

Notification of the Annual General Meeting of Gunnebo AB (publ)

The Annual General Meeting of Gunnebo AB (publ) will be held at 4 p.m. CET on Wednesday, April 5, 2017, at Chalmers Kårhus, Chalmersplatsen 1, Göteborg, Sweden.

Registration starts at 2.30 p.m. CET.

Participation

In order to be entitled to participate, shareholders who wish to attend the AGM must be recorded in the register of shareholders maintained by Euroclear Sweden AB on Thursday, March 30, 2017, and must notify Gunnebo of their intention to attend the AGM no later than Thursday, March 30, 2017 (preferably before 4 p.m. CET), on the company's website www.gunnebogroup.com, or by telephone: +46 (0)10 209 50 57, or by written notice under address Gunnebo AB, Annual General Meeting, P.O. Box 5181, SE-402 26 Göteborg, Sweden, whereby notification should also be given of the attendance of any assistants.

Nominee-registered shares

Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must, in order to be entitled to participate in the AGM, register the shares in the shareholder's own name on Thursday, March 30, 2017. Shareholders must inform their nominees well in advance of this date. The registration in the shareholder's own name can be temporary.

Proxies, etc

Shareholders who are represented by a proxy shall issue a written and dated power of attorney for the proxy. The power of attorney may not be valid for longer than five years from the date of issue. The form to use for a power of attorney is found on the company's website, www.gunnebogroup.com. The original power of attorney should be sent to Gunnebo AB under the above address well in advance of the AGM. If the power of attorney is issued by a legal entity, a verified copy of the certificate of registration or a corresponding document of authority of the legal entity shall be attached.

Proposed agenda

1. Election of the Chairman of AGM
2. Preparation and approval of voting list
3. Approval of the agenda of the AGM
4. Election of one or two persons to approve the minutes
5. Determination whether the AGM has been properly convened
6. Presentation of the annual report, the consolidated accounts, the Auditor's report and the Auditor's report on the consolidated accounts for the financial year 2016
7. Address by the company's President and CEO
8. Resolutions in respect to
 - a) adoption of the profit and loss statement and balance sheet, the consolidated profit and loss statement and the consolidated balance sheet for the Group
 - b) appropriation of the profit or loss in accordance with the approved balance sheet
 - c) discharge of liability for the members of the Board and Directors and the President
9. Determination of the number of Board members and Deputy members of the Board of Directors
10. Determination of the fees payable to the members of the Board of Directors and to the Auditor
11. Election of the members of the Board of Directors
12. Election of the Chairman of the Board of Directors
13. Appointment of the Nomination Committee
14. Election of Auditor
15. Resolution on approval of the principles for remuneration to senior executives
16. Resolution on (A) implementation of a long-term share based incentive program (LTI 2017/2021), and (B) hedging activities in respect thereof including (1) authorisation for the Board of Directors to resolve on a directed issue of series C shares, (2) authorisation for the Board of Directors to repurchase issued shares of series C and (3) proposal for resolution on transfer of the company's own ordinary shares to participants in LTI 2017/2021
17. Resolution on authorisation for the Board of Directors to decide on new share issue
18. Closing of the AGM

The Nomination Committee's Proposals for Resolutions

Chairman of the AGM, Number of members of the Board of Directors, fees payable to the Board of Directors, fees payable to the Auditor, election of the members of the Board of Directors, election of the Chairman of the Board of Directors, appointment of the Nomination Committee and election of the Auditor (Items 1, 9 - 14)

Gunnebo AB's Nomination Committee, which is composed by Dan Sten Olsson, Chairman (Stena Adactum), Nils Olov Jönsson (Vätterledens Invest), Ricard Wennerklint (If Skadeförsäkring), together representing shareholders holding approximately 57% of the shares and votes in the company, and by Martin Svalstedt (Chairman of the Board of Directors), proposes the following.

Item 1: Martin Svalstedt as Chairman of the AGM.

Item 9: Seven ordinary Board members without Deputy members.

Item 10: A total fee to the Board of Directors amounting to SEK 2,000,000, excluding fee to committees, to be divided with SEK 500,000 to the Chairman of the Board of Directors and SEK 250,000 to each of the other Board members elected by the shareholders. Remuneration for

those Board members assigned to the Audit Committee with SEK 50,000 for the Chairman and SEK 30,000 each for other members. Remuneration for those Board members assigned to the Remuneration Committee with SEK 50,000 for the Chairman and SEK 30,000 each for other members. However, no remuneration will be payable to the Chairman of the Board for committee work. The proposed fees are unchanged in relation to previous year.

Auditors' fees to be paid in accordance with approved invoices.

Item 11: Re-election of Göran Bille, Charlotte Brogren, Bo Dankis, Eva Elmstedt, Mikael Jönsson, Martin Svalstedt and new election of Anna Borg. Tore Bertilsson has declined re-election. A presentation of the nominated Board members is available on the company's website: www.gunnebogroup.com

Item 12: Re-election of Martin Svalstedt as Chairman of the Board of Directors.

Item 13: The Nomination Committee shall consist of the Chairman of the Board of Directors together with one representative of each of the three by voting power largest shareholders as per the last banking day in August every year. Should such shareholder not wish to appoint a representative, the fourth largest shareholder by voting power will be invited to do so instead etc. Thus, the members appointed, together with the Chairman of the Board as convener, shall constitute the Nomination Committee.

The Nomination Committee shall appoint its Chairman, however, the Chairman of the Board of Directors may not be elected Chairman of the Nomination Committee. The constitution of the Nomination Committee shall be made public not later than in connection with the publication of the Company's report for the third quarter. The mandate period of the appointed Nomination Committee runs until the next Nomination Committee has been appointed and its mandate period starts. Should a member of the Nomination Committee resign from the Nomination Committee during the mandate period or become prevented from fulfilling his/hers assignment, the Nomination Committee shall without delay request the shareholder that has appointed the member, to appoint another member to the Nomination Committee. Should the shareholder not appoint another member, the right to appoint another member of the Nomination Committee shall transfer to the subsequent largest shareholder by voting power, provided such shareholder has not already appointed a member of the Nomination Committee or previously waived such right.

The Nomination Committee's shall provide to the Annual General Meeting proposals for (i) chairman of the Annual General Meeting, (ii) number of members of the Board of Directors and Deputy members to be elected by the shareholders, (iii) chairman of the Board of Directors and other members of the Board of Directors elected by the shareholders, (iv) fees payable to members of the Board of Directors elected by the shareholders and fees payable to members of the Board's committees, (v) Auditor and (vi) fees payable to the Auditor.

The resolution on the instruction for the Nomination Committee is proposed to be applied until further notice.

Item 14: Re-election of the registered auditing company Deloitte AB for the period until the end of the Annual General Meeting of the Shareholders 2018, in accordance with the Audit Committee's recommendation.

The Board of Directors' Proposals for Resolutions

Dividend (Item 8 b)

The Board of Directors propose a dividend to the shareholders of SEK 1.20 per share and that Friday, April 7, 2017, shall be the record date for receipt of the dividend. Should the AGM decide in favour of the proposal, payment of the dividend is expected to be made by Euroclear Sweden AB on Wednesday, April 12, 2017.

Principles for remuneration to senior executives (Item 15)

The Board of Directors proposes that the Annual General Meeting resolves to determine the following principles for remuneration to senior executives.

These principles concern remuneration and other terms of employment for members of the Gunnebo group management team and are valid for employment agreements entered into after the approval of the principles by the Annual General Meeting and for changes to existing employments agreements made thereafter.

Gunnebo shall offer a level of remuneration and other terms of employment which enables the company to recruit and retain senior executives. The overall principles for salary and other remuneration to senior executives are thus that compensation shall be competitive and on market level.

The total remuneration to senior executives shall consist of fixed salary, variable remuneration including long-term incentive programs, pension and other benefits.

The fixed salary shall take into account the individual's position, competence, areas of responsibility, performance and experience and shall normally be reviewed on an annual basis. The fixed salary shall constitute the basis for the calculation of the variable salary.

The variable salary shall be dependent upon the individual's achievement of specific quantitative financial business objectives and shall not exceed 70% of the fixed salary, of which 20% is derived from the maximum of long-term incentive programs.

The Board shall, for each financial year, evaluate whether a share or share-price related incentive program shall be proposed to the Annual General Meeting or not. It is the Annual General Meeting who decides upon such program. The Board has decided to propose to the Annual General Meeting to decide upon a new incentive program for 2017. Pension premiums for senior executives resident in Sweden are paid in accordance with a premium based plan. The premiums may, depending on age and salary level, amount to a maximum of 35% of the base salary. Senior executives resident outside Sweden may be offered pension benefits that are competitive in the countries where the senior executives are resident, preferably defined-contribution plans. The retirement age shall be 65. Additional benefits consist of company car and private health insurance.

For senior executives resident in Sweden, the termination period in case of termination by the company shall be 12 months and six months in case of termination by the senior executive. Severance pay is not applied. Senior executives resident outside Sweden may be offered notice periods for termination that are competitive in the countries where the senior executives are resident, preferably notice periods comparable to the notice periods applied to senior executives resident in Sweden.

The Board reserves the right to deviate from these principles if special reasons for such a deviation exist in any individual case.

The Board of Directors proposal for (A) implementation of a long-term share based incentive program (LTI 2017/2021) and (B) hedging activities in respect thereof (item 16)

(A) Implementation of a long-term share based incentive program (LTI 2017/2021)

The Board of Directors of Gunnebo AB ("**Gunnebo**") proposes that the Annual General Meeting resolves on implementation of a long-term share based incentive program ("**LTI 2017/2021**") comprising the executive management and a number of key employees within the Gunnebo group (the "**Group**"), on essentially the following terms and conditions.

It is proposed that LTI 2017/2021 shall comprise approximately 20 employees including the CEO, the executive management and other key employees within the Group (the "**Participants**"). The program shall comprise maximum 266,233 Gunnebo Shares (ordinary shares), of which 212,986 shares can be allotted to the Participants in LTI 2017/2021 ("**Performance Shares**") and 53,247 shares which are mainly intend, in terms of liquidity, to hedge payments of future social security contributions related to the program. Subject to the performance and development of three different Performance Conditions (as defined below) during the financial year 2017 (the "**Performance Period**"), the Participants will receive Performance Shares free of charge on the Allotment Day (as defined below).

The maximum number of Performance Shares that may be received shall correspond to 20 per cent of fixed salary 2017 (actually paid) calculated on the volume-weighted average price paid for the company's share during a period of five trading days after the publication of the year-end report for 2017 (including the day of publication), rounded to the nearest whole number, with 0.5 rounded up. However, the CEO shall receive a maximum of 33,210 Performance Shares, other of the executive management (SVP) a maximum of 105,811 Performance Shares and other key employees a maximum of 73,965 Performance Shares.

The performance conditions that have to be achieved or exceeded during the Performance Period for vesting Performance Shares relate to (i) earnings per share (EPS), (ii) operating margin (EBIT) excluding non-recurring items and (iii) organic growth in per cent (the "**Performance Conditions**"), whereby each condition is weighted by 1/3. The vesting shall be based on the minimum level and the maximum target level, respectively, during the Performance Period, as resolved by the Board. If the minimum level is not achieved, no Performance Shares are vested. If the maximum target level is achieved or exceeded, full vesting shall take place. If the minimum level is achieved but not exceeded, allotment corresponding to 1 per cent of maximum number of Performance Shares shall take place. If the minimum level is exceeded but the maximum target level is not achieved, a linear allotment of Performance Shares shall take place. The final number of Performance Shares vested by each Participant shall be rounded to the nearest whole number.

The Board of Directors resolves on the Performance Conditions before LTI 2017/2021 is offered to the Participants. The Board of Directors intends to present the determined Performance Conditions and the achievement of them in connection with the publication of the year-end report for 2017.

The Participants receives vested Performance Shares after the Annual General Meeting 2021 and before 30 June 2021 (the "**Allotment Day**"). Receiving of vested Performance Shares is conditional upon (i) the Participant being employed within the Group until the expiration of 2020. The Board of Directors may make minor exemptions from the requirement to be employed during the entire period. The Participant is not entitled to transfer, pledge or sell the right to receive Performance Shares or to exercise any shareholders' rights in respect of the Performance Shares prior these have been allotted on the Allotment Day.

(B) Hedging activities

In order to hedge delivery of Performance Shares and to cover administrative costs, mainly costs for social security contributions, the Board of Directors proposes, firstly, to resolve on a directed issue of convertible and redeemable C shares, followed by a repurchase and conversion into ordinary shares, and to resolve on transfer of own ordinary shares to senior executives in LTI 2017/2021 in accordance with section B below. In absence of the required majority, the Board of Directors, secondarily, intends to enter into a share swap agreement with a third party in order to hedge delivery of any costs related to the Performance Shares. The share swap agreement entails that the third party in its own name shall acquire and transfer Gunnebo shares to employees comprised by LTI 2017/2021.

(1) Authorisation for the Board of Directors to resolve on a directed issue of series C shares

Authorisation for the Board of Directors to resolve on a directed issue of redeemable and convertible series C shares in Gunnebo on the following terms and conditions.

1. The maximum number of series C shares to be issued shall amount to 266,233.
2. The authorisation may be exercised on one or several occasions until the Annual General Meeting 2018.
3. With deviation from the shareholders' preferential rights, the new shares may be subscribed for only by one external party after arrangement in advance.
4. The amount to be paid for each new share (the subscription price) shall equal the share's quota value at the time of subscription.
5. The new series C shares shall be subject to Chapter 4, Section 6 of the Swedish Companies Act (conversion restriction) and Chapter 20, Section 31 of the Swedish Companies Act (redemption restriction).

The purpose of the authorisation is to hedge the undertakings of Gunnebo according to LTI 2017/2021 and, in terms of liquidity, to hedge payments of future social security contributions related to Performance Shares. In order to minimize Gunnebo's costs for LTI 2017/2021, the subscription price has been set to the share's quota value.

(2) Authorisation for the Board of Directors to repurchase issued series C shares

Authorisation for the Board of Directors to resolve on repurchase of all issued redeemable and convertible series C shares in Gunnebo on the following terms and conditions.

1. Repurchase may take place by way of an acquisition offer directed to all holders of series C shares in Gunnebo.
2. The authorisation may be exercised on one or several occasions until the Annual General Meeting 2018.
3. The maximum number of series C shares to be repurchased shall amount to 266,233.
4. Repurchase shall be made at a price per share of minimum 100% and maximum 110% of the quota value applicable at the time of subscription.
5. Payment of repurchased shares shall be made in cash.
6. The Board of Directors shall have the right to resolve on other terms and conditions for the repurchase.

7. Repurchase may also be made of a so-called interim share, by Euroclear Sweden AB designated as a Paid Subscribed Share (*Sw. Betald Tecknad Aktie (BTA)*), regarding a series C share.

The purpose of the authorisation is to hedge the undertakings of Gunnebo according to LTI 2017/2021 and, in terms of liquidity, to hedge payments of future social security contributions related to Performance Shares.

(3) Proposal for resolution on transfer of the company's own ordinary shares to participants in LTI 2017/2021

Resolution on transfer of the company's own ordinary shares to participants in LTI 2017/2021 on the following terms and conditions.

1. A maximum number of 212,986 Gunnebo shares may be transferred free of charge to participants in LTI 2017/2021.
2. With a deviation from the shareholders' preferential rights, the right to acquire Gunnebo shares free of charge shall comprise employees in the Group participating in LTI 2017/2021, with a right for each of the participants to acquire the maximum number of shares stipulated in the terms and conditions of LTI 2017/2021.
3. Transfer of Gunnebo shares shall be made free of charge at the time for, and according to the terms for, the allotment of Gunnebo shares to participants in LTI 2017/2021.
4. The number of Gunnebo shares that may be transferred under LTI 2017/2021 shall be recalculated due to any intervening bonus issue, split, preferential issue and/or similar corporate actions.

Since LTI 2017/2021 initially in principle is not expected to give rise to any costs for social security contributions of Gunnebo (and since a resolution on transfer is valid only until the next Annual General Meeting), the Board of Directors has decided not to propose that the Annual General Meeting 2017 resolves on transfer of the company's own ordinary shares on a regulated market for hedging of cash flow for social security payments. However, before any transfers of Gunnebo shares to participants in LTI 2017/2021 can be made, the Board of Directors intends to propose to a later General Meeting to resolve on transfers of the company's own ordinary shares on a regulated market in order to hedge such payments.

Scope and dilution

At present, Gunnebo has one existing share based incentive program which was implemented by a resolution by the Annual General Meeting 2015 (LTI 2015). The incentive program include so-called matching- and performance shares to the executive management and a number of key employees within the Group. The existing incentive program comprise, including hedging activities for social security contributions, 730,847 shares in Gunnebo. The maximum dilution of the program will amount to approximately 0.9 per cent of the share capital and votes in Gunnebo. 10 of the employees who are proposed to be comprised by LTI 2017/2021 participate in the previous incentive program.

The maximum number of Performance Shares that may be allotted to the participants under LTI 2017/2021 amounts to 212,986 shares, which corresponds to approximately 0.28 per cent of the share capital and votes in the company. Aggregated with the maximum number of additional shares that may be transferred, which mainly consists of cash flow related hedging of costs for social security contributions, LTI 2017/2021 will comprise a maximum of 266,233 shares and the maximum dilution of the program will amount to approximately 0.35 per cent of the share capital and votes in Gunnebo.

Estimated costs and effects on key ratios

Based on the assumption of a share price of SEK 40 at the start of the program, an anticipated yearly 10 per cent increase in the share price from implementing the program until shares are received approximately 4 years later, an employee turnover of 5 per cent per year and an assessment of future dividends of the Gunnebo share, the total costs for LTI 2017/2021 including costs for social security contributions, are estimated to approximately MSEK 8.5, provided that the Performance Conditions are fully met. On a yearly basis this will equal approximately 0.1 per cent of Gunnebo's total staff costs for the financial year 2016. Under LTI 2017/2021, the maximum outcome for the participants is not limited, and therefore the maximum costs for social security contributions cannot be calculated.

Given the full-year result of 2016, the costs for LTI 2017/2021 would have a negative effect of approximately 0.03 percentage units on Gunnebo's operating margin and a reduction of profit per share of approximately SEK 0.02, provided that the Performance Conditions in the cost estimate above are fully achieved. However, the Board of Directors believes that the expected positive effects of LTI 2017/2021 on Gunnebo's financial result will outweigh the costs for the program.

Other

The resolution of the Annual General Meeting to implement LTI 2017/2021 in accordance with section A above is not conditional upon the hedging activities in section B above. In order for the resolution by the Annual General Meeting on implementation of LTI 2017/2021 to be valid, the Board of Directors' proposal under section A must be supported by more than one half of the votes cast at the Annual General Meeting.

The Board of Directors proposes that the proposed resolutions on hedging activities under section B above are passed together as one resolution. A valid resolution of the Annual General Meeting on the proposed hedging activities in accordance with section B, requires that the Board's proposal is supported by shareholders representing at least nine-tenths of both the votes cast and shares represented at the Annual General Meeting.

The Board of Directors proposes that the CEO be authorised to make such minor amendments of the above proposals as may be required in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

Resolution on authorisation for the Board of Directors to decide on new share issue (item 17)

The Board of Directors proposes that the Annual General Meeting resolves, during the period until the next Annual General Meeting to authorise the Board of Directors in conjunction with agreements on company acquisitions, on one or several occasions, with or without deviation from the preferential rights for the shareholders, for a cash payment or through payment in kind or set-off, to decide upon a new share issue in the company. The authorisation shall comprise a maximum number of shares corresponding to 10% of the total number of shares in the company.

The reason for the possibility to deviate from the preferential rights for the shareholders is that the company shall be able to issue shares as payment in conjunction with company acquisitions, alternatively to procure capital for such acquisitions. The issue price will be determined in accordance with then current market conditions.

The Board of Directors, the CEO or a person appointed by one of them shall be entitled to make any minor adjustments to the above decision which might be required in conjunction with registration with the Swedish Company Registration Office.

A decision under this item is valid only if supported by shareholders representing at least two-thirds of both votes cast and shares represented at the Annual General Meeting.

The shareholders' right to require information

The Board of Directors and the CEO shall at the annual general meeting, upon request by a shareholder, provide information in respect of any circumstances which may affect the assessment of a matter on the agenda, and any circumstances which may affect the assessment of the company's financial position. Such information may be provided where the Board of Directors believes that such may take place without significant harm to the company. The duty to provide information also applies to the company's relationship to other group companies as well as the group accounts and the abovementioned circumstances regarding subsidiaries.

Further information

The Annual Accounts and the Auditor's Report, the statement of the Auditor regarding the application of the principles for remuneration to senior executives and the Board of Directors complete proposals for resolutions in respect of items 15, 16 and 17 will be available at Gunnebo AB and on Gunnebo AB's website www.gunnebogroup.com no later than March 15, 2017, and will be distributed without charge to shareholders who so request and state their address.

At the time of the issue of this notice, the total number of shares in the company amounts to 77,050,848, of which 76,320,001 ordinary shares and 730,847 series C shares, corresponding to 76,393,085.7 number of votes. All shares of series C are held by the company.

Göteborg, March 2017
Gunnebo AB (publ)
The Board of Directors

The Gunnebo Group is a global leader in security products, services and solutions with an offering covering cash management, safes and vaults, entrance security and electronic security for banks, retail, mass transit, public & commercial buildings and industrial & high-risk sites.

The Group has an annual turnover of MSEK 6,100, employs 5,600 people and has sales companies in 28 countries across Europe, Middle East & Africa, Asia-Pacific and the Americas as well as Channel Partners on over 100 additional markets.

We make your world safer.