

## Invitation to TF Bank's Annual General Meeting

The shareholders of TF Bank AB (publ) are hereby invited to the Annual General Meeting.

Time: Wednesday 3 May 2017 at 4 p.m. (CET).

Place: Spårvagnshallarna, Birger Jarlsgatan 57 A in Stockholm.

Shareholders are welcome from 3.30 p.m. (CET). Light refreshments will be served before the meeting. In connection to the CEO's speech, there will be an opportunity for you as a shareholder to ask questions to the management of TF Bank.

### **Registration etc.**

Shareholders who wish to attend the Annual General Meeting shall be recorded in the share register kept by Euroclear Sweden AB ("Euroclear") on 26 April 2017 (the "Record Date") and give notice of attendance to the company no later than 26 April 2017.

Notification can be sent:

- via letter to TF Bank AB (publ), Box 947, 501 10 Borås, or
- via e-mail directly to [ir@tfbank.se](mailto:ir@tfbank.se).

The notification shall include name, personal identification number/corporate registration number, address, telephone number, number of shares and attending assistants, if any (maximum of two).

### **Proxy etc.**

If participation is to be based on proxy, the necessary documents of authorisation, such as a written, time stamped power of attorney must be available at the meeting. However, such documents of authorisation should be sent to the bank at the address above, well in advance before the meeting and preferably before 26 April 2017. On the website <https://www.tfbankgroup.com/en/> under the headline Annual General Meeting, you will find an available form for notifying power of attorney.

### **Shares registered in the name of a trustee**

Shareholders whose shares are registered in the name of a trustee must, in order to have the right to attend the Annual General Meeting, have the shares registered temporarily in their own name. Shareholders who wish to make such registration must inform their trustee well in advance before 26 April 2017, since such registration must be completed no later than that in Euroclear.

### Personal information

Personal information obtained from the share register kept by Euroclear, notification of attendance of the Annual General Meeting and information regarding proxies and assistants will only be used for registration, establishing the voting list for the Annual General Meeting and, in occurring cases, the minutes of the meeting.

### Proposed agenda

1. Opening of the meeting and speech by the Chairman of the Board of Directors
2. Election of Chairman of the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of two persons to verify the minutes
6. Determination of whether the meeting has been duly convened
7.
  - a) Presentation of the annual report as well as the consolidated accounts for the financial year 2016
  - b) Presentation of the auditor's report as well as the auditor's report on the consolidated accounts for the financial year 2016
  - c) Speech by the Chief Executive Officer
8. Adoption of the income statement and balance sheet as well as of the consolidated income statement and consolidated balance sheet
9. Resolution regarding distribution of profits according to the adopted balance sheet and determination of the record date for dividend
10. Discharge of liability for the Board of Directors and the CEO
11. Determination of number of members of the Board of Directors
12. Determination of fees payable to the Board of Directors and the auditor
13. Election of the members of the Board of Directors and determination of Chairman of the Board
14. Election of auditor
15. Resolution to adopt instructions for the Nomination Committee
16. Resolution on the guidelines for remuneration of the executive management
17. Closing of the meeting

Proposals of the Board of Directors and the Nomination Committee.

#### Item 2; Election of Chairman of the meeting

The Nomination Committee propose that attorney Ola Åhman is elected Chairman of the Annual General Meeting.

#### Item 9; Resolution regarding distribution of profits according to the adopted balance sheet and determination of the record date for dividend.

The Board of Directors proposes that of the 294,832 TSEK at the disposal of the Annual General Meeting, a dividend of 47,300 TSEK to the shareholders shall be made and that the rest, 247,532 TSEK, will be balanced into new accounts. The proposed dividend is 2.20 SEK per share. 5 May 2017 is proposed as record date for receipt of dividend. With this record date it is expected that the dividend will be paid on 10 May 2017.

#### Item 10; Resolution on discharge of liability of the Board members and the CEO

The auditor recommends discharge.

#### Item 11; Determination of number of members of the Board of Directors

The Nomination Committee propose that the Board of Directors shall consist of six (6) members

#### Item 12; Determination of fees payable to the Board of Directors and the auditor

The Nomination Committee propose, for the period up to the end of the next Annual General Meeting, compensation on an annual basis according to the following:

- Chairman of the Board of Directors: 2,200,000 SEK,
- Board members not employed by the bank: 300,000 SEK,
- Chairman of the audit committee of the Board of Directors: 100,000 SEK,
- Other members of the audit committee: 50,000 SEK.

Furthermore it is proposed that the members of the Board of Directors' fee can, after a separate agreement between a board member and TF Bank, if fiscal conditions are allow and if it is cost-neutral for TF Bank, and the board member also fulfils the formal conditions for such invoicing, be invoiced by a company wholly owned by the board member.

The Nomination Committee propose that the auditor fees be paid against approved invoice.

Item 13; Election of members of the Board of Directors and Chairman of the Board of Directors  
The Nomination Committee propose, for the period up to the end of the next Annual General Meeting, re-election of Mattias Carlsson, John Brehmer, Bertil Larsson and Tone Bjørnov and new election of Charlotta Björnberg-Paul and Mari Thjømøe.

The Nomination Committee propose re-election of Mattias Carlsson for Chairman of the Board of Directors for the period up to the end of the next Annual General Meeting.

The proposed composition of the Board of Directors is in line with the rules of the Swedish Corporate Governance Code with regard to the independence requirement. With the exception of John Brehmer, all members of the Board of Directors are independent in relation to the main shareholders. Furthermore, all members of the Board of Directors, except Mattias Carlsson, are independent in relation to the Company and the management.

Item 14; Election of auditor

The Nomination Committee propose re-election of the registered auditing company PricewaterhouseCoopers AB, with Authorized Public Accountant Martin By as auditor-in-charge, as auditor until for the period up to the end of the next Annual General Meeting in 2018.

Item 15; Resolution to adopt instructions for the Nomination Committee

It is proposed that the company adopts rules for nominating the Nomination Committee. These rules shall apply until a resolution regarding changing the procedure for nominating the Nomination Committee is taken by the general meeting.

The Nomination Committee proposes:

1. That the company shall have a Nomination Committee consisting of representatives of each of the three, with regard to the number of votes, largest shareholders or shareholder groups in accordance with item 2 below, who wishes to appoint a representative, along with the Chairman of the Board of Directors. The names of the three shareholder representatives and the names of the shareholders they represent shall be announced no later than six months before the Annual General Meeting. The mandate of the Nomination Committee shall apply until a new Nomination Committee is elected. The Chairman of the Nomination Committee shall be the member representing the largest shareholder with regard to the number of votes, unless the members of the Committee decides otherwise.
2. That the Nomination Committee shall be formed based on the shareholder statistics from Euroclear as per the last banking day in August the year before the Annual General Meeting and on all other reliable ownership information that has been provided to the company at this point of time. In the assessment of the three largest shareholders a group of shareholders shall be regarded as one owner provided that they (i) have been grouped together in the Euroclear system, or (ii) have made public and notified the company in writing that they have agreed in writing to have a long-term unified conduct regarding the management of the company through coordinating the use of their voting rights. If a shareholder who gets the inquiry of participating in the Nomination Committee declines, the inquiry shall pass on to the next shareholder who is in line, based on the information as set out above.

3. That, if prior than two months before the Annual General Meeting, one or more shareholders who have been appointed members of the Nomination Committee cease to belong to the three shareholders controlling the largest number of votes, said members shall make their seats available and the shareholder(s) that currently is among the three largest shareholders shall, after having contact with the Chairman of the Nomination Committee, have the right to appoint its own member of the Nomination Committee.

A shareholder who has become one of the three largest shareholders later than two months before the Annual General Meeting shall, instead of having the right to appoint a member of the Nomination Committee, have the right to appoint a representative that shall be co-opted to the Nomination Committee.

A shareholder who has appointed a member of the Nomination Committee, has the right to dismiss its appointed member and appoint a new member of the Nomination Committee. Changes of the composition of the Nomination Committee shall be made public as soon as such changes have taken place.

4. That the Nomination Committee shall present the following proposals for resolutions at the Annual General Meeting:
  - a) proposal for Chairman of the Annual General Meeting;
  - b) proposal for members of the Board of Directors;
  - c) proposal for Chairman of the Board of Directors;
  - d) proposal for remuneration to the members of the Board of Directors, distinguishing between the Chairman of the Board of Directors and other members of the Board of Directors and remuneration for committee work;
  - e) proposal for auditor; and
  - f) proposal for remuneration to the auditor.
5. That the Nomination Committee shall in connection with its assignment perform its duties in accordance with the Swedish Corporate Governance Code and the company shall, upon request of the Nomination Committee, provide the Nomination Committee with personnel resources such as a secretarial services in order to facilitate the Nomination Committee work. If necessary the company shall also assist the Nomination Committee with reasonable costs for external consultancy services deemed necessary by the Nomination Committee to be able to fulfil its assignment.

#### Item 16; Resolution on the guidelines for remuneration of the executive management

The Board of Directors proposes to resolve on the following guidelines for remuneration to the executive management. Executive management comprises of the CEO of the bank and the directors reporting to the CEO and which are also a part of the Group Management.

The remuneration and other terms of employment of the executive management of the bank are to be designed in such a way that they (i) are in accordance with and promotes an effective risk management and discourages excessive risk-taking and (ii) secures the ability to attract and retain competence required at a cost appropriate to the company and that they have the intended effects for the company's operations. The guidelines, which apply until the next Annual General Meeting, shall be applied with regards to every commitment and change of the remuneration. The Board of Directors shall decide on the terms of remuneration, and may depart from the guidelines, if there is a valid reason in a specific case.

The total remuneration can consist of fixed salary, pensions, variable remuneration and other economic benefits. There is to be an appropriate balance between fixed and variable compensation, and variable compensation shall be linked to pre-determined and measurable performance criteria, aimed at promoting the company's long-term value creation. All members of the executive management shall receive basic salary and may have the right to both financial benefits which are available to all employees and other financial benefits. Pension benefits shall generally emanate in accordance with the rules, collective agreements and common practice in the country in which the executive is residing. Pension benefits can be pre-determined in accordance with collective agreement and/or premium based benefits

and are impossible to invalidate once earned. The Board of Directors shall cap the remuneration which entails pension. If the bank terminates the employment, the salary may be paid under a notice period of 6-12 months. In addition, severance pay may emanate during 6-12 months. Variable remuneration can be emanated in the form of shares, and there shall be a limit to the maximum result. Payment of variable remuneration shall be postponed and be made conditional to the fact that the criteria on which the remuneration is based was shown to be sustainable in the long-term and the Groups position has not declined substantially. If the conditions for payment are not met, the remuneration shall be withheld wholly or partially. The essential conditions for incentive programs shall be decided by a shareholders' meeting.

**Shares and votes**

The share capital of the bank is 107,500,000 SEK consisting of a total of 21,500,000 common shares. Each common share entitles to one (1) vote at the meeting.

**Right to information**

Shareholders which are present at the meeting have the right to receive information regarding items on the agenda or the company's financial situation in accordance with Chapter 7, section 32 of the Swedish Companies Act.

**Documents**

Annual accounts, auditor's report and complete proposals and other documents required in accordance with the Swedish Companies act will, no later than 12 April 2017, be made available at the company headquarters, and at the company website [www.tfbankgroup.com](http://www.tfbankgroup.com). Copies of these documents as well as the notice will also be sent to those shareholders which demands it and states their postal address, free of charge.

Shareholders are sincerely welcomed to the Annual General Meeting  
Stockholm in March 2017  
TF Bank AB (publ)  
Board of Directors