

Press Release, Stockholm 2020-05-28

*This is a non-official translation of the Swedish original version. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.*

## **Notice of the Annual General Meeting of Björn Borg AB (publ)**

**The shareholders of Björn Borg AB (publ) are hereby invited to attend the annual general meeting, to be held on Tuesday, 30 June 2020 at 10.00 a.m., at the company's premises, at Tulegatan 11, Stockholm, Sweden. Registration starts at 9.30 a.m.**

### **Notification of attendance**

Shareholders who wish to attend the meeting must, firstly, be listed in the shareholders' register maintained by Euroclear Sweden AB on Wednesday, 24 June 2020, and secondly, give notice of their intention to attend the meeting no later than said day (Wednesday, 24 June 2020), on the corporate website (<https://corporate.bjornborg.com/en/annual-general-meeting-2020/>), by e-mail to [stamma@bjornborg.com](mailto:stamma@bjornborg.com), by regular mail to Björn Borg AB, Tulegatan 11, 113 53 Stockholm (mark the envelope "AGM 2020") or by telephone to +46 (0)8 506 33 700. Name, civic registration number/corporate registration number, address, telephone number and any accompanying persons, should be stated when notice is given.

Proxy holders and corporate representatives are asked to submit authorization documents to Björn Borg well in advance of the annual general meeting. Proxy forms are available on the company website [corporate.bjornborg.com](https://corporate.bjornborg.com).

In order to attend the meeting, shareholders with custodian registered shares must have such shares temporarily registered in their own names, in the shareholders' register maintained by Euroclear Sweden AB. In order for such registration to have been effected on Wednesday, 24 June 2020, the shareholder must request the custodian well in advance of this date to have its shares re-registered (so-called voting rights registration).

Due to the outbreak of the Corona virus, the annual general meeting will be held in the simplest form possible. Neither food nor drink will be offered, and the presentation of the managing director is canceled. Instead, a presentation by the managing director will be recorded and posted on the website in conjunction with the meeting. Björn Borg encourages the shareholders to use the opportunity of postal voting in order to minimize the number of participants attending the general meeting in person and thus reduce the spread of the infection (see information about postal voting below). Information about potential further measures that Björn Borg take to hold the general meeting in the simplest form possible, due to the Corona virus, will be available and updated on the company's website, <https://corporate.bjornborg.com/en/annual-general-meeting-2020/>.

### **Postal voting**

The shareholders may exercise their voting rights at the general meeting by postal voting in accordance with section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A shareholder who wish to exercise postal voting shall, in addition to be included in the shareholders' register and give notice in accordance with the above, use a special form. The form is available on <https://corporate.bjornborg.com/en/annual-general-meeting-2020/>.

The completed voting form must be submitted to Björn Borg no later than on Wednesday June 24, 2020 at 5:00 pm CEST. The completed and signed form shall be sent to the address stated under "Notification of attendance" above (mark the envelope "AGM 2020") and may also be submitted electronically and is then to be sent to [stamma@bjornborg.com](mailto:stamma@bjornborg.com). Preferably, the form is submitted already together with the shareholder's notification to attend the general meeting. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The same apply for shareholders exercising postal voting by proxy. The shareholder may not provide special instructions or conditions in the postal voting form. If so, the vote is invalid. Further instructions and conditions are included in the form for postal voting.

### **Proposed agenda**

1. Opening of the meeting
2. Election of the chairman of the meeting
3. Preparation and approval of the voting list
4. Election of one or two persons to check the minutes
5. Determination of whether the meeting has been duly convened
6. Approval of the agenda
7. Presentation of the annual report and the auditor's report, and the consolidated financial statements and the consolidated audit report
8. Resolution on
  - a) adoption of the income statement and balance sheet, and of the consolidated income statement and the consolidated balance sheet
  - b) disposition of the company's profits in accordance with the approved balance sheet
  - c) discharge from personal liability of the directors and the managing director
9. Report on the work of the nomination committee
10. Resolution on the number of directors
11. Resolution on the remuneration to be paid to the chairman of the board of directors and to the other directors
12. Election of directors and chairman of the board of directors
13. Election of auditor and resolution on the remuneration to be paid to the auditor
14. The proposal by the board of directors to authorize the board of directors to resolve on new issues of shares, warrants and/or convertibles
15. The proposal by the board of directors to amend the articles of association
16. The proposal by the board of directors regarding guidelines for remuneration to the executive management
17. Proposal regarding the nomination committee
18. Closing of the meeting

### **Proposals**

#### *Item 2 - Election of the chairman of the meeting*

The nomination committee has proposed the lawyer Magnus Lindstedt as chairman of the annual general meeting.

#### *Item 8b – Resolution on disposition of the company's profits in accordance with the approved balance sheet*

The board of directors proposes that no dividend shall be paid for the financial year 2019 and thereby that the total unappropriated earnings at the disposal of the annual general meeting, SEK 139 337 030, in its entirety is being carried forward.

#### *Item 10-12 – Resolution on the number of directors; resolution on the remuneration to be paid to the chairman of the board of directors and the other directors; and election of directors and chairman of the board*

The nomination committee has proposed that the number of directors shall be five. The nomination committee proposes to re-elect Heiner Olbrich, Alessandra Cama, Anette Klintfält,

Fredrik Lövestedt, and Mats H Nilsson. Göran Carlson and Christel Kinning have declined re-election. The nomination committee has further proposed that Heiner Olbrich is re-elected as chairman of the board. The nomination committee has further proposed that the remuneration to the board of directors shall be unchanged. The proposal is that the chairman of the board of directors shall receive SEK 420,000 and the other directors SEK 180,000 each. Also remuneration to board members for work on board committees shall be paid unchanged with SEK 16,000 to each of the members of the remuneration committee, and SEK 27,000 to the chairman of the remuneration committee, and with SEK 55,000 to each of the members of the audit committee and SEK 80,000 to the chairman of the audit committee. The total remuneration to the board of directors according to the proposal, including for committee work amounts to SEK 1,373,000 (last year SEK 1,733,000 distributed on seven directors) assuming unchanged committee representation. The nomination committee's reasoned statement regarding the proposed board of directors, and information about the proposed directors, can be found on the company's web site.

All directors have announced that they will waive 30 percent of the above proposed board remuneration for 2020 in the light of the situation that the spread of the Corona virus created.

*Item 13 – Election of auditor and resolution on the remuneration to be paid to the auditor*

The nomination committee has proposed, in accordance with the recommendation from the audit committee, re-election of the registered public accounting firm Deloitte AB for the period until the end of the next annual general meeting. Deloitte AB will, if elected, appoint Didrik Roos to be auditor in charge. The nomination committee has further proposed that fair remuneration to the auditors shall be paid on approved accounts.

*Item 14 - The proposal by the board of directors to authorize the board of directors to resolve on new issues of shares, warrants and/or convertibles*

The board of directors proposes that the annual general meeting authorizes the board of directors, until the next annual general meeting, on one or several occasions, with or without deviation from the shareholders' preferential rights, to resolve on new issues of shares, warrants and/or convertibles. Resolutions that are passed under the authorization may not, in the aggregate, involve an increase of the share capital by more than SEK 390,625 (distributed on not more than 1,250,000 new shares). The authorization shall also include the right to resolve on new issues where the shares are to be paid for with non-cash consideration or through set-off of a claim, or otherwise with terms and conditions pursuant to the Swedish Companies Act (Sw. *Aktiebolagslag*) (2005:551) Ch. 13 Sec. 7, Ch. 14 Sec. 9, or Ch. 15 Sec. 9.

The reasons for deviating from the shareholders' preferential rights shall be to enable directed share issues for the purpose of acquisitions of companies or businesses, in whole or in part, alternatively for raising capital to be used for such acquisitions. The basis for the subscription price shall be the market price of the share. The company's CEO is authorized to make such minor amendments in the resolution above that may be necessary in order to effect the registration with the Swedish Companies Registration Office.

*Item 15 – The proposal by the board of directors to amend the articles of association*

Due to expected new legislation, the board of directors proposes that the annual general meeting resolves that the first paragraph of § 9 of the articles of association shall be amended and read as follows:

*Shareholders wishing to attend a general meeting must notify the Company no later than on the date indicated in the notice convening the general meeting. This day may not be a Sunday, another public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not fall earlier than five weekdays prior to the general meeting.*

The board of directors further proposes that a new last paragraph is added in §10 of the articles of association with the following wording:

*In addition to the place where the board of directors has its registered office, the annual general meeting may also be held in Solna.*

*Item 16 – The proposal by the board of directors regarding guidelines for remuneration to the executive management*

Taking into account new legislative requirements regarding the content of remuneration guidelines, the board of directors proposes that the annual general meeting resolves to adopt guidelines for remuneration to the executive management with the following main content, to be valid until further notice, but no longer until the annual general meeting 2024.

The term executive management refers to the managing director and the other members of the group management team. The guidelines shall apply to remuneration as agreed upon, and changes made to agreed remuneration, after the guidelines have been adopted by the annual general meeting 2020. These guidelines do not include remuneration that has been decided by the annual general meeting.

The company's business strategy in brief is to create a sports fashion brand while preserving the underwear business and thereby achieve the company's financial goals. For further information on the company's business strategy, see <https://corporate.bjornborg.com/en/vision-business-concept-and-strategy/>.

The successful implementation of the company's business strategy and safeguarding of the company's long-term interests, including with regard to sustainability, requires the company to be able to recruit and retain a highly competent management with the capacity to achieve the stated goals. The forms of remuneration shall therefore be competitive and incentivize the group management team to do their utmost to ensure the company's positive financial development.

With regard to the long-term incentive programme for the company's management (LTIP 2022), which was decided by the annual general meeting 2019, and thereby not subject to these guidelines, more information can be found at <https://corporate.bjornborg.com/en/ersattningar/>. LTIP 2022 can briefly be described as variable remuneration based on the performance of the Björn Borg share.

For employment relationships subject to rules other than those in Sweden, the necessary adjustments may be made to comply with mandatory rules or local practices while fulfilling the overarching purpose of these guidelines as far as possible.

*Forms of remuneration, etc.*

Remuneration to the managing director and the other members in the group management team may consist of a fixed salary, variable remuneration, pension and additional benefits. The total remuneration shall correspond to market practice, be competitive and be related to responsibility and authority. The annual general meeting may in addition, irrespective of these guidelines, decide on share and share price related remuneration (such as LTIP 2022 above).

The fulfilment of the criteria for payment of variable remuneration is measured over a period of one or more years (normally one year). The variable remuneration may not exceed 50 per cent of the fixed salary during the measurement period. Additional variable remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual level either to recruit or retain senior executives, or as remuneration for extraordinary efforts over and above the person's ordinary duties. Such remuneration may not exceed the equivalent of 20 per cent of the fixed annual salary and may not be paid out more than once per year per individual. Decisions on such remuneration shall be made by the board of directors based on the proposal of the remuneration committee.

*Pension benefits* for the managing director, including medical insurance, shall be defined-contribution. Variable remuneration shall not be pensionable. The pension premiums for the defined-contribution pension shall not exceed 25 per cent of the fixed annual salary. For other members of executive management, pension benefits, including medical insurance, shall be defined-contribution unless the executive is entitled to a defined-benefit pension according to the provisions of a mandatory collective agreement. Variable remuneration shall be pensionable to the extent required by the provisions of any mandatory collective agreement that applies to the executive. The pension premiums for the defined-contribution pension shall not exceed 25 per cent of the fixed annual salary.

*Other benefits* may include life insurance, medical insurance and a company car. Premiums and other costs associated with such benefits in total may not exceed 20 per cent of the fixed annual salary.

#### *Criteria for payment of variable remuneration*

The variable remuneration shall be based on the result, measured in relation to defined and measurable targets, tailored to contribute to the company's business strategy and long-term value, including sustainability, e.g. by having a clear connection to the business strategy or promoting the executive's long-term development.

The criteria for payment of variable remuneration within the Björn Borg Group are mainly the fulfilment of defined targets related to the company's total sales and EBIT, which shall be the base for 60-70 per cent of the total variable remuneration. The remaining criteria relate to fulfilment of individual goals for each executive, such as for example function specific project goals and goals related to margin and growth determined by applying Björn Borg's business strategy, long-term interest and/or sustainability initiatives to each executive's area of responsibility.

When the current measurement period for fulfilling the criteria for variable remuneration has concluded, the remuneration committee, as regards remuneration to the managing director, and the managing director together with the remuneration committee, as regards remuneration to other members of executive management, shall evaluate to what degree the criteria have been fulfilled. The board of directors shall, based on the proposal by the managing director and the remuneration committee, decide on payment of variable remuneration.

The board of directors shall, when determining the variable remuneration to the executive management, also consider whether to introduce restrictions which (i) make it a condition for part of the variable remuneration that the performance on which the remuneration is based proves to be sustainable over time, and (ii) entitle the company to recover remuneration which has been paid out due to information that later proves to be obviously incorrect. The board of directors shall also periodically determine whether there is reason to cite such conditions or exercise the option, by law or agreement, to recover paid-out remuneration.

#### *Termination of employment*

In the event of termination of employment initiated by the company, the notice period shall not be longer than six months. Upon termination on the executive's initiative, the notice period shall not be longer than six months. Severance pay shall not be applied. Remuneration may be paid for non-compete undertakings. Such remuneration shall only compensate for loss of income due to the non-compete undertaking and shall be based on the fixed compensation of the executive at the time of termination of employment. Such compensation shall only be paid in so far as the previously employed executive is not entitled to severance pay.

#### *Salary and terms of employment*

In preparing the board of directors' proposal of these remuneration guidelines, the salary and employment terms for the company's employees have been taken into account by making

information on employees' total remuneration, the remuneration's components and the remuneration's increase and rate of increase over time, part of the remuneration committee's and the board of directors' decision support for evaluating the fairness of the guidelines and the limitations thereof.

*Decision-making process to determine, review and implement the guidelines*

The board of directors has established a remuneration committee to among other things prepare the board of directors' decision on the proposed guidelines for remuneration to executive management. The board of directors shall prepare a proposal for new guidelines at least every four years and present proposals for the decision at the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting. The remuneration committee shall also monitor and evaluate variable remuneration programmes for the company's management, the application of the remuneration guidelines for executive management, and current remuneration structures and remuneration levels in the company. It is also the remuneration committee's responsibility to prepare the board of directors' decision on any exceptions from these guidelines. The managing director or other individuals in the company's management shall not be present during the board of directors' evaluation of and decision on remuneration related questions to the extent they are affected by the questions.

*Deviations from the guidelines*

The board of directors may deviate from these guidelines in individual cases where there are specific reasons for this and where an exception is necessary to serve the company's long-term interests, including sustainability, or to ensure the company's economic viability.

*Item 17 - Proposal regarding the nomination committee*

The nomination committee of the company proposes that the representatives of the nomination committee shall be appointed through a procedure where the chairman of the board of directors contacts the four largest shareholders in terms of votes based on shareholders statistics from Euroclear Sweden AB as per 31 August 2020, and that such shareholders each appoints a person to, together with the chairman of the board of directors, constitute the nomination committee up until a new nomination committee has been appointed. If the chairman of the board, directly or through companies, would be one of the four aforementioned largest shareholders, the nomination committee shall be composed of four members only (the chairman and the three representatives appointed by the other three largest shareholders). If any of these shareholders elects to renounce its right to appoint a member, the right shall pass to the largest shareholder in turn. Should a representative resign from the nomination committee before its work is completed and provided that the nomination committee considers it necessary, a substitute shall be appointed by the same shareholder that has appointed the resigning representative, or, if this shareholder is no longer one of the four largest shareholders in terms of votes, by the new shareholder that has such shareholding. The nomination committee shall appoint one of its members as chairman. The composition of the nomination committee shall be made public on the company's web site as soon as the nomination committee has been formed and no later than six months before the annual general meeting. In the event that the ownership structure is changed after the nomination committee has been composed such that one or several shareholders that have appointed a representative to the nomination committee is no longer in the group of the four largest shareholders in terms of votes, the composition of the nomination committee may be changed in accordance therewith if the nomination committee considers that so is necessary. The tasks of the nomination committee shall be to prepare, for the next shareholders' meeting, proposals in respect of number of directors of the board, remuneration to the chairman of the board of directors and to the other directors of the board as well as to the auditors, remuneration, if any, for committee work, the composition of the board of directors, the chairman of the board of directors, resolution regarding the nomination committee, chairman at the annual general meeting and election of auditors. The company shall pay for reasonable costs that the nomination committee has considered to be necessary in order for the nomination committee to be able to complete its assignment.



**Specific majority requirements**

The proposals under items 14 and 15 are subject to the resolutions by the annual general meeting being supported by shareholders representing at least 2/3 of the votes cast as well as the number of shares represented at the meeting.

**Other information**

There are in the aggregate 25,148,384 shares outstanding in Björn Borg carrying one vote each; accordingly there are 25,148,384 votes. The company owns no own shares. In accordance with the Swedish Companies Act Ch. 7 Sec. 32, the shareholders have the right to ask questions at the annual general meeting regarding the items on the agenda and about the financial situation of the company and the group. Shareholders who wish to submit questions in advance of the annual general meeting, shall send these per e-mail to [stamma@bjornborg.com](mailto:stamma@bjornborg.com) or per regular mail to Björn Borg AB, Tulegatan 11, 113 53 Stockholm (mark the envelope "AGM 2020").

Björn Borg AB is the controller of the processing of personal data carried out in connection with the annual general meeting. For information on how personal data is processed, please see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

**Available documents**

The accounts, the auditor's report, the auditor's report regarding whether the previous guidelines for remuneration to the executive management have been complied with, and the articles of association in its proposed new wording will be available to the shareholders at the company and at the company's website no later than as from 9 June, 2020, and will also be distributed to shareholders that so request and provide their postal or e-mail address.

Stockholm, May 2020  
Björn Borg AB (publ)  
Registration no: 556658-0683  
Registered office: Stockholm

*The Board of Directors*

**FOR FURTHER INFO, PLEASE CONTACT JENS NYSTRÖM, CFO****BJÖRN BORG AB (PUBL)**

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ABOUT BJÖRN BORG: The Group owns the Björn Borg trademark and its core business is underwear, sportswear and bags. It also offers footwear and eyewear through licensees. Björn Borg products are sold in around twenty markets, of which Sweden and the Netherlands are the largest. The Björn Borg Group has operations at every level from branding to consumer sales in its own Björn Borg stores. Total sales of Björn Borg products in 2019 for about SEK 1,6 billion, excluding VAT, at consumer level. Group net sales amounted to SEK around 757 MSEK in 2019, with an average of 213 employees. The Björn Borg share has been listed on Nasdaq Stockholm since 2007.