

## The Board of Directors of Ahlsell AB proposes long-term incentive programs

The Board of Directors of Ahlsell AB (publ) has today decided to propose to the Annual General Meeting (AGM) to introduce a) a share saving program directed at senior executives and some additional key employees, and b) a call option program directed at senior executives.

### The share saving program (SSP 2018) in brief:

- To participate in SSP 2018, a personal investment in Ahlsell shares is required, either through newly acquired shares or existing shareholdings. Participants holding the shares throughout the vesting period and, during the same period continues to be employed by the company, may receive up to three shares for each share invested in SSP 2018 free of charge.
- Allotment of shares also requires that a number of defined performance requirements are met during the vesting period July 2018 - June 2021.
- Performance requirements take into consideration the company's financial targets and relate to sales growth, EBITA margin and share return.
- The maximum number of shares in the company that can be allotted according to SSP 2018 is limited to 1 461 000, which corresponds to approximately 0,33% of the total number of shares in the company.
- Based on assumptions of maximum investment from all participants, a share price of SEK 52.00 with a reduction for the proposed dividend of SEK 1.65 per share, an annual price increase for the Ahlsell share of 10%, a 5% employee turnover and a 50% fulfilment of the two performance levels sales growth and EBITA margin, and 100% fulfilment of the performance level share return, the estimated total cost for the company (including social fees but excluding interest expenses related to the share swap) for the SSP 2018, over its maturity, is approximately SEK 39 million.
- To secure share supply to participants in the program, Ahlsell will enter into a share swap agreement with a third party. Interest expenses arising from share swaps are estimated to amount to approximately SEK 1.6 million annually.

### The call option program (KO 2018/2022) in brief:

- The call options shall be transferred to the participants at a price determined by an independent institution on the basis of an estimated market value of the call options.
- Each call option entitles the holder to acquire a share in the company during the period from June 1, 2021 May 31, 2022.
- The number of call options in the company to be transferred according to KO 2018/2022 shall be limited to 447,000, which corresponds to approximately 0.10% of the total number of shares in the company.
- The acquisition price for a share, when exercising a call option, shall correspond to 120% of the average volume weighted price of the Ahlsell share traded at Nasdaq Stockholm during the period May 4, 2018 until May 18, 2018. If the company's share price at the time of the exercise of the call options would amount to more than 170% of the above mentioned average price, the number of shares that each call option would entitle to, will decrease.
- The Swedish participants will acquire the call options at market value, meaning that the call options will not entail any employee costs for the company. One of the participants is liable to pay taxes in Norway and one in Finland, which is expected to cause social security costs and increased health care fees for such participants.
- To secure share supply to participants in the program, Ahlsell will enter into a share swap agreement with a third party. Interest expenses arising from share swaps are estimated to amount to approximately SEK 0.5 million annually.

### Other:

The main purposes of the incentive programs SSP 2018 and KO 2018/2022 are to encourage an ownership of the company's shares among the company's key employees, recruit and retain highly qualified and talented employees, increase the motivation as well as intensify the link between the key employees and the shareholders' interests.

The Board of Directors will within short issue a notice to the AGM, which will take place on May 3, 2018 in Stockholm. In connection to this, the Board's complete resolution regarding SSP 2018 and KO 2018/2022 will be published.

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