

Press release 31 March 2021 at 18:00 CET

## Notice to the Annual General Meeting 2021 in Eltel AB

The shareholders of Eltel AB (publ) (reg. no. 556728-6652) ("Eltel") are hereby given notice of the Annual General Meeting to be held on 5 May 2021 at 16:00 (CET).

### Measures due to the COVID-19 pandemic

As a precautionary measure due to the COVID-19 pandemic and in consideration of our shareholders and employees, the Board of Directors of Eltel has decided that the Annual General Meeting shall be conducted without the physical presence of shareholders, proxies or third parties, and that shareholders shall be able to exercise their voting rights only by postal voting in advance.

Shareholders will have the opportunity to ask questions in writing prior to the Annual General Meeting. These must be received by Eltel no later than 26 April 2021 and will be answered no later than 30 April 2021, see further below.

Eltel will publish a pre-recorded webcast with the CEO which will be available at Eltel's website [www.eltelgroup.com](http://www.eltelgroup.com) as from 3 May 2021. In the webcast, the CEO will, among other things, give his views on the performance of the company during the past year.

### Notifications, etc.

Shareholders who wish to participate in the Annual General Meeting shall:

- be registered in the share register kept by Euroclear Sweden AB on 27 April 2021; and
- give notice of participation in the Annual General Meeting by voting in accordance with the instructions under the heading Postal voting below so that the postal vote is received by Eltel no later than 4 May 2021. Please note that the notification of participation in the Annual General Meeting can only be made by postal voting.

### Shares registered in the name of a custodian

Shareholders whose shares are registered in the name of a custodian through a bank or through another authorised depository must request to be temporarily registered for voting rights in the share register kept by Euroclear Sweden AB in order to have the right to participate in the Annual General Meeting. Only voting rights registered no later than on 29 April 2021 will be taken into account. The shareholder must therefore contact the custodian well in advance of this day in accordance with the custodian's routines and request registration of voting rights.

### Postal voting

The Board of Directors of Eltel has decided that shareholders shall be able to exercise their voting rights only by postal voting in accordance with Section 22 of the Swedish Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A special form must be used for the postal voting. The form for postal voting is available on Eltel's website [www.eltelgroup.com](http://www.eltelgroup.com). Completed and signed forms for postal voting can be sent by mail to Eltel AB, "AGM", c/o Euroclear Sweden, Box 191, 101 23 Stockholm, Sweden, or by e-mail to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com). Complete forms must be submitted no later than 4 May 2021. Shareholders who are natural persons can also vote by electronic mail through verification with BankID via Euroclear's website <https://anmalan.vpc.se/EuroclearProxy>.

Shareholders may not provide special instructions or conditions to the postal vote. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form and at <https://anmalan.vpc.se/EuroclearProxy>.

**Proxies, etc.**

Shareholders can vote by post at the Annual General Meeting through a proxy with written and dated power of attorney signed by the shareholder. A proxy must be attached to the postal voting form. Proxy forms are available on Eltel's website [www.eltelgroup.com](http://www.eltelgroup.com) and may be ordered by contacting the company. If the Shareholder is a legal person, a registration certificate or other authorisation document must be attached to the proxy form and postal voting form.

**Shareholders' right to receive information**

The shareholders are reminded of their right to receive information from the Board of Directors and the CEO in accordance with Chapter 7 Section 32 of the Swedish Companies Act. A request for such information shall be made in writing and be received by Eltel no later than 26 April 2021, by mail to Eltel AB, attn: Henrik Sundell, P.O. Box 12623, SE-112 92 Stockholm, Sweden, or by email to [bolagsstamma@eltelnetworks.se](mailto:bolagsstamma@eltelnetworks.se). The information will be made available on Eltel's website [www.eltelgroup.com](http://www.eltelgroup.com) no later than 30 April 2021. The information will also be sent to the shareholders who requested it and provided their address.

**Agenda**

1. Election of Chairman of 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 Auditor's Report as well as the Consolidated Financial Statement and the Group Auditor's Report
7. Resolution regarding adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and the consolidated balance sheet
8. Resolution regarding appropriation of the company's result according to the adopted balance sheet
9. Resolution regarding discharge from liability for the members of the Board of Directors and the CEO
10. Resolution regarding the number of members of the Board of Directors and auditors
11. Resolution regarding remuneration to the members of the Board of Directors and the auditors
12. Election of members of the Board of Directors and Chairman of the Board of Directors
13. Election of auditor
14. Resolution regarding approval of the Remuneration Report
15. Resolution regarding share-based long-term incentive program 2021
16. Resolution regarding amendments to the Articles of Association
17. Resolution regarding authorisation for the Board of Directors to resolve on issuance of new shares
18. Resolution regarding authorisation for the Board of Directors to resolve on repurchase and transfer of the company's own shares
19. Closing of the meeting

**Nomination Committee**

The Nomination Committee consists of Peter Immonen (Chairman) (appointed by Wipunen Varainhallinta Oy, Mariatorp Oy and Heikintorppa Oy), Erik Malmberg (appointed by Solero Luxco S.á r.l.), Per Colleen (appointed by the Fourth Swedish National Pension Fund), and Marianne Nilsson (appointed by Swedbank Robur Fonder).

**Proposed resolutions etc.***Item 1: Election of Chairman of the meeting*

The Nomination Committee proposes that Ulf Mattsson, Chairman of the Board of Directors, is elected as Chairman of the meeting, or in the event of his absence, the person appointed by a representative of the Nomination Committee.

*Item 2: Preparation and approval of the voting list*

The voting list proposed to be approved is the voting list prepared by Euroclear Sweden AB on behalf of Eltel, based on the shareholders' meeting share register and received postal votes, controlled and checked by the persons assigned to verify the minutes.

*Item 4: Election of one or two persons to verify the minutes*

The Board of Directors proposes that Peter Immonen (Wipunen Varainhallinta Oy, Mariatorp Oy and Heikintorppa Oy) and Erik Malmberg (Solero Luxco S.á r.l.), or in the event of absence of one or both of them, the person(s) appointed by a representative of the Nomination Committee, are appointed as persons to verify the minutes. The assignment to verify the minutes also includes checking the voting list and that the received postal votes are correctly stated in the minutes of the meeting.

*Item 8: Resolution regarding appropriation of the company's result according to the adopted balance sheet*

The Board of Directors' proposal regarding appropriation of the company's result will be presented in the annual report for the financial year 2020, which is available as set out below. The Board of Directors does not propose any dividend.

*Item 10: Resolution regarding the number of members of the Board of Directors and auditors*

The Nomination Committee proposes that, for the period until the end of the next Annual General Meeting, the Board of Directors shall consist of five ordinary members with no deputy members and that one registered auditing company shall be elected as auditor of the company with no deputy auditor.

*Item 11: Resolution regarding remuneration for the Board of Directors and the auditor*

The Nomination Committee proposes that, for the period until the end of the next Annual General Meeting, (i) the remuneration for the members of the Board of Directors shall be a total of EUR 306,900 to be allocated with EUR 107,500 to the Chairman of the Board of Directors, EUR 35,500 to each of the other members of the Board of Directors, EUR 16,400 to the Chairman of the Audit Committee and EUR 8,200 to each of the other members of committees established by the Board of Directors, and (ii) the remuneration to the auditors shall be paid in accordance with approved accounts within the given quotation.

*Item 12: Election of members of the Board of Directors and Chairman of the Board of Directors*

The Nomination Committee proposes that, for the period until the end of the next Annual General Meeting, Ulf Mattsson, Gunilla Fransson, Håkan Dahlström, Roland Sundén and Joakim Olsson shall be re-elected as members of the Board of Directors, and Ulf Mattsson shall be re-elected as Chairman of the Board of Directors.

*Item 13: Election of auditor*

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, that KPMG AB shall be re-elected as auditor for the company for the period until the end of the next Annual General Meeting.

*Item 14: Resolution regarding approval of the Remuneration Report*

The Board of Directors does not propose any amendments to the Guidelines for remuneration of senior executives of the company ("Guidelines") which were adopted by the Annual General Meeting on 4 May 2020.

The Board of Directors' Remuneration Report in respect of the financial year 2020 provides an outline of how the Guidelines have been implemented in 2020. The Remuneration Report also provides information on the remuneration of Eltel's CEO and a summary of Eltel's outstanding share-based long-term incentive programmes. The Report has been prepared in accordance with Chapter 8 Sections 53a and 53b of the Swedish Companies Act and the remuneration rules issued by the Swedish Corporate Governance Board. There have been no deviations from the procedure for the implementation of the Guidelines and no derogations from the application of the Guidelines in 2020. The Remuneration Report is available on Eltel's website [www.eltelgroup.com](http://www.eltelgroup.com).

The Board of Directors proposes that the Annual General Meeting approve the Remuneration Report.

*Item 15: Resolution regarding share-based long-term incentive program 2021*

The Board of Directors proposes that the General Meeting pass a resolution on the implementation of a share-based long-term incentive program 2021 (LTIP 2021). Below is a description of the main contents of the proposal. The Board of Director's complete proposal is available on Eltel's website [www.eltelgroup.com](http://www.eltelgroup.com).

**A. Terms of the LTIP 2021**

The Board of Directors want to implement a long-term incentive program for senior executives and other key individuals in order to encourage a personal long-term ownership in the company, and in order to increase and strengthen the potential for recruiting, retaining and motivating such senior executives and key individuals. Therefore, the Board of Directors proposes that the General Meeting approves the implementation of LTIP 2021 for senior executives and key individuals within the company.

Participants will, after a qualifying period and assuming an investment of their own in Eltel Shares, be given the opportunity to, without consideration, receive allotments of Eltel Shares (defined below) and call options issued by the company. The number of allotted Eltel Shares and call options will depend on the number of Eltel Shares that they have purchased themselves and on the fulfilment of certain performance requirements. Eltel Shares are ordinary shares in the company ("Eltel Shares"). The term of LTIP 2021 is more than three years.

The LTIP 2021 will be directed towards a maximum of twelve senior executives and other key individuals in the company. The participants are based in Sweden and other countries where the Eltel Group is active. Participation in the LTIP 2021 assumes that the participant acquires and locks a certain minimum and maximum, respectively, of Eltel Shares into LTIP 2021 ("Savings Shares"). Savings Shares shall be newly acquired Eltel Shares.

For each acquired Savings Share, the participant shall be entitled to, after a certain qualification period (defined below), provided continued employment and dependent on the fulfilment of certain performance requirements for the financial years 2021-2023, receive allotment of Eltel Shares ("Performance Shares") and call options issued by the company ("Performance Options"). The performance requirements are tied to certain financial key figures. The participant shall not pay any consideration for the allotted Performance Shares and Performance Options.

The participant shall have the right to exercise the Performance Options commencing on the day of allotment and during two weeks thereafter ("Exercise Period"). The exercise price when the participant exercises the Performance Option shall correspond to 120% of the volume-weighted average price according to Nasdaq Stockholm's official price list for the Eltel Share during the first ten trading days that directly follows the Annual General Meeting 2021 (the "Purchase Price"). Customary recalculation of the Purchase Price as well as of the number of Eltel Shares that each Performance Option corresponds to may occur in certain situations.

Allotment of Performance Shares and Performance Options within LTIP 2021 will be made during a limited period of time following the latter of the date of (i) the presentation of the first quarterly report for the first quarter of 2024, and (ii) the first record date for dividends decided by the Annual General Meeting 2024. The period up to this date is referred to as the qualification period (vesting period).

In order for the participant to be entitled to receive allotment of Performance Shares and Performance Options, it is assumed that the participant remains an employee of the Eltel Group during the full qualification period up until allotment, that the participant, during this period, has kept all Savings Shares, and that the performance requirements are fulfilled.

The participant can receive allotment of a maximum of eight (8) Performance Shares and eight (8) Performance Options per Savings Share. The participant's maximum gross profit per Performance Share and Performance Option shall in this regard be limited to three times the volume-weighted average price according to Nasdaq Stockholm's official price list for the Eltel Share during the first ten trading days that directly follows after the Annual General Meeting 2021.

The Board of Directors shall, in accordance with the resolutions by the General Meeting set forth herein, be responsible for the detailed design and implementation of LTIP 2021. The Board of Directors may also decide on the implementation of an alternative cash based incentive for participants in countries where the acquisition of Savings Shares or allotment of Performance Shares and/or Performance Options is not possible, as well as if otherwise considered appropriate. Such alternative incentive shall to the extent practically possible be designed to correspond to the terms of LTIP 2021. The intention is that the Board of Directors shall launch LTIP in May 2021.

In the event that the general meeting does not resolve in accordance with item B with the required majority, the Company shall hedge itself against the financial exposure that LTIP 2021 is expected to entail, by the company entering into a share swap agreement with a third party in accordance with what is stated in item C below.

#### B. Hedge for LTIP 2021 in the form of newly issued class C shares

The Board of Directors proposes that the implementation of LTIP 2021 shall be made in a cost-effective and flexible manner, and that the undertakings of the company for delivery of Performance Shares as well as Eltel Shares at exercise of the Performance Options and the company's cash-flow for the payment of social fees primarily shall be hedged by a directed issue of convertible and redeemable class C shares. Therefore, it is proposed that the Board of Directors shall be authorized to resolve on a directed issue and repurchase, respectively, of a maximum of 972,000 Class C Shares as well as transfer of a maximum of 972,000 Eltel Shares owned by the company on certain terms and conditions.

### C. Equity swap agreement with a third party

In the event that the necessary majority is not obtained for item B above, the company will hedge itself against the financial exposure that LTIP 2021 is expected to entail, by the company entering into a share swap agreement with a third party, whereby the third party in its own name shall acquire and transfer Eltel Shares in the company regarding LTIP 2021. The relevant number of Eltel Shares shall correspond to the number of shares proposed under item B above.

### Majority requirements, etc.

A valid resolution under item B above requires that shareholders representing not less than nine-tenths (90%) of the votes cast as well as the shares represented at the general meeting approve the resolution.

### *Item 16: Resolution regarding amendments to the Articles of Association*

The Board of Directors proposes that the company's Articles of Association shall be amended such that:

§1 will have the following wording:

*"The corporate name of the company is Eltel AB. The company is public (publ)."*

§9 will have the following wording:

*"Shareholders who wish to participate in a general meeting must be recorded in a transcription or other presentation of the register of shareholders in effect six banking days prior to the meeting and must notify the company of their intention to attend no later than the day stipulated in the notice of the meeting. The last-mentioned day may not fall on a Sunday, public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, nor may it fall earlier than the fifth weekday prior to the meeting."*

*At a general meeting, shareholders may be accompanied by one or two assistants, although only if the shareholder has given notification of this as specified in the previous paragraph."*

a new §10 will be added and have the following wording:

*"The board of directors may collect proxies at the expense of the company in accordance with Chapter 7 Section 4 of the Companies Act (2005:551)."*

*The board of directors may resolve to allow the shareholders to exercise their right of voting at general meetings via postal voting in advance of the general meeting in accordance with Chapter 7 Section 4a of the Companies Act (2005:551)."*

§12 (re-numbered to §13) will have the following wording:

*"Any shareholder or nominee who, on the record day, is entered in the share register and is listed in the record list according to Chapter 4 of the Swedish Financial Instruments Accounts Act (1998:1479), or the person who is listed on the record account according to Chapter 4 Section 18 first paragraph items 6-8 of the above Act, shall be deemed to be competent to exercise the rights pursuant to Chapter 4 Section 39 of the Swedish Companies Act (2005:551)."*

For a valid resolution, the resolution must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

*Item 17: Resolution regarding authorisation for the Board of Directors to resolve on issuance of new shares*

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors, on one or more occasions during the period until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, against cash payment, for payment in kind or by way of set-off, to resolve on share issues corresponding to an aggregate dilution of not more than 10 per cent of the registered share capital.

The purpose of the authorisation and the reason for the deviation from the shareholders' preferential rights is to enable the company in a time efficient way to secure financing of its strategy and to use its own shares to make payments in connection with acquisitions of companies or businesses which the company may undertake, or to settle any deferred payments related to such acquisitions, or to raise capital for such acquisitions or deferred payments. The basis for the issue price shall be in accordance with current market conditions at the time of the share issue.

For a valid resolution, the resolution must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

*Item 18: Resolution regarding authorisation for the Board of Directors to resolve on repurchase and transfer of the company's own shares*

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors, on one or more occasions during the period until the next Annual General Meeting, to resolve to repurchase in aggregate as many shares as may be purchased without the company's holding at any time exceeding 10 per cent of the total number of shares in the company. The shares shall be acquired on Nasdaq Stockholm where shares in the company are listed and only at a price within the price range registered at any given time, i.e. the range between the highest bid price and the lowest offer price.

It is also proposed that the Board of Directors shall be authorised to resolve on the transfer of the company's own shares, on one or several occasions prior to the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, against cash payment, for payment in kind or by way of set-off. The basis for the consideration in connection with transfer of own shares shall be in accordance with current market conditions at the time of the transfer.

The purpose of the authorisations and the reason for the deviation from the shareholders' preferential rights is to enable the company in a time efficient way to use its own shares to make payments in connection with acquisitions of companies or businesses which the company may undertake, or to settle any deferred payments related to such acquisitions, or to raise capital for such acquisitions or deferred payments. The purpose of the authorisation to repurchase and to transfer shares is also to enable a continuous adjustment of the company's capital structure, thus contributing to increased shareholder value.

For a valid resolution, the resolution must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

**Complete proposals, etc.**

The Annual Report for the financial year 2020, the Remuneration Report for the financial year 2020, the Nomination Committee's complete proposals and statement as well as the Board of Directors' complete proposals in accordance with the above, including reports and statements related thereto under the Swedish Companies Act, are available at the company and on the company's website [www.eltelgroup.com](http://www.eltelgroup.com) and will also be sent to those shareholders who so request and provide their address.

**Processing of personal data**

For information on how your personal data is processed, see

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

**Number of shares and votes**

As of the date of this notice, the total number of shares in Eltel amounts to 157,499,081, whereof 156,649,081 are ordinary shares carrying one vote each and 850,000 are class C-shares carrying 1/10 vote each. Thus, the total number of votes in Eltel amounts to 156,734,081 as of the date of this notice. All 850,000 class C-shares are held by Eltel and Eltel will not exercise any voting rights regarding these shares at the general meeting.

**Further information**

For questions about the Annual General Meeting or to have the postal voting form sent by mail, please contact Euroclear Sweden AB by telephone 08-402 91 33 (+46 8 402 91 33 outside Sweden).

Bromma, March 2021

**Eltel AB (publ)**

The Board of Directors

**For further information:**

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**About Eltel**

Eltel is a leading Nordic field service provider for communication and power networks. We deliver a comprehensive range of solutions – from maintenance and upgrade services to project delivery. This includes design, planning, building, installing and securing the operation of networks for a more sustainable and connected world today and for future generations. In 2020, Eltel had annual sales of about EUR 938 million. The total number of employees currently stands at around 5,400. Eltel AB is listed on Nasdaq Stockholm.