

Notification of the Annual General Meeting of MQ Holding AB (publ)

MQ Holding AB (publ), Corporate Registration Number 556697-2211, invites you to attend the Annual General Meeting on Wednesday, 24 January 2018, at 2:00 p.m. in the company's premises at Sankt Eriksgatan 5, Gothenburg. The doors will open at 1:30 p.m.

NOTIFICATION, etc.

Shareholders wishing to participate in the Annual General Meeting must be registered as shareholders in the share register kept by Euroclear Sweden AB by Thursday, 18 January 2018 and must have notified their attendance to the company no later than Thursday, 18 January, preferably before 4:00 pm. A transcript of the entire share register will be available at the Annual General Meeting.

Notification of attendance at the Annual General Meeting can be made by post to MQ Holding AB (publ), Box 119 19, SE-404 39 Gothenburg or by telephone +46 (0)31-388 80 00 or e-mail to: stamma@mq.se. Name/business name, personal identification number/corporate registration number, address and telephone number must be stated in the notification as well as any advisors. No more than two advisors may attend. The company provides an application form on www.mq.se, and also a proxy form for shareholders wishing to be represented by proxy.

In order to obtain the right to participate in the AGM, shareholders who have their shares registered in the name of an authorised agent, must temporarily re-register their shares in their own name. Such registration must be completed with Euroclear Sweden AB on Thursday 18 January 2018. Shareholders must instruct their nominee to effect such registrations well in advance of this date. Such registration may be temporary.

The Annual report, Audit report, the statement according to item 6(b) below, reasoned statement according to item 10 below, and proposals and statements regarding items 8, 14, 15 and 16 below are available at the company at Sankt Eriksgatan 5, Gothenburg, and will be sent to shareholders upon request, if a postal address is provided. All the documents mentioned above are also available at the company's website www.mq.se and will be presented at the Annual General Meeting

There are a total of 35,156,507 shares and votes in the company. There are no treasury shares.

Agenda

1. Election of Chairman of the Meeting.
2. Preparation and approval of the voting list.
3. Approval of the proposed agenda.
4. Election of one or two minutes-checkers.
5. Determination of whether the Meeting has been duly convened.
6. Presentation of
 - (a) the annual report, the auditor's report and the consolidated financial statements and the auditor's report for the Group,
 - (b) the auditor's statement on compliance with the guidelines for remuneration of senior executives that has applied since the preceding Annual General Meeting.Presentation by the President in connection herewith.
7. Resolution on adoption of the income statement and balance sheet, as well as the consolidated income statement and the consolidated balance sheet.
8. Resolution on the allocation of the company's profit in accordance with the adopted balance sheet and resolution regarding the record day for distribution.
9. Resolution regarding discharge from liability for the members of the Board and the President.
10. The Nomination Committee's report on its work, the Nomination Committee's statement in relation to its proposal regarding the Board of Directors and information regarding new auditor in charge.
11. Resolution on the number of Board members.
12. Resolution on fees to be paid to members of the Board.
13. Election of Board members and the Chairman of the Board.
14. Resolution on Nomination Committee ahead of the next Annual General Meeting.
15. Resolution on guidelines for remuneration of senior executives.
16. Resolution on establishment a long-term bonus program for senior executives.

Proposals for resolutions

Item 1

The Nomination Committee proposes that Claes-Göran Sylvén, Chairman of the Board, is the Chairman of the Annual General Meeting.

Item 8

The Board of Directors proposes a dividend of SEK 1.75 per share and Friday, 26 January 2018 as the record day for distribution.

Items 11, 12 and 13

In accordance with the resolution made at the Annual General Meeting of 2017, a Nomination Committee has been established. The Nomination Committee has made the following proposals:

- (i) The number of Board members is proposed to be seven.
 - a. The remuneration to the members of the Board of Directors is proposed to be SEK 1,680,000, of which SEK 420,000 to the Chairman and SEK 210,000 to each of the other Board members. Further, remuneration for Audit Committee work is proposed to be SEK 60,000 and SEK 80,000 for Remuneration Committee work. To the regular member of the Remuneration Committee is proposed to pay SEK 25,000 and SEK 35,000 to the Chairman of the Remuneration Committee. Furthermore, the Nomination Committee recommends that members of the Board appointed at the Annual General Meeting for three years acquire shares in MQ Holding corresponding to at least one Board fee.

It is proposed to re-elect Claes-Göran Sylvén, Bengt Jaller, Arthur Engel, Annika Rost, Mernosh Saatchi, Michael Olsson and Anna Engebretsen. Claes-Göran Sylvén is proposed for re-election as Chairman of the Board. Bengt Jaller is proposed for re-election as Deputy Chairman.

Item 14

The Nomination Committee proposes that the Annual General Meeting resolve to appoint a new Nomination Committee ahead of the 2019 Annual General Meeting in the same manner as for the 2018 Annual General Meeting, with the exception that the Nomination Committee will comprise four of the largest shareholders at the Annual General Meeting. This entails that the Chairman of the Board shall contact the four largest registered or otherwise known shareholders as per 1 April 2018, and invite them to each appoint one member to the Nomination Committee. If any shareholder waives its right to appoint a member, the largest registered or otherwise known shareholder that has not yet appointed a member to the Nomination Committee shall be asked, and so on. The Nomination Committee consists of these four members together with the Chairman of the Board. The names of the members of the Nomination Committee and information about the Chairman of the Nomination Committee will be announced not later than six months prior to the 2019 Annual General Meeting. The Nomination Committee is to appoint a Chairman from among its members.

Item 15

The Board of Directors' proposal regarding guidelines for remuneration of senior executives includes the following main points.

The remuneration to the President and other senior executives shall correspond to the market rate. The remuneration comprises a basic salary, variable remuneration, pension and other benefits. The category of other senior executives comprises, at the moment, eleven persons. The number of other senior executives may change.

Variable remuneration shall be related to predetermined and measurable criteria based on the outcome of the company's profits (EBITA) and increase in sales. These criteria are designed with the aim of promoting MQ's long-term value generation. Variable remuneration paid in cash shall, for the President and other senior executives, not exceed four monthly salaries per year. Other benefits, not comprising variable remuneration, such as car benefits, shall, where they occur, only constitute a minor part of the remuneration. The period of notice for the President shall be six months and for other senior executives three to nine months. If notice of termination is given by MQ, severance pay to the President may not exceed the equivalent of 12 months' salary, in addition to salary during the period of notice. No other senior executives will receive any severance pay if notice of termination is given.

The Board reserves the right to deviate from these guidelines in individual cases with extenuating circumstances.

Item 16

The Board of Directors proposes that the Annual General Meeting decide on introducing a long-term bonus programme (long-term bonus programme 2018/2022) with primarily the following terms.

The bonus programme shall include the Executive Management Team comprises eight senior executives in the Company (CEO, CFO/Deputy CEO, HR Director, Assortment and Purchasing Manager, Sales Director MQ, Business Area Manager Joy, Online Shopping Director and Marketing Director). To receive a bonus, the following applies:

- the performance conditions outlined below must be met, and these will be assessed every financial year, and
- the senior executive must have been employed for the whole financial year being assessed, must still be in their position and must not have tendered their resignation when payment is made.

The maximum amount awarded as part of the bonus programme will be SEK 21 million, i.e. if all three of the stages outlined below are met before five financial years have passed, the bonus programme shall cease to apply. No holiday supplement or pension shall be added to the bonus amount, only social security contributions.

The performance conditions for senior executives shall be based on the Company's sales and operating profit (EBITA) in accordance with IFRS regulations for each of the financial years 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022. Operating profit (EBITA) refers to earnings before taxes, financial items and amortisation and write-down (goodwill and brands), with adjustments for any extraordinary items.

The bonus programme consists of three stages as outlined below, whereby targets agreed on by the Board of Directors for sales and EBITA are assessed in three stages:

Stage 1

If the Company's sales and EBITA for a financial year meet the conditions which the Board has set for Stage 1, a shared bonus totalling SEK 3 million shall be paid.

Stage 2

If the Company's sales and EBITA for a financial year meet the conditions which the Board has set for Stage 2, a shared bonus totalling SEK 6 million shall be paid.

Stage 3

If the Company's sales and EBITA for a financial year meet the conditions which the Board has set for Stage 3, a shared bonus totalling SEK 12 million shall be paid.

The bonus amounts are cumulative, which means that if the performance requirement in Stage 3 is achieved, Stages 1 and 2 have also been achieved, giving a total shared bonus of SEK 21 million. Payment shall be made once the annual financial statements have been reviewed and approved, and the criteria in one or more stages have been achieved.

The CEO's maximum bonus amount shall be SEK 5.9 million. The Deputy CEO/CFO's maximum bonus amount shall be SEK 3.7 million. The maximum bonus amount for each of the other senior executives in the Executive Management Team shall be SEK 1.9 million.

To receive a bonus amount, the senior executive must have been employed for the whole financial year being assessed, must still be in their position and must not have tendered their resignation when payment is made; this cannot happen until the annual financial statements have been reviewed by the Company's auditors. The ambition is that the senior executive should buy shares in the Company for half the awarded bonus amount after tax. The relevant terms and conditions will be developed, and agreements will be reached with each senior executive.

The cost of the maximum bonus amount payable is SEK 21 million. The cost of social security contributions is estimated at approximately SEK 7 million, with an assumed percentage of 31 per cent.

The total maximum cost for the Company relating to the bonus programme is therefore approximately SEK 28 million.

Shareholder's right to ask questions

Shareholders are entitled at the Annual General Meeting to ask questions to the company, about the company, its financial position and the matters and proposals that are to be considered at the meeting.

Gothenburg, December 2017
MQ Holding AB (publ)
Board of Directors