

## **NOTICE OF ANNUAL GENERAL MEETING IN RABBALSHEDE KRAFT AB (PUBL)**

Rabbalshede Kraft AB (publ), Corp. Reg. No.: 556681-4652, hereby gives notice to shareholders to attend the Annual General Meeting on Thursday, April 23, 2015 at 16:00 p.m. noon at the Palmstedtssalen, Chalmers Conference Centre, Chalmersplatsen 1, in Gothenburg, Sweden. Registration for the Annual General Meeting starts at 15:00 p.m.

### **Notification of participation**

Any shareholder wishing to participate at the Annual General Meeting (AGM) must; be recorded as a shareholder in the share register maintained by Euroclear Sweden AB (previously VPC AB) as of Friday, April 17, 2015, and must give notice of their intention to participate at the Meeting to the company by telephone +46 (0) 525 197 00, by e-mail to [info@rabbalshedekraft.se](mailto:info@rabbalshedekraft.se), in the form available at [www.rabbalshedekraft.se](http://www.rabbalshedekraft.se), or by letter addressed to Rabbalshede Kraft AB (publ), Marknadsvägen 1, SE-457 55, Rabbalshede, Sweden not later than 5:00 p.m. on Friday, April 17, 2015.

When notifying attendance, state your name, address, telephone number, personal identity number or corporate registration number as well as the number of advisers.

Shareholders whose shares are registered with a trustee must temporarily re-register their shares in their own name with Euroclear Sweden AB to be entitled to participate in the AGM. This means that shareholders should notify the trustee in ample time to allow registration in the share register by Friday, April 17, 2015.

Shareholders who wish to be represented by proxy, must draw up a dated power of attorney for the proxy. The power of attorney can be obtained from the company and is also available on the company's website, [www.rabbalshedekraft.se](http://www.rabbalshedekraft.se). An original of the proxy should be remitted in good time ahead of the AGM to the company at the above address. Proxies representing a legal entity must enclose a copy of the current registration certificate or other appropriate documentation.

### **Agenda items at the Meeting**

#### Proposed agenda

- 1) Opening of the Meeting;
- 2) Election of Chairman of the AGM;
- 3) Preparation and verification of the voting list;
- 4) Election of one or two officers to verify the minutes;
- 5) Determination of whether the Meeting has been duly convened;
- 6) Approval of the agenda;
- 7) Address by the President;
- 8) Presentation of the Annual Report and the Auditors' Report submitted;
- 9) Resolution on:
  - a) adoption of the Income Statement and Balance Sheet; and consolidated income statement and Consolidated balance sheet
  - b) appropriations of the company's profit or loss as shown in the adopted balance sheet;
  - c) discharge from liability of the members of the Board and of the President;
- 10) Approval of the number of Board Members and Deputy Board Members;
- 11) Approval of the fees to be paid to the Board members and auditors;
- 12) Election of the Board members, Nomination Committee and auditors;

- 13) Resolution on guidelines for setting remuneration and other benefits for the President and other members of the company's management;
- 14) Resolution on issues of warrants;
- 15) Resolution on authorization of the Board of Directors, or the party appointed by the Board in its stead, to make any minor adjustments to resolutions adopted by the Meeting that may prove necessary for registration of these resolutions at the Swedish Companies Registration Office and Euroclear Sweden AB;
- 16) Any other items that require resolution by the Meeting under the Swedish Companies Act or the Articles of Association;
- 17) Closing of the Meeting.

### **Motions**

The Nomination Committee has submitted the following motions for resolution:

#### 2. Election of Chairman of the AGM;

Karl-Erling Trogen is proposed as Chairman of the AGM.

#### 10. Approval of the number of Board Members and Deputy Board Members

The Nomination Committee proposes that the number of Board members for the period until the next AGM is set at six members with no deputies.

#### 11. Approval of the fees to be paid to the Board members and auditors

Proposed fees for the Board of Directors for the period from January 1, 2015 through December 31, 2015, total SEK 875,000 of which SEK 250,000 to the Chairman of the Board and SEK 125,000 to each of the other non-executive Board members elected by the AGM.

Proposed fees for the Board's Audit Committee for the same period are SEK 80,000, of which SEK 40,000 to the Chairman of the Committee and SEK 20,000 to each of the other Board members on the Committee.

Furthermore, the Nomination Committee proposes that the Meeting resolve in favor of, if tax conditions allow invoicing and given that this is tax neutral for the company, permitting Board members to invoice their Board fees through their respective companies. If Board members invoice their Board fees through their companies, the fees will be increased with an amount corresponding to social security contributions and statutory value-added tax.

No fees are proposed for the Board's Remuneration Committee. It is proposed that auditors' fees are paid in accordance with a company-approved invoice.

#### 12. Election of the Board members, Nomination Committee and auditors;

The Nomination Committee proposes the re-election of Karin Kronstam, Anders Strålman, Karl-Erling Trogen, Reine Rosén, Jean Baptiste Oldenhove and Jérôme David as Board members for the period until the end of the next AGM.

Furthermore, re-election is proposed of Karl-Erling Trogen as Chairman of the Board for the period until the end of the next AGM.

The proposed auditor for the period until the end of the next AGM is the registered public accounting firm Ernst & Young AB, with Authorized Public Accountant Stefan Kylebäck as Chief Auditor.

The Nomination Committee proposes that the AGM establishes a Nomination Committee in line with the immediately preceding year's resolution regarding the establishment of a Nomination Committee. The company is to have a Nomination Committee comprising four individuals. At September 30, 2015, each of the company's three largest shareholders in terms of votes, including their related as such term is defined in the Companies Act, Chapter 21, § 1, has the right to appoint one member of the Nomination Committee. None of the three

individuals thus appointed may be a member of the company's Board of Directors. Furthermore, the Nomination Committee comprises the Chairman of the Board, who also convenes the Committee. The Nomination Committee also appoints a non-Board member as its Chairman from among its members. The mandate period for the Nomination Committee extends until the appointment of a new Nomination Committee. The Nomination Committee is tasked with, ahead of the AGM, preparing proposals regarding the number of Board members to be elected by the Meeting, Board fees, the Chairman and other Board members, the Chairman of the AGM and the election of auditors and auditors' fees.

Should one of the three members of the Nomination Committee appointed by the three largest shareholders in terms of votes step down prematurely, the shareholder who appointed that member is entitled to appoint a new member. Should one of the three largest shareholders in terms of votes sell all, but not just part of, their shareholding in the company before the Nomination Committee has completed its tasks, entitlement to appoint a new shareholder passes to the fourth largest shareholder in terms of votes and so on.

The Board of Directors has submitted the following motions for resolution:

13. Resolution on guidelines for setting remuneration and other benefits for the President and other members of the company's management

Fees for the Board of Directors

Board fees are resolved by the AGM acting on a proposal from the Nomination Committee. However, the Board is entitled to task any individual Board member with performing consulting services for the company. In particular cases, elected Board members may be remunerated for services within their respective areas of expertise that do not comprise part of the work of the Board. Remuneration for these services is set at market rates, which must be approved by the Board.

Remuneration of the company's executive management

The Board proposes the following guidelines for setting remuneration and other benefits for the company's executive management. The guiding principle is to offer remuneration and other terms of employment for the company's executive management at competitive market rates in order to ensure that the company can attract and retain competent executives.

*Salaries and other benefits:* Remuneration for the company's executive management comprises a fixed salary and pension. The fixed salary is normally reviewed on an annual basis. In addition to fixed salary, variable salary may be paid under the condition that variable salary never exceeds 50% of the annual salary. Furthermore, the company's executive management is entitled to customary non-monetary benefits, such as company cars and occupational health services. In addition to these benefits, company housing and other benefits may be offered in individual cases, but should only comprise a limited part of remuneration.

*Pension:* The company's executive management are offered defined-contribution pension agreements. Premiums correspond to the applicable premium provisions under ITP 1 at that time. Under the defined-contribution pension agreement, the pension amounts to the sum of premiums paid in and any return on capital with no guaranteed pension level. Under the framework of the defined-contribution pension plan, there is no defined date for retirement.

*Notice period and severance pay:* Notice periods are limited to a maximum of one year if notice is given by the company, and a maximum of one year if notice is given by the executive. In addition, when notice is given by the company, severance pay may be payable in an amount corresponding to a maximum of 12 months' salary less income earned from any other employer.

*Incentive scheme:* A resolution must be taken on share and share-price-based incentive schemes for the company's executive management by the General Meeting.

**Remuneration Committee:** A Remuneration Committee appointed by the Board is tasked with preparing questions pertaining to remuneration policies, remuneration and other terms of employment for the company's executive management. Detailed policies for setting salaries, pensions and other benefits must comply with the established salary policy set by the Remuneration Committee for the company's executive management.

*Deviations in individual cases:* The Board is entitled to deviate from these guidelines if specific reasons to motivate this are found in individual cases. A disclosure must be made of any such deviation and its underlying reason reported at the next AGM.

Any resolution in line with the above requires the support of shareholders representing more than 50% of the votes cast.

#### 14. Proposal by the Board for resolution on private placement of warrants

The Board proposes that the Annual General Meeting resolve in favor of the company issuing not more than 400,000 warrants, which will provide entitlement to the new subscription for 400,000 Class B shares in the company.

It will only be possible for the issued warrants, with deviation from the shareholders' preferential right, to be subscribed by Rabbalshede Värdepapper AB, Corp. Reg. No. 556732-7852, ("the Subsidiary"), which is a wholly owned subsidiary of the Company. Subscription for the warrants will be conducted in accordance with the terms and conditions that the Board of Directors proposes for the warrants. The intention is for the Subsidiary to be able to transfer the warrants to the company's senior executives and Board members as part of an incentive program established by the company.

The Board proposes that the Meeting resolve that the corresponding terms and conditions that are applied to the subscription of warrants will also apply to the Subsidiary's transfer of warrants to the company's senior executives and Board members. The Board of the Company will thus implement the transfers in accordance with the terms and conditions established by the Annual General Meeting. In addition to the named terms and conditions, the Subsidiary, upon transfer from the Subsidiary to the company's senior executives and Board members, will receive market-level remuneration that is set using the generally accepted Black & Scholes valuation model.

Subscription for the warrants will be made directly in the minutes taken at the Annual General Meeting.

Each warrant entitles the holder to one new Class B share in the company. The warrants are valid from the date of the decision by the Annual General Meeting until June 30, 2018. The subscription of shares using the warrants may take place during the period from April 1, 2018 through June 30, 2018.

The subscription price for the subscription for shares when exercising the warrants will be SEK 9.50 per share.

The increase in the company's share capital will, on full exercise using the warrants, amount to SEK 4,000,000. The maximum dilution effect, on full subscription and full exercise of all of the warrants and with the starting point being the current share capital and number of shares, will amount to not more than 0.52 percent of the share capital. In terms of Class A shares, the dilution effect relating to votes will be not more than 0.04 percent and, relating to Class B shares, the dilution effect in terms of votes will be not more than 0.4 percent.

The new shares will provide dividend entitlement for the first time as of the fiscal year in which the shares are subscribed.

The reason for the deviation from the shareholders' preferential right is the following. The Board deems it advantageous for the company and its shareholders that the company's senior executives and Board members participate in the company's development by being offered

This is a translation of the Swedish version. In case of any inconsistency in relation to the Swedish version, the Swedish version shall prevail.

subscription of warrants. A personal and long-term ownership commitment among those entitled to subscribe can be expected to stimulate increased interest in the business, earnings trend and heightened motivation and a sense of belonging within the company.

The proposal for the issue of warrants was prepared by the company's major shareholder Manor Investment SA.

For resolution in accordance with the above, it must be supported by shareholders representing not less than nine tenths (9/10) of the votes cast and the shares at the Annual General Meeting.

### **Number of shares and votes**

On the notification date for the AGM, the total number of shares outstanding in the company was 74,824,930, of which 1,000,000 Class A shares and 73,824,930 Class B shares. The total number of votes was 8,382,493. The company has no treasury shares.

### **Disclosures**

On the request of any shareholder and provided the Board deems that it can be performed without any significant damage to the company, the Board and the President will provide information on the circumstances that may impact the assessment of an agenda item, conditions that might influence the assessment of the company's or subsidiary's financial situation and the company's relation to other Group companies.

### **Annual Report and other documents**

The full proposals for resolution under items 2, 10, 11, 12, 13 and 14 will be available to shareholders from the company's office and on the company's website, [www.rabbalshedekraft.se](http://www.rabbalshedekraft.se), from Thursday, April 2, 2015. The Annual Report and Auditors' Report for the period January 1, 2014 through December 31, 2014 will be available to shareholders from the company's office and on the company's website, [www.rabbalshedekraft.se](http://www.rabbalshedekraft.se), from Thursday, April 2, 2015.

All other statutory documents will be sent to shareholders who request this after the company has received the request which must include the shareholder's address. All documents will be available at the Annual General Meeting.

The printed version of the Annual Report will be distributed by mail to shareholders on request to the company in advance of the AGM.

Rabbalshede in Tanum Municipality, March 2015

Rabbalshede Kraft AB (publ)

Board of Directors

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