles for appointing the Nomination Committee and its work
15. Proposal for resolution regarding guidelines for the remuneration of senior executives
16. Proposal for resolution regarding incentive program, comprising a private placement and assignment of warrants
17. Close of the Meeting

### **Proposals for resolution**

#### *Item 1 – Election of Chairman for the Meeting*

The Nomination Committee proposes the election of Fredrik Cappelen as Chairman of the Annual General Meeting.

#### *Item 9 – Resolution regarding the appropriation of the Company's profit in accordance with the adopted balance sheet*

The Board of Directors proposes a dividend of SEK 2.00 per share. The proposed record date for payment of the dividend is Monday, May 20, 2013. If the AGM resolves in accordance with the motion, the dividend is scheduled to be distributed by Euroclear Sweden AB on Thursday, May 23, 2013.

#### *Items 11 – 14*

*The Nomination Committee, comprising Fredrik Cappelen Chairman of the Board, Fredrik Strömholm Chairman of the Nomination Committee, representing Altor 2003 Sarl, Mats Gustafsson, representing Lannebo Funds, and Arne Lööv, representing the Fourth Swedish National Pension Fund, representing a combined total of approximately 45 percent of the total number of votes in the Company, made the following proposals regarding items 11 – 14:*

#### *Item 11 – Determination of the number of Board members and deputy Board members*

The Nomination Committee proposes that the number of Board members elected by the AGM is six (6) with no deputies.

*Item 12 – Determination of remuneration to the Board of Directors*

The Nomination Committee proposes the payment of Directors' fees totaling SEK 1,250,000, of which SEK 500,000 to the Chairman and SEK 250,000 each to Anders Moberg, Stig Notlöv and Lottie Svedenstedt. No Directors' fees are proposed for Johannes Lien and Stefan Linder. The fees include remuneration for committee work. The proposal means that Directors' fees remain unchanged compared with the preceding year.

*Item 13 – Election of Board members and Chairman of the Board*

The Nomination Committee proposes the re-election of all current Board members, that is, the re-election of Fredrik Cappelen, Johannes Lien, Stefan Linder, Anders Moberg, Stig Notlöv and Lottie Svedenstedt. In addition, re-election is proposed of Fredrik Cappelen Chairman of the Board.

By way of information, at the 2010 AGM, Öhrlings PricewaterhouseCoopers AB, with Auditor in Charge Anna-Carin Bjelkeby, was elected the Company's auditor and a resolution passed that auditors' fees be paid on a current account basis in accordance with customary terms of payment until the end of the 2014 AGM.

*Item 14 – Proposal regarding the principles for appointing the Nomination Committee and its work*

The Nomination Committee proposes that unchanged principles for the appointment of the Nomination Committee to those adopted at the 2012 AGM apply for the 2014 Annual General Meeting:

1. Annually and not later than the end of the third quarter every year, the Chairman of the Board of Directors convenes the three largest shareholders or shareholder groups (this includes directly registered and trustee-registered shareholders) in the Company, as registered at August 31 according to Euroclear Sweden AB, which are then each entitled to appoint one member of the Nomination Committee. The appointee in question should not be a Board member. If any of the three largest shareholders wishes to refrain from a place on the Committee, the place on the Committee is offered in turn to the next-largest shareholder. In addition to the above, the Chairman of the Board can be appointed to the Nomination Committee. If any shareholder should waive their right to appoint a member of the Nomination Committee, only the five largest shareholders need to be asked unless this would result in the Nomination Committee consisting of less than its minimum of three members (including, where applicable, the Chairman of the Board of Directors). The President and senior executives of the Company should not be members of the Nomination Committee.
2. The Chairman of the Board is the convener of the first meeting of the Nomination Committee and an owner representative should be appointed as Chairman of the Nomination Committee. The Nomination Committee should prepare written rules of procedure to govern their work. The mandate period of the Nomination Committee extends until such time as a new Nomination Committee has been appointed.
3. The composition of the Nomination Committee must be announced a minimum of six months prior to the AGM, thereby providing all shareholders with information regarding which individuals to contact regarding nomination issues.

4. If shareholders have been added among the three largest shareholders after the Nomination Committee has held its statutory meeting, said shareholders may contact the Chairman of the Nomination Committee to make a request to appoint a member of the Committee. The Chairman of the Nomination Committee must then inform the other Committee members of this wish. If the ownership change is not insignificant, the member appointed by the shareholder that is no longer among the three largest shareholders should vacate his position and the new shareholder can then be permitted to appoint a member. However, the structure of the Nomination Committee should not be changed less than two months prior to the Annual General Meeting. Changes in the Nomination Committee are announced immediately.
5. The Nomination Committee should prepare and submit proposals to the AGM in respect of:
  - the election of the Chairman of the AGM;
  - the election of the Chairman of the Board of Directors and other Board members on the Company's Board of Directors;
  - Directors' fees specified between the Chairman of the Board of Directors and other Board members;
  - the election of and approval of fees to the auditors and deputy auditors (where applicable); and
  - resolutions on the principles for appointing the Nomination Committee (where applicable).
6. No fees are payable to members of the Nomination Committee. The Nomination Committee is entitled to charge the Company with expenses including the cost of recruitment consultants or other expenses required for the Nomination Committee to fully execute its assignment.

*Item 15 – Proposal for resolution regarding guidelines for the remuneration of senior executives*

The Board of Directors proposes that the AGM passes a resolution on the following guidelines for determining remuneration and other terms of employment for the President (the "President") and other senior executives ("Senior Executives"). The proposal for guidelines for determining remuneration and other terms of employment for the President and Senior Executives is, in all material aspects, essentially the same as those guidelines adopted at the 2012 AGM.

The overriding policies for remuneration of Senior Executives are that remuneration should reflect the position, the individual's performance and the Group's earnings, and be market-based and competitive in the country of employment. Total remuneration to Senior Executives should comprise a fixed salary, variable salary in the form of Short-Term Incentives (STIs) based on annual performance targets, Long-Term Incentives (LTIs) based on performance over a multi-year period as well as pension and other benefits. In addition to the aforementioned come the terms for notice of termination and severance pay. Fixed salaries should be set below median market rates, however, total remuneration, including STIs and LTIs, should enable median market salaries to be exceeded. Total remuneration should be reviewed annually to ensure that it reflects market rates and is competitive. Comparisons should take into consideration the position, the Company's size, the level of salary and the individual's experience.

*Fixed salary*

Fixed salary comprises the basis for total remuneration. The fixed salary should relate to the relevant market and reflect the scope of the responsibility entailed by the position.

#### *Variable salary (Short Term Incentives “STI”)*

In addition to their fixed salaries, Senior Executives should receive STIs for performance that surpasses one or more predetermined performance targets during the fiscal year. Remuneration from the STI program is limited to a maximum of 100% of the fixed salary for the President and 30% of fixed salary for other management, which means that Byggmax can immediately calculate the maximum variable remuneration level. STIs are measured with qualitative and quantitative measures. The maximum cost of the Byggmax Group’s STI program is estimated to amount to SEK 4.0 million (excluding social security contributions).

#### *Long Term Incentives “LTI”*

The 2011 AGM resolved on a long-term incentive program in the form of a warrant-based incentive program. This incentive program is described in Note 9 of the 2012 Annual Report and can be viewed on the Company’s website, [www.byggmax.com](http://www.byggmax.com).

The Board has reviewed the need for an additional incentive program and decided to propose that the 2013 AGM resolve to adopt a warrant-based incentive program under a separate resolution.

#### *Pension*

Pension agreements should, if possible, be defined-contribution based and formulated in line with the levels and practice in the country of employment of the Senior Executive.

#### *Other benefits*

Other benefits may apply in accordance with the terms applicable for the country of employment of the Senior Executive. All such benefits should be as limited in scope as possible and are not permitted to comprise a significant proportion of total remuneration.

#### *Notice period and severance pay*

Senior Executives should be offered terms complying with legislation and practices in the country of employment of the Senior Executive. During the notice period, Senior Executives should be prevented from working in a competing business. In specific cases, a non-compete clause against continued compensation is applicable for a period of up to 24 months after termination of the notice period. At present, the longest notice period in the Byggmax Group is 12 months and no severance pay agreement exists in any employment contract.

The Board of Directors should have the right to depart from the aforementioned guidelines if the Board of Directors deems an individual case to contain particular reasons to motivate departure.

#### *Item 16 – Proposal for resolution regarding incentive program, comprising a private placement and assignment of warrants*

The Board proposes that the AGM resolve on a long-term incentive program as follows, comprising a private placement of warrants and the assignment of warrants.

#### *Background and motive*

The Board deems it important and in the interest of all shareholders that the employees of the Byggmax Group have a long-term interest in a favorable trend in the Company’s share price. A warrant-based incentive program for the Byggmax Group’s employees enables the reward of employees to be linked to the Company’s future earnings and value trends. Long-term growth in value is thereby prioritized and the goals of

shareholders and the employees concerned coincide. In addition, share-related incentive programs create a Group-wide focus for these employees and thus prioritize actions for the long-term. The incentive program is assessed as facilitating the recruitment and retention of key employees.

In light of the terms and conditions, the size of the allocation and other circumstances, the Board is of the opinion that the proposed incentive program, in accordance with the following, is both reasonable and advantageous for the Company and its shareholders.

*Allotment and general terms for warrants*

A maximum issue of 828,000 warrants is proposed. The warrants are intended to be offered to employees at market rates in even lots of 2,000 warrants. Participants in the incentive program are divided into four categories, with the intent of offering each person in each category an allocation of warrants as follows:

Category	Maximum number of participants in each category	Maximum total allocation per participant (number of warrants)	Maximum total allocation (number of warrants)
President	1	300,000	300,000
Senior Executives	4	60,000	240,000
Key employees 1	2	24,000	48,000
Key employees 2	20	12,000	240,000
<b>Total (maximum)</b>	<b>27</b>	<b>-</b>	<b>828,000</b>

All warrants are to be issued free of any consideration to Byggmax AB (Corporate Registration Number 556645-6215) (the Subsidiary), a wholly-owned subsidiary of Byggmax Group AB, to later, in turn, be assigned to the participants in the incentive program. In this connection, the price per warrant should therefore correspond to the warrant's market value estimated through application of the customary valuation model (the Black & Scholes model) based on the share price of the listed share and other market conditions prevailing on the date of assignment.

Each warrant entitles the holder, during the period May 30, 2017 through November 30, 2017, to subscribe for one (1) new share in Byggmax Group AB (publ) at an issue price amounting to 120% of the mean value of the volume-weighted-average for each trading day of the price paid for the Company's share on the NASDAQ OMX Stockholm during the period May 17, 2013 through May 30, 2013. Days on which no price paid or bid price is recorded should not be included in the calculation. The issue price arrived at through this calculation should be rounded off to the nearest whole ten öre (SEK 0.10), whereby 4 öre (SEK 0.04) should be rounded down and 5 öre (SEK 0.05) and above rounded up. The issue price is not permitted to be lower than the quotient value of the Company's shares.

The calculation of the market value and calculation of the issue price for subscription for new shares in the Company must be performed by an independent rating agency. Subscription to warrants should be performed on the subscription list by May 29, 2013. The Board of Directors retains the right to extend the subscription period.

The issue price and number of shares that every warrant entitles the holder to subscribe for is recalculated in the event of a split, a reverse split, new share issues, etcetera in accordance with customary conversion rules. Furthermore, in accordance with customary terms, warrants should be possible to exercise prematurely in the event of a compulsory redemption of shares, liquidation or merger whereby Byggmax Group AB is absorbed into another company.

A prerequisite for the allocation of warrants is that the participant signs a pre-emption agreement with the Subsidiary.

The underlying reasons for this deviation from the preemptive rights of shareholders are explained above in the section Background and motive.

#### *Costs, dilution effects and effects on relevant key ratios*

Since the warrants are assigned to employees at the market price and on market terms the Board of Directors assesses that the incentive program will not give rise to any payroll expenses in the accounts or any corresponding costs in accordance with IFRS 2 or costs in the form of social security contributions.

The proposed incentive program comprises a maximum of 828,000 warrants that can be utilized for subscribing for a maximum of 828,000 shares, which corresponds to an increase in the number of shares outstanding and votes in Byggmax with a maximum of approximately 1.4%. The Company's share capital can increase by a maximum of SEK 276,000 with reservation for any increase caused by recalculation in line with the terms of the warrants.

Dilution and the costs of establishing and administering the incentive program are expected to have a marginal impact on the Byggmax Group's key ratios.

#### *Majority requirement*

A resolution in favor of the proposal requires the support of shareholders representing a minimum of nine tenths of the votes cast and nine tenths of the shares represented at the AGM.

### **Information concerning the AGM**

The Board of Directors and the President must, if a share-holder so requests and the Board of Directors considers it possible without this resulting in material damage to the

Company, provide information concerning, firstly, conditions that could influence the assessment of an item on the agenda, secondly, conditions that could influence assessments of the financial condition of the company or subsidiaries and, thirdly, the company's relationship to other Group companies.

### **Documentation for the Annual General Meeting**

The financial statements and auditors' report, the auditors' opinion on the application of guidelines for the remuneration of Senior Executives, a complete set of proposals for the resolutions, and, where applicable, reasoned opinions as well as other documents pursuant to the Companies Act will be available from the Company at Armégatan 40 in Solna, Sweden, and on the Company's website, [www.byggmax.com](http://www.byggmax.com), not later than three weeks before the AGM, that is, not later than April 24, 2013. Copies of the documents are sent to shareholders who have requested this and provided their postal address. The documents will also be available at the AGM.

Stockholm, April 2013

**Byggmax Group AB (publ)**

***Board of Directors***