



Report from Concentric AB's Annual General Meeting on 4 April 2019

Concentric AB's AGM was held on Thursday 4 April 2019. The main resolutions passed were the following.

Regarding 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.

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 2018.

Dividend

The meeting resolved, in accordance with the board's proposal, on a dividend of SEK 4.25 per share. The record date was set to Monday 8 April 2019. The dividend is expected to be distributed by Euroclear Sweden AB on Thursday 11 April 2019.

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 2018.

Board of directors and auditors

The meeting re-elected Kenth Eriksson, Marianne Brismar, Martin Lundstedt, Anders Nielsen, Susanna Schneeberger, Martin Sköld, Claes Magnus Åkesson and elected Karin Gunnarsson as new director. The meeting re-elected Kenth Eriksson as chair of the board.

The registered accounting firm KPMG was re-elected as the company's auditor until the end of the AGM 2020.

The meeting resolved that the chair of the board shall receive SEK 700,000 (previously SEK 560,000) and each of the other directors will receive SEK 325,000 (previously SEK 265,000). Additional consideration shall be paid to the chair of the compensation committee in the amount of SEK 100,000 (previously SEK 75,000) and director of the compensation committee will receive SEK 50,000 (previously SEK 30,000). Further, it was resolved that the chair of the audit committee shall receive SEK 150,000 (previously SEK 100,000) and directors of said committee will receive SEK 75,000 (previously SEK 50,000). The resolution means that the total remuneration to the board of directors (including fees for committee work) increases from SEK 2,455,000 to SEK 3,425,000.

It was resolved 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 807,000 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 outstanding shares being reduced by 807,000 and the share capital being increased in total by SEK 195.

Long term incentive programme

In accordance with the board's proposal, the meeting resolved to implement a long-term incentive programme, LTI 2019. 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 2019 is expected to result in costs of MSEK 1.3 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, 2022. 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 2019, the meeting adopted the board's proposal to issue, free of charge, 172,000 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 2019, 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 2019 in accordance with the terms and conditions of LTI 2019, and otherwise dispose the warrants to cover costs related to, and fulfil obligations occurring under, LTI 2019.

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 2020.

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 2016-2019, to increase the flexibility for the board in connection to potential future corporate acquisitions, as well as to cover costs for LTI 2016-2019 and enable delivery of shares in accordance with LTI 2016-2019. 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 2016-2019 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's proposal, the meeting approved the transfers of own shares to participants in the LTI 2019 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 to enable a tax efficient delivery of shares under LTI 2019 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 2019 and the total costs for using the JSOP are expected to be in line with those specified in the board's proposal on LTI 2019.

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.

Adoption of instruction for the Nomination Committee

The meeting resolved to adopt instructions for the Nomination Committee in accordance with the Nomination Committee's proposal.

For further information, please contact Lennart Lindell, +46 (0)766 104 004

Concentric AB is an innovator in flow control and fluid power, supplying proprietary systems and components to the world's truck, agricultural machinery, construction equipment and industrial applications end-markets. The company has a global manufacturing presence including in the UK, USA, Germany, Sweden, India, China and Argentina. Concentric's focus is to develop world class technology with innovative solutions that meet the sustainability needs of our customers. Concentric offers engine products including lubricant, coolant and fuel pumps, hydraulic products encompassing gear pumps and power packs, and finally several key technologies for the fast growing market for electrical and hybrid powertrains. The Group has a turnover of circa MSEK 2,400 and circa 1,000 employees.