

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

Shareholders of Byggmax Group AB (publ), Corp. Reg. No. 556656-3531, (the “**Company**”) are hereby notified of the Annual General Meeting (AGM) to be held on Wednesday, May 9, 2018, at 10:00 a.m. at Coor Alviks Strand Konferens, Gustavlundsvägen 141, Bromma.

## 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 Thursday, May 3, 2018, and
- notify the Company of their intention to attend the AGM, no later than at 4:00 p.m. on Thursday, May 3, 2018, to the address, Byggmax Group AB (publ), Box 6063, SE-171 06 Solna, Sweden (Labeled “Annual General Meeting”), by telephone +46 (0) 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 advisers (maximum two) and, when applicable, the name of a proxy or legal representative.

## Trustee registered shares

To be able to participate at the AGM, shareholders who have registered their shares in the name of a trustee must request registration of the shares in their own names in the register maintained by Euroclear Sweden AB. Registration of shareholders should be completed not later than Thursday, May 3, 2018. The shareholder should notify the trustee well in advance of this date. Such registration may be temporary.

## 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 60,999,045 shares at the date of issue of the notification. The total number of votes in the Company is 60,999,045. The Company does not own any treasury shares.

## Proposed agenda

1. 1. Opening of the Meeting and election of the Chairman for the Meeting
2. 2. Preparation and approval of the voting list
3. 3. Approval of the agenda
4. 4. Election of one or two persons to verify the minutes
5. 5. Determination of whether the Meeting has been duly convened
6. 6. Presentation of the Annual Report and the Auditors' Report, as well as the Consolidated Financial Statements and the Consolidated Auditor's Report
7. 7. Address by the President
8. 8. Resolution regarding the adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet
9. 9. Resolution regarding the appropriation of the Company's profit in accordance with the adopted Balance Sheet, and the record date for the dividend
  1. 10. Resolution regarding discharge from liability of the Board of Directors and the President
10. 11. Determination of the number of Board members, deputy Board members and auditors
11. 12. Determination of fees for members of the Board of Directors and auditors
12. 13. Election of Board members, Chairman of the Board and auditors
13. 14. Resolution on policies regulating the appointment of the Nomination Committee and its work
14. 15. Resolution on guidelines for the remuneration of senior executives
  1. 16. Close of the Meeting

## Proposals for resolution

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

The Nomination Committee proposes the election of Anders Moberg 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, and the record date for the dividend.*

The Board of Directors proposes a dividend of SEK 2.5 per share. The proposed record date for payment of the dividend is Monday, May 14, 2018. If the AGM resolves in accordance with the motion, the dividend is scheduled to be distributed by Euroclear Sweden AB on Thursday, May 17, 2018.

*Items 11–14*

The Nomination Committee, which comprises Lennart Francke (Chairman), Swedbank Robur fonder; Anders Algotsson, Afa Försäkring; Erik Durhan, Nordea Funds; and Anders Moberg, Chairman of the Board, have submitted the following proposals for items 11–14.

*Item 11 — Determination of the number of Board members, deputy Board members and auditors*

The Nomination Committee proposes that the number of Board members elected by the AGM is seven (7). No deputies are proposed. Furthermore, the Committee proposes one (1) auditor with no deputy.

*Item 12 — Determination of remuneration to the Board of Directors and auditor*

The Nomination Committee proposes that the directors' fees remain unchanged, namely SEK 600,000 to the Chairman of the Board and SEK 285,000 to each of the other Board members. For the newly established Audit Committee, fees are proposed of SEK 100,000 to the Chairman and SEK 40,000 to each of the other members. Altogether, the Nomination Committee's proposal means that total remuneration to the Board will amount to SEK 2,490,000 (2,310,000).

The Nomination Committee also proposes that fees to auditors are paid against approved invoices.

*Item 13 — Election of Board members, Chairman of the Board and auditors*

The Nomination Committee proposes the re-election until the end of the next AGM of the following Board members: Anders Moberg, Lottie Svedenstedt, Hannele Kemppainen, Daniel Mühlbach, Ulrika Eliasson and Mikael Norman. Furthermore, Per Strömberg is proposed for election as a new Board member. Karin Hygrell-Jonsson has declined re-election. It is proposed that Anders Moberg be re-elected as Chairman of the Board.

Since 2012, Per Strömberg has been the CEO and Group Director of the ICA Group; prior to that he was CEO of Lantmännen (2007–2012) and of Sardus (2006–2007), as well as the Head of Kraft Foods Sweden (2003–2006). Per's other positions include being a Board member of Consumer Goods Forum and Childhood Foundation, as well as being an industrial adviser for Segulah.

A more detailed presentation of the proposed Board members is available on the Company's website, [www.byggmax.com](http://www.byggmax.com).

The Nomination Committee proposes, in accordance with the recommendation of the Board, the re-election of the Company's current auditor, the registered accounting firm Öhrlings PricewaterhouseCoopers AB until the end of the 2019 AGM. Öhrlings PricewaterhouseCoopers AB have notified that Authorized Public Accountant Ann-Christine Hågglund will continue to serve as the Auditor in Charge.

*Item 14 — Resolution on policies regulating the appointment of the Nomination Committee and its work*

The Nomination Committee proposes that the AGM resolve to adopt an unchanged instruction for the Nomination Committee with one change, namely that the instruction will apply until further notice. In other words, it will not be addressed by future AGMs unless there is a proposed change to the instruction. The following instruction is proposed:

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 is to be a member of 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 the Chairman of the Board of Directors). The President and senior executives of the Company are not permitted to be members of the Nomination Committee.

The Chairman of the Board is the convener of the first meeting of the Nomination Committee. Unless otherwise decided by the Committee, the member representing the largest shareholder should be appointed Chairman of the Nomination Committee. The Nomination Committee prepares written rules of procedure to govern its work. The mandate period of the Committee extends until such time as a new Nomination Committee has been appointed.

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.

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 then informs the other 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 AGM. If a member leaves the Nomination Committee prior to completion of the Committee's work, the Nomination Committee is to invite the shareholder who appointed the departing member to appoint a new member. In the event that no new member is appointed by the shareholder who appointed the departing member and if the Committee finds it necessary to replace this member, a new member should be appointed in accordance with the principles set out in item 1 above, based on the share register maintained by Euroclear Sweden AB, as soon as possible after the member has left the Committee. Changes in the Nomination Committee are announced immediately.

The Nomination Committee should prepare and submit proposals to the General Meeting in respect of:

- the election of the Chairman of the Annual General Meeting;

- the number of Board members;
- 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 auditor and deputy auditor (where applicable); and
- resolutions on principles regulating the appointment of the Nomination Committee.

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.

The above principles for the appointment of the Nomination Committee apply until the Annual General Meeting decides on a change to them. It is the responsibility of the Nomination Committee, prior to the AGM, to determine whether the Nomination Committee finds it necessary to propose any change to the principles in question and in this event, to submit a motion to the AGM in accordance with paragraph five above.

#### *Item 15 — Resolution on 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 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 market averages. However, overall remuneration, including STIs and LTIs, entails that the market average may 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 salaries*

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 40% 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 10 million (10) (excluding social security contributions).

#### *Long-Term Incentives "LTI"*

The 2015 and 2017 AGMs adopted long-term warrants-based incentive programs. The incentive programs are described in Note 9 of the 2017 Annual Report and can be viewed on the Company's website, [www.byggmax.com](http://www.byggmax.com).

#### *Pension*

Where possible, pension agreements should be premium-based and designed in accordance with the levels and practices applicable in the country where the Senior Executive is employed.

#### *Other benefits*

Other benefits may be provided in accordance with the conditions that apply in the country where the Senior Executive is employed. However, 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 prevailing 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 has the right to deviate from the aforementioned guidelines if the Board deems that it is motivated in specific cases.

## **Information concerning the AGM**

The Board of Directors and the President must, if a shareholder so requests and the Board of Directors considers it possible without this resulting in material damage to the Company, provide information concerning, conditions that could influence the assessment of an item on the agenda, conditions that could influence assessments of the financial condition of the Company or subsidiaries and 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 18, 2018. 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.

**For further information, please contact:**

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**About Byggmax Group**

Byggmax Group consists of Byggmax, Skånska Byggvaror, and Buildor. For 2016, the Group's net sales was SEK 5.2 billion. Byggmax Group is listed on Nasdaq since 2010.

Byggmax was founded in 1993 and currently operates 88 stores in Sweden, 36 in Norway and 9 in Finland and e-commerce in all three countries. Byggmax online offer consists of both the complete store assortment as well as an extensive range of online-exclusive products. Since the very beginning, Byggmax business concept has been discount DIY retailing, being the best price DIY retailer for consumers in need of high-quality construction materials. Byggmax stores are located close to the customers homes and are equipped with a drive-in system enabling easy shopping, including the loading of products directly onto the customers vehicles. During the past years, Byggmax Group has acquired Skånska Byggvaror Group and Buildor AB. Skånska Byggvaror is a distance and e-commerce retailer of building projects and materials, with strong offers in e.g., conservatories and green houses. Skånska Byggvaror operates in Sweden, Norway, and Denmark, online and with a number of showroom stores. Buildor is a fast growing e-commerce retailer of home improvement products.