

## **Report from Concentric AB's Annual General Meeting on 30 March 2017**

Concentric AB's AGM was held on Thursday 30 March 2017. In main, the following resolutions were passed.

As regards full details of the resolutions, a referral is made to the notice convening the AGM and the complete proposals. The notice convening the AGM and the complete proposals are available at the company's website, [www.concentricab.com](http://www.concentricab.com).

### **Adoption of the income statements and the balance sheets**

The meeting resolved to adopt the income statement and balance sheet and the consolidated income statement and consolidated balance sheet for the financial year 2016.

### **Dividend**

The meeting resolved, in accordance with the board's proposal, on a dividend of SEK 3.50 per share. The record date was set to Monday 3 April 2017. The dividend is expected to be distributed by Euroclear Sweden AB on Thursday 6 April 2017.

### **Discharge from liability**

The meeting discharged the directors and the managing director from personal liability towards the company for the administration of the company in 2016.

### **Board of directors and auditors**

The meeting re-elected Kenth Eriksson, Marianne Brismar, Martin Lundstedt, Susanna Schneeberger, Martin Sköld and Claes Magnus Åkesson, and elected Anders Nielsen, as directors. Stefan Charette declined re-election. The meeting elected Kenth Eriksson as chairman of the board.

The registered accounting firm KPMG was re-elected as the company's auditor until the end of the AGM 2018.

The meeting resolved that the chair of the board shall receive SEK 540,000 (previous SEK 525,000) and that each of the other board members shall receive SEK 255,000 (previous SEK 250,000). Additional consideration shall remain unchanged and be paid in the amount of SEK 50,000 to the chair of the compensation committee and the chair of the audit committee shall receive SEK 75,000. The resolution means that the total remuneration to the board of directors (including fees for committee work) increases from SEK 2,150,000 to SEK 2,195,000.

It was resolved at the meeting that fees would be paid to the auditor in accordance with approved invoices.

### **Guidelines for remuneration to senior executives**

The meeting resolved to adopt guidelines for remuneration to senior executives as proposed by the board of directors, principally unchanged in comparison to the guidelines of last year.

### **Retirement of repurchased own shares**

The meeting resolved to retire 698,600 of the company's own repurchased shares. The retirement of shares is carried out through a reduction of share capital with retirement of shares and a subsequent bonus issue to restore the share capital. Altogether, the resolutions result in the number of shares outstanding being reduced by 698,600 and the share capital being increased in total by SEK 156.

### **Performance based incentive programme**

In accordance with the board's proposal, the meeting resolved to implement a long-term performance based incentive programme, LTI 2017. The programme is offered to up to nine senior executives,

including the managing director, and other key employees within the Concentric group, who, provided an own investment in Concentric shares, are offered stock options that, under certain conditions, give participants the right to acquire Concentric shares after a three-year lock-up period.

The LTI 2017 is expected to result in costs of MSEK 1.6 annually for Concentric if participants invest to their individual limits, the performance targets are fully achieved and an annual share price growth of 15 per cent is assumed. In addition to this, social security charges will apply in the year of vesting, 2020. Social security charges are expected to be expensed to an amount of MSEK 0.6 annually based on the same assumptions.

### **Issue of warrants and approval of transfer of warrants**

As one of several options to secure a cost-efficient supply of Concentric shares for transfer under the LTI 2017, the meeting adopted the board's proposal to issue, free of charge, 170,000 warrants to its wholly-owned subsidiary Concentric Skånes Fagerhult AB. Should the board choose the option to utilize the warrants for delivery of shares under the LTI 2017, the dilution effect will total 0.4 per cent, otherwise the warrants will lapse and the dilution effect be nil.

Furthermore, the meeting resolved to approve that Concentric Skånes Fagerhult AB, on one or more occasions, may transfer warrants to the participants in LTI 2017 in accordance with the terms and conditions of LTI 2017, and otherwise dispose the warrants in order to cover costs related to, and fulfil obligations occurring under, LTI 2017.

### **Acquisitions and transfers of own shares**

In accordance with the board's proposal, the meeting resolved to authorise the board to acquire and/or transfer own shares, with deviation from the shareholders' preferential rights, on one or more occasions until the AGM 2018.

Acquisition of the company's own shares shall be made on Nasdaq Stockholm, for the purpose of, inter alia, being able to improve the company's capital structure and to enable share transfers in accordance with the authorisation for the board to transfer own shares and resolution on transfer of own shares to participants in LTI 2014-2017, to increase the flexibility for the board in connection to potential future corporate acquisitions, as well as to cover costs for LTI 2014-2017 and enable delivery of shares in accordance with LTI 2014-2017. The company's total holdings of own shares must not at any time exceed 10 per cent of the total number of shares in the company.

Transfer of the company's own shares may be done for the purpose of, inter alia, being able to improve the company's capital structure, to cover costs relating to LTI 2014-2017 as well as to increase the flexibility of the board in connection to potential future corporate acquisitions, by facilitating a fast and efficient financing by divesting holdings of own shares. Transfer of own shares can be made either on Nasdaq Stockholm or in any other manner, and the maximum number of shares that may be transferred is the total number of own shares held by the company at the time of the board's resolution to transfer the shares.

In accordance with the board of director's proposal, the meeting approved the transfers of own shares to participants in the LTI 2017 on the terms and conditions that apply for the incentive programme.

### **Transfer of own shares to an employment share ownership trust**

In accordance with the board's proposal and in order to enable a tax efficient delivery of shares under LTI 2017 to participants resident in the United Kingdom, the meeting resolved that the company should be able to invite those participants to take part in a Joint Share Ownership Plan ("JSOP"). Using the JSOP will not change any terms specified in LTI 2017 and the total costs for using the JSOP are expected to be in line with those specified in the board's proposal on LTI 2017.

To facilitate the JSOP, the meeting resolved on transfer of own repurchased shares to an employment share ownership trust equal to the maximum number of share options which may be awarded to participants who elect to join the JSOP. As specified within the terms of a joint ownership agreement, these shares will be jointly owned by the employment share ownership trust and the respective

participant. The meeting resolved that transfer of own shares may be made with deviation from the shareholders' preferential rights.

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