

***Unofficial translation***

Minutes from the Annual General Meeting in **Eltel AB (publ)**, reg. no. 556728-6652, on 14 May 2024 at 14:00 (CEST) in Stockholm

**Participants:** Participating shareholders and proxy holders, Appendix 1, stating the number of represented shares and votes.

**§ 1**

Opening of the meeting

The Chairman of the Board of Directors Ulf Mattsson opened the Annual General Meeting.

**§ 2**

Election of Chairman of the meeting

The meeting elected, in accordance with the Nomination Committee's proposal, the Chairman of the Board of Directors Ulf Mattsson as Chairman of the meeting.

It was noted that Caroline Lindgren, the company's General Counsel, had been appointed as secretary and to keep the minutes at the meeting.

The meeting approved that invited guests, advisers, shareholders who had not notified their intention to participate at the meeting and thus were not entitled to vote, and others, were present at the Annual General Meeting venue without right to vote or make statements.

**§ 3**

Preparation and approval of the voting list

The meeting approved the procedure for preparation of the voting list and that the list in Appendix 1, prepared by the Chairman of the Annual General Meeting based on the shareholders' meeting share register and represented shares at the meeting as well as received postal votes, would be the voting list of the meeting.

It was noted that the shareholders, in addition to the possibility to participate at the Annual General Meeting venue, had been given the possibility to exercise their voting rights through postal voting prior to the Annual General Meeting, in accordance with the regulations in the company's articles of association.

**§ 4**

Approval of the agenda

The meeting approved the proposed agenda which had been included in the notice.

It was noted that the main contents of the proposals of the Board of Directors and the Nomination Committee had been presented in the notice and that complete proposals had been available at the company, on the company's website, at the Annual General Meeting venue and had been sent to the shareholders who had requested it and provided their addresses.

The meeting declared that the documents had been available and presented at the Annual General Meeting in due order.

## **§ 5**

### Election of one or two persons to verify the minutes

The meeting elected Gustaf Backemar and Peter Immonen to verify the minutes jointly with the Chairman.

It was noted that the assignment as verifier of the minutes also included scrutinization of the voting list.

## **§ 6**

### Determination of whether the meeting has been duly convened

It was noted that the notice to the Annual General Meeting had been included in the Swedish Official Gazette on 16 April 2024 and been published on the company's website since 15 April 2024, and that an advertisement regarding the notice had been published in Svenska Dagbladet on 16 April 2024.

The meeting declared that the Annual General Meeting was duly convened.

## **§ 7**

### Presentation by the CEO

CEO Håkan Dahlström held a presentation regarding the past year and the shareholders were given the opportunity to ask questions.

## **§ 8**

### Presentation of the annual report and the auditor's report as well as the consolidated financial statement and the group auditor's report

The annual report and the auditor's report as well as the consolidated financial statement and the group auditor's report for the financial year 2023 were presented. It was noted that these documents had been available at the company, on the company's website and had been sent to the shareholders who had requested it and provided their addresses.

## **§ 9**

### Resolution regarding adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and the consolidated balance sheet

The meeting resolved to adopt the profit and loss statement and the consolidated profit and loss statement for the financial year 2023 which had been included in the annual report as well as the balance sheet and the consolidated balance sheet as of 31 December 2023.

## **§ 10**

### Resolution regarding appropriation of the company's result according to the adopted balance sheet

The meeting resolved, in accordance with the Board of Directors' proposal regarding distribution of profit which had been included in the annual report, that no dividend would be paid and that the non-restricted equity of EUR 306,353,801.93 would be retained and carried forward.

## **§ 11**

### Resolution regarding discharge from liability for the members of the Board of Directors and the CEO

The meeting resolved, in accordance with the auditor's recommendation which had been included in the auditor's report, to discharge the members of the Board of Directors and the CEO from liability for the management of the company and its affairs during the financial year 2023.

It was noted that the resolution to discharge from liability was supported by all of the votes cast and that, consequently, no shareholder voted against discharge from liability.

It was noted that the members of the Board of Directors and the CEO did not participate in the resolution, insofar as it concerned themselves.

## **§ 12**

### Resolution regarding the number of members of the Board of Directors and auditors

The meeting resolved, in accordance with a proposal from the company's largest shareholder, Solero Luxco S.á r.l. (controlled by Triton Funds), that, for the period until the end of the next Annual General Meeting, the Board of Directors shall consist of six ordinary members with no deputy Board members and that one registered auditing company shall be elected as auditor of the company with no deputy auditor.

## **§ 13**

### Resolution regarding remuneration to the members of the Board of Directors and the auditors

The meeting resolved, in accordance with a proposal from Solero Luxco S.á r.l., that, for the period until the end of the next Annual General Meeting, remuneration of a total of EUR 358,600 shall be paid, to be allocated with EUR 110,500 to the Chairman of the Board of Directors, EUR 36,500 to each of the other members of the Board of Directors, EUR 16,400 to the Chairman of the Audit Committee and EUR 8,200 to each of the other members of committees established by the Board of Directors.

The meeting further resolved, in accordance with the Nomination Committee's proposal, that, for the period until the end of the next Annual General Meeting, remuneration to the company's auditor shall be paid in accordance with approved accounts within the given quotation.

## **§ 14**

### Election of members of the Board of Directors and Chairman of the Board of Directors

The meeting resolved, in accordance with a proposal from Solero Luxco S.á r.l., to, for the period until the end of the next Annual General Meeting, re-elect Ann Emilson, Joakim Olsson, Erja Sankari and Roland Sundén as members of the Board of Directors, elect Per Sjöstrand and Johan Nordström as new members of the Board of Directors and elect Per Sjöstrand as new Chairman of the Board of Directors.

## **§ 15**

### Election of auditor

The meeting resolved, in accordance with the Nomination Committee's proposal and the Audit Committee's recommendation, to re-elect KPMG AB as auditor for the company for the period until the end of the next Annual General Meeting.

It was noted that KMPG AB hade informed that the authorized public accountant Fredrik Westin will continue as auditor in charge.

## **§ 16**

### Resolution regarding approval of the remuneration report

The meeting resolved, in accordance with the Board of Directors' proposal, to approve the remuneration report for the financial year 2023.

## **§ 17**

### Resolution regarding adoption of guidelines for remuneration to the senior executives

The meeting resolved, in accordance with the Board of Directors' proposal, to adopt new guidelines for remuneration to the senior executives, Appendix 2.

## **§ 18**

### Resolution regarding share-based long-term incentive program 2024 including amendment of the articles of association etc.

The meeting resolved, in accordance with the Board of Directors' proposal, on share-based long-term incentive program 2024 including amendment of the articles of association etc., Appendix 3.

It was noted that the resolution was supported by at least nine-tenths of the votes cast as well as the shares represented at the meeting.

## **§ 19**

### Resolution regarding authorisation for the Board of Directors to resolve on issuance of new shares

The meeting resolved, in accordance with the Board of Directors' proposal, on authorisation for the Board of Directors to resolve on issuance of new shares, Appendix 4.

It was noted that the resolution was unanimous.

## **§ 20**

### Resolution regarding authorisation for the Board of Directors to resolve on repurchase and transfer of the company's own shares

The meeting resolved, in accordance with the Board of Directors' proposal, on authorisation for the Board of Directors to resolve on repurchase and transfer of the company's own shares, Appendix 5.

It was noted that the resolution was unanimous.

## **§ 21**

### Closing of the meeting

Håkan Dahlström, CEO and President, Peter Immonen, representing Wipunen Varainhallinta Oy and Gustaf Backemar, Chairman of the Nomination Committee and representing Solero Luxco S.á r.l., expressed their sincere thanks to resigning Chairman of the Board of Directors Ulf Mattsson and resigning member of the Board of Directors Gunilla Fransson for appreciated work in the Board of Directors. The Chairman declared the Annual General Meeting closed.

---

*Signature page follows*

**At the minutes:**

---

Caroline Lindgren

**Verified by:**

---

Ulf Mattsson

---

Gustaf Backemar

---

Peter Immonen

## **Appendix 1**

**Voting list at the Annual General Meeting in Eltel AB (publ) on 14 May 2024**

Attached hereto.

**The Board of Directors' of Eltel AB (publ) proposal regarding guidelines for remuneration to senior executives of the company**

The Board of Directors of Eltel AB (publ) proposes that the Annual General Meeting 2024 resolves to adopt guidelines for remuneration to senior executives on the following principal terms and conditions.

**Scope and applicability of the guidelines**

These guidelines for remuneration to senior executives cover remuneration to the Board of Directors, the CEO, the Deputy CEO and other senior executives (the Group Management Team). The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after the adoption of the guidelines by the Annual General Meeting 2024. The guidelines apply until the general meeting resolves to adopt new guidelines for remuneration to senior executives. These guidelines do not apply to any remuneration decided or approved by the general meeting, e.g. remuneration to the Board of Directors and long-term incentive programmes, which are decided separately by the general meeting of shareholders.

The Board of Directors shall be entitled to temporarily deviate from these guidelines, in whole or in part, if special reasons justifies doing so in an individual case and such deviation is necessary in order to meet the Company's long-term interests and sustainability or to ensure the company's financial viability. If such a deviation occurs, it must be reported in the Remuneration Report before the next Annual General Meeting. As set out below, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration related matters, including potential matters regarding deviation from the guidelines.

**The guidelines' promotion of the company's business strategy, long-term interest and sustainability**

The Board of Directors considers that a prerequisite of the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain a highly competent management with capacity of achieving specified goals. To this end, it is necessary that the company can offer competitive remuneration to motivate senior executives to do their utmost. Variable cash remuneration covered by these guidelines shall be based on criteria that aim at promoting the company's business strategy and long-term interests, including its sustainability, and where the fulfilment of the criteria is determined by the method set out below. For a description of the company's strategy, please refer to [www.eltelgroup.com/investors/investor-information/strategy-and-targets/](http://www.eltelgroup.com/investors/investor-information/strategy-and-targets/).

**Forms of remuneration, etc.**

The remuneration to senior executives shall be based on market terms. The remuneration may consist of fixed base salary, variable remuneration, pension, and certain other benefits. In addition, the general meeting may – regardless of these guidelines – resolve on share-related or share price-related remuneration.

**Fixed base salary**

Fixed base salary for senior executives are reviewed yearly and in accordance with local practices. The fixed base salary constitutes 60-80% of total remuneration excluding LTI and assuming a 50% outcome of STI.

**Cash short-term incentives (STI)**

The aim of the short-term incentive is to reinforce the right performance and behaviours – financially and operationally – and to align the individual performance with the company's business strategy, long-term interests, and sustainability.

The key performance criteria for senior executives are primarily financial and include Net sales, EBITA, Net Working Capital, Operative cash flow, Safety measured as the Lost-Time Injury Frequency Rate and/or ESG. A minor part of certain senior executives' key performance criteria can be discretionary under special circumstances.

The minimum financial performance of the company for any STI pay-out is defined by the Board of Directors as a level of result in EBITA. This level is set to guarantee a lowest level of earnings for the company before any STI pay-out is made.

The short-term incentives can amount to a maximum of 80% of the fixed base salary for the CEO and 60% for other senior executives. At full outcome, the short-term incentives can amount to a maximum of 45% of total remuneration for the CEO and maximum of 40% for other senior executives.

Unless otherwise provided by mandatory law or obligations in applicable collective bargaining agreements, short-term incentives shall not entail any deposition of pension.

The STI is paid in connection with the ordinary monthly salary that is paid four months after the end of the qualifying period. The company is not able to recover remuneration paid out as STI.

In specific situations, for example in relation to potential divestments, M&A or specific projects, the company may offer cash bonuses that are conditional on the success of the specific transaction or project.

### **Long-term Incentives (LTI)**

Senior executives can be offered share-related or share price-related remuneration. LTI are intended to improve the participants' commitment to the company's development and they shall be implemented on market-based terms. Resolutions on incentive programmes related to shares and share prices must be passed at the general meeting and are therefore not covered by these guidelines.

### **Other benefits**

#### **Pension**

Senior executives are offered pension benefits that are primarily based on defined insurance payments and in accordance with local practices. The pension benefits are generally funded through payments to insurance companies or trustee-administered funds.

#### **Company car, etc.**

Senior executives are offered a company car and other benefits (such as allowances to physical activity, personal health, lunch facilities, health insurance etc) in accordance with local rules, regulations, and practices in each country.

Other benefits constitute 4-14% of total remuneration excluding LTI and assuming a 50% outcome of STI.

### **Notice of termination and severance pay**

The senior executives' employment or contractual agreements shall be valid until further notice or for a specified period of time.

The notice period is twelve months for the CEO in the event of termination by the company and twelve months in the event of termination by the CEO. In the event of termination by the company, the CEO is entitled to a severance pay equivalent of twelve months' fixed base salary and payable in one sum. The total amount of the salary and severance payment for the CEO may not exceed an amount corresponding to two years' fixed base salary.



The notice period is twelve months for other senior executives in the event of termination by the company and six months in the event of termination by other senior executives. No other senior executive than the CEO is entitled to severance payment.

### **Salary and terms of employment for employees**

In preparing the Board of Directors' proposal for these remuneration guidelines, the salaries, and terms of employment for the company's employees have been taken into account.

Information about employees' total remuneration, components of their remuneration as well as increases in remuneration and increases over time have been obtained and have constituted a part of the Remuneration Committee's and the Board of Directors' decision basis in their evaluation of the fairness of the guidelines and the limitations arising from them.

### **The resolution process**

The Board of Directors shall prepare a proposal for new guidelines when there is a need for significant changes to the guidelines, however at least every four years. The Board of Directors' proposal is prepared by the Remuneration Committee. The chairman of the Board of Directors may chair the Remuneration Committee. In order to manage conflicts of interest, other members of the Remuneration Committee who are elected by the Annual General Meeting must be independent in relation to the company and the senior executives.

The Remuneration Committee shall, inter alia, monitor and evaluate the application of the guidelines for remuneration to senior executives decided by the Annual General Meeting. When the Remuneration Committee has prepared the proposal, it is submitted to the Board of Directors for decision. The CEO or other senior executives shall not be present while the Board of Directors address matters related to remuneration and passes resolutions about them, insofar as they are affected by the matters.

If the Annual General Meeting does not resolve to adopt guidelines when there is a proposal for such, the Board of Directors shall submit a new proposal no later than the next Annual General Meeting. In such cases, remuneration shall be paid in accordance with the current guidelines or, if no guidelines exist, in accordance with the company's practice.

External advisors are used in the preparation of remuneration-related matters when deemed necessary.

### **Review of the guidelines**

A review of the guidelines for remuneration to senior executives which were adopted by the Annual General Meeting 2020 has been made. No opinions from the shareholders have been submitted in respect of the aforementioned guidelines. The proposed changes pursuant to this proposal do not entail any material changes compared to the guidelines adopted by the Annual General Meeting 2020.

---

*N.B. This English version of the proposal to the Annual General Meeting is an unofficial translation. In case of any discrepancies in relation to the Swedish version of the proposal, the Swedish version shall prevail.*

### **Appendix 3**

## **The Board of Directors proposal regarding Long-Term Incentive Program 2024 (LTIP 2024)**

The Board of Directors proposes that the General Meeting pass a resolution on the implementation of a long-term incentive program 2024 (LTIP 2024). This proposal is divided into five items:

- A. Terms of LTIP 2024.
- B. Amendment of the Articles of Association.
- C. Hedging of LTIP 2024 in the form of newly issued class C shares etc.
- D. Hedging of LTIP 2024 via an equity swap agreement with a third party.
- E. Other matters related to LTIP 2024.

## **A. Terms of LTIP 2024**

### **A.1 Introduction**

The Board of Directors want to implement a long-term incentive program for senior executives and other key individuals in order to encourage a personal long-term ownership in the company, and in order to increase and strengthen the potential for recruiting, retaining and motivating such senior executives and key individuals. Therefore, the Board of Directors proposes that the General Meeting approves the implementation of LTIP 2024 for senior executives and key individuals within the company.

Participants will, after a qualifying period and assuming an investment of their own in Eltel Shares, be given the opportunity to, without consideration, receive allotment of Eltel Shares (defined below) and, if applicable, exercise options issued by the company. The number of allotted Eltel Shares and, if applicable, options will depend on the number of Eltel Shares that they have purchased themselves and on the fulfilment of certain performance requirements. Eltel Shares are ordinary shares in the company ("Eltel Shares"). The term of LTIP 2024 is three years.

### **A.2 Basic features of LTIP 2024**

LTIP 2024 will be directed towards senior executives and other key individuals in the Eltel Group. The participants are based in Sweden and other countries where the Eltel Group is active. Participation in the LTIP 2024 assumes that the participant acquires and locks Eltel Shares into LTIP 2024 ("Savings Shares"). Savings Shares shall be newly acquired Eltel Shares or Eltel Shares held by the participant, but which do not constitute Savings Shares in any other long-term incentive program introduced by the company.

For each acquired Savings Share, the participant shall be entitled to, after a certain vesting period (defined below), provided continued employment and dependent on the fulfilment of certain performance requirements during the financial years 2024-2026, receive allotment of Eltel Shares ("Performance Shares") and, if applicable, exercise options issued by the company ("Performance Options").

The performance requirements are linked to the company's Compound Annual Growth Rate of Revenue ("CAGR of Revenue"), Average Adjusted Operative Earnings Margin Before Interest, Taxes and Amortization ("Average Adjusted Operative EBITA Margin") and Total Shareholder Return ("TSR"). The participant shall not pay any consideration for the allotted Performance Shares and, if applicable, the Performance Options. Performance Shares are Eltel Shares and Performance Options are call options issued by the company.

The participant shall, if applicable, have the right to exercise the Performance Options commencing on the day after the end of the vesting period and during two weeks thereafter ("Exercise Period"). If the participant and/or the company is prevented from exercising the Performance Options due to, for example, insider information, the participant and/or the company has the right to extend the

Exercise Period so that it runs until a date that falls after the last day of the original Exercise Period. The exercise price when the participant exercises the Performance Option shall correspond to 120 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list for the Eltel Share during the first ten trading days that directly follows after 14 May 2024 (the "Purchase Price"). Customary recalculation of the Purchase Price as well as of the number of Eltel Shares that each Performance Option corresponds to may occur if the share capital or the number of shares in the company changes due to bonus issue, split or reverse split, redemption of shares, certain new issues and other similar corporate events, and if certain other measures are taken. The exercise of the Performance Options may be made by using so called net strike.

### **A.3 Participation in LTIP 2024**

LTIP 2024 is directed towards not more than twenty-two (22) senior executives and other key individuals, divided into four categories of participants:

<b>Category</b>	<b>Maximum number of Savings Shares per person</b>	<b>Maximum number of Performance Shares per Savings share</b>	<b>Maximum number of Performance Options per Savings share</b>
A) CEO, maximum 1 person	42,000	8.0x	8.0x
B) Group Management Team, maximum 8 persons	17,000	8.0x	8.0x
C) Key individuals, maximum 4 persons	11,500	8.0x	8.0x
D) Other participants, maximum 9 persons	11,000	8.0x	

Any resolution on participation or implementation of LTIP 2024 shall be conditional on that it, in the Board of Directors' judgement, can be offered with reasonable administrative costs and financial effects.

To be eligible to participate in LTIP 2024, the participant must invest in Savings Shares for an amount corresponding to approximately five (5) percent of the participant's fixed base salary for the current year, however, not exceeding the number of Savings Shares that the participant can tie up within the scope of LTIP 2024 according to the above. Initially, each participant will be offered to participate in LTIP 2024 and acquire the maximum number of Savings Shares as set out in the table above. Any remaining Savings Shares that has not been acquired by participants may be allocated to other participants pro rata in relation to their acquisition of Savings Shares. However, such allocation may at most result in that the maximum number of Savings Shares per participant within a certain category is exceeded by fifty (50) percent. Remaining Savings Shares from category A and/or B and/or C acquired by participants in category D shall not entitle to allotment of Performance Options. Remaining Savings Shares from category D acquired by participants in category A and/or B and/or C shall not entitle to allotment of Performance Options.

### **A.4 Allotment of Performance Shares and Performance Options**

Allotment of Performance Shares and Performance Options within LTIP 2024 will be made during a limited period of time following the latter of the date of (i) the presentation of the first quarterly report for the first quarter of 2027, and (ii) the first record date for dividends decided by the Annual General Meeting 2027. The period up to this date is referred to as the qualification period (vesting period). If the allotment of Performance Shares and Performance Options takes place after the presentation of the quarterly report for the first quarter of 2027, the term of LTIP 2024 may be less than three years. The reason for the allotment of Performance Shares and Performance Options

still being allowed during the aforementioned period is that the risk of insiders holding insider information increases gradually after the presentation of the aforementioned quarterly report.

If the participant and/or the company is prevented from carrying out the allotment of Performance Shares and, if applicable, Performance Options due to, for example, insider information, the participant and/or the company has the right to extend the period for allotment so that it runs until a date when such obstacle has ceased and allotment can take place.

In order for the participant to be entitled to receive allotment of Performance Shares and, if applicable, Performance Options, it is assumed that the participant remains an employee of the Eltel Group during the full qualification period up until allotment, that the participant, during this period, has kept all Savings Shares, and that any of the performance requirements linked to CAGR of Revenue, Average Adjusted Operative EBITA Margin or TSR are fulfilled.

The participant can receive allotment of a maximum of eight (8) Performance Shares and, if applicable, eight (8) Performance Options per Savings Share. Regarding the maximum number of Performance Shares and, if applicable, Performance Options that can be allotted per Savings Share, the following shall apply. Thirty (30) percent of the Performance Shares and, if applicable, thirty (30) percent of the Performance Options shall be linked to the fulfilment of the performance requirement regarding CAGR of Revenue, thirty (30) percent of the Performance Shares and, if applicable, thirty (30) percent of the Performance Options shall be linked to the fulfilment of the performance requirement regarding Average Adjusted Operative EBITA Margin, and forty (40) percent of the Performance Shares and, if applicable, forty (40) percent of the Performance Options shall be linked to the fulfilment of the performance requirement regarding TSR. No allotment of Performance Shares or, if applicable, Performance Options linked to a certain performance requirement will take place below the minimum level for such performance requirement. Full allotment of Performance Shares and, if applicable, Performance Options linked to a certain performance requirement will take place at or above the maximum level of such a performance requirement. The number of Performance Shares and, if applicable, Performance Options that can be allotted increases linearly between the minimum and maximum level for each performance requirement.

#### **A.4.1 Compound Annual Growth Rate of Revenue (CAGR of Revenue) (weighting 30 percent)**

The performance requirement is based on the Eltel Group's (excluding PTI and Rail) Compound Annual Growth Rate of Revenue (CAGR of Revenue), from and including the financial year 2024 until and including the financial year 2026 (with the financial year 2023 as base). If HV Poland and/or SM Germany are divested, any positive or negative effects on CAGR of Revenue resulting from such divestments shall be excluded when calculating CAGR of Revenue for the financial year during which the aforementioned businesses were divested.

If the outcome of the performance requirement linked to CAGR of Revenue, from and including the financial year 2024 until and including the financial year 2026 (with the financial year 2023 as the base), results in a lower allotment of Performance Shares and, if applicable, Performance Options, than if the performance requirement linked to CAGR of Revenue was instead calculated annually (i.e. CAGR of Revenue for the financial year 2024 compared to the financial year 2023, CAGR of Revenue for the financial year 2025 compared to the financial year 2024, and CAGR of Revenue for the financial year 2026 compared to the financial year 2025), the performance requirement linked to CAGR of Revenue shall instead be calculated annually, whereby the allotment of Performance Shares and, if applicable, Performance Options for a certain financial year can at most amount to one third (1/3) of the total number of Performance Shares and, if applicable, Performance Options linked to the fulfilment of the performance requirement regarding CAGR of Revenue.

#### **A.4.2 Average Adjusted Operative Earnings Margin Before Interest, Taxes and Amortization (Average Adjusted Operative EBITA Margin) (weighting 30 percent)**

The performance requirement is based on the Eltel Group's (excluding PTI and Rail) Compound Average Adjusted Operative EBITA Margin from and including the financial year 2024 until and including the financial year 2026. If HV Poland and/or SM Germany are divested, any positive or negative effects on Average Adjusted Operative EBITA Margin resulting from such divestments shall be excluded when calculating Average Adjusted Operative EBITA Margin for the financial year during which the aforementioned businesses were divested.

If the outcome of the performance requirement linked to Average Adjusted Operative EBITA Margin, from and including the financial year 2024 until and including the financial year 2026, results in a lower allotment of Performance Shares and, if applicable, Performance Options, than if the performance requirement linked to Average Adjusted Operative EBITA Margin was instead calculated annually (i.e. Average Adjusted Operative EBITA Margin for the financial year 2024, Average Adjusted Operative EBITA Margin for the financial year 2025, and Average Adjusted Operative EBITA Margin for the financial year 2026), the performance requirement linked to Adjusted Operative EBITA Margin shall instead be calculated annually, whereby the allotment of Performance Shares and, if applicable, Performance Options for a certain financial year can at most amount to one third (1/3) of the total number of Performance Shares and, if applicable, Performance Options linked to the fulfilment of the performance requirement regarding Adjusted Operative EBITA Margin.

#### **A.4.3 Total Shareholder Return (TSR) (weighting 40 percent)**

The performance requirement is the average annual total shareholder return per Eltel Share based on the first ten trading days that directly follows 14 May 2024 compared with the last ten trading days in March 2027, i.e. a calculation of the increase in percentages in the share price for the Eltel Share, whereby the closing price has been calculated to take into account any dividends paid during the above-mentioned time period according to the current methodology used when calculating total shareholder return.

If the outcome of the performance requirement linked to TSR, based on the first ten trading days immediately following 14 May 2024, compared with the last ten trading days of March 2027, results in a lower allotment of Performance Shares and, if applicable, Performance Options, than if the performance requirement was instead calculated annually (i.e. TSR for 2024/2025 based on the first ten trading days that directly follows 14 May 2024, compared with the last ten trading days in March 2025, TSR for 2025/2026 based on the last ten trading days in March 2025, compared with the last ten trading days in March 2026, and TSR for 2026/2027 based on the last ten trading days in March 2026, compared with the last ten trading days in March 2027), the performance requirement linked to TSR shall instead be calculated annually, whereby the allotment of Performance Shares and, if applicable, Performance Options for a certain financial year can at most amount to one third (1/3) of the total number of Performance Shares and, if applicable, Performance Options linked to the fulfilment of the performance requirement regarding TSR.

#### **A.4.4 Limitation of allotment etc.**

The Participant's Performance Shares and, if applicable, Performance Options, respectively, shall be capped to an amount. The outcome shall be capped for Performance Shares and, if applicable, Performance Options in the event the volume-weighted average price according to Nasdaq Stockholm's official price list for the Eltel Share during the last ten trading days in March 2027 exceeds a share price corresponding to five times the volume-weighted average price according to Nasdaq Stockholm's official price list for the Eltel Share during the first ten trading days that directly follows 14 May 2024. In such a case, the following shall apply: (i) the number of Performance Shares allotted to the participant shall be reduced in order to achieve such limitation, and, if applicable, (ii) the Purchase Price per Eltel Share subscribed for based on the Performance Options shall be increased öre by öre in order to achieve such limitation.

Before allotment of Performance Shares and, if applicable, Performance Options, the Board of Directors shall assess whether the allotment is reasonable in relation to the company's financial results, position and development, as well as other factors. If significant changes take place within the company, or on the market, which, by the assessment of the Board of Directors, would mean that the terms for allotment/transfer of Performance Shares and, if applicable, Performance Options according to LTIP 2024 is no longer reasonable, the Board of Directors shall have the right to amend LTIP 2024, including, among others, the right to reduce the number of allotted/transferred Performance Shares and, if applicable, Performance Options, or not to allot/transfer any Performance Shares or, if applicable, Performance Options at all.

## **A.5 Implementation and administration etc.**

The Board of Directors shall, in accordance with the resolutions by the General Meeting set forth herein, be responsible for the detailed design and implementation of LTIP 2024. The Board of Directors may also decide on the implementation of an alternative cash based incentive for participants in countries where the acquisition of Savings Shares or allotment of Performance Shares and/or Performance Options (if applicable) is not possible, as well as if otherwise considered appropriate. Such alternative incentive shall to the extent practically possible be designed to correspond to the terms of LTIP 2024. The intention is that the Board of Directors shall launch LTIP 2024 in May 2024.

In the event that the general meeting does not resolve in accordance with item C with the required majority, the Company shall hedge itself against the financial exposure that LTIP 2024 is expected to entail, by the company entering into a share swap agreement with a third party in accordance with what is stated in item D below.

## **B. Amendment of the Articles of Association**

### **B.1 Amendment of the Articles of Association**

The General Meeting's adoption of recurring long-term incentive programmes for the company's senior executives and other key individuals consisting of, inter alia, LTIP 2022, LTIP 2023 and the proposed LTIP 2024 entails that the company needs to increase the limit for the maximum number of class C shares specified in the Articles of Association. The Board of Directors therefore proposes that the third section of § 5 of the Articles of Association be changed as follows:

#### *Current wording*

Shares may be issued in two series, ordinary shares and class C shares. Ordinary shares may be issued in a maximum number corresponding to not more than 100 per cent of the total number of shares in the company and class C shares may be issued in a maximum number corresponding to not more than 3.0 per cent of the total number of shares in the company.

#### *New wording*

Shares may be issued in two series, ordinary shares and class C shares. Ordinary shares may be issued in a maximum number corresponding to not more than 100 per cent of the total number of shares in the company and class C shares may be issued in a maximum number corresponding to not more than 6.0 per cent of the total number of shares in the company.

### **B.2 Authorization for the Board of Directors to resolve on transfer on Nasdaq Stockholm**

The Board of Directors shall be authorized to resolve on the transfer of Eltel Shares owned by the company on the following terms and conditions:

- a) A maximum number of 194,400 Eltel Shares may be transferred through trading on Nasdaq Stockholm (the "Exchange") at a price per Eltel Share that is within the price range recorded on the Exchange at any given time in order to hedge the company's payment of social security contributions due to LTIP 2021.

- b) The authorization may be exercised on one or several occasions until the Annual General Meeting 2025.

## **C. Hedging of LTIP 2024 in the form of newly issued class C shares etc.**

### **C.1 Introduction**

The Board of Directors proposes that the implementation of LTIP 2024 shall be made in a cost-effective and flexible manner, and that the undertakings of the company for delivery of Performance Shares as well as Eltel Shares at exercise of the Performance Options (if applicable) and the company's cash-flow for the payment of social fees primarily shall be hedged by a directed issue of convertible and redeemable class C shares. These shares can be repurchased and converted into Eltel Shares and transferred in accordance with the following.

### **C.2 Authorization for the Board of Directors to resolve on a directed issue of class C shares**

The Board of Directors shall be authorized to resolve on a directed issue of class C shares on the following terms and conditions:

- a) The maximum number of class C shares to be issued are 5,470,000 shares.
- b) With derogation from the shareholders' preferential rights, the new class C shares may only be subscribed for by one external party after arrangement in advance with the Board of Directors.
- c) The amount to be paid for each new class C share (the subscription price) shall correspond to the share's quota value at the time of subscription.
- d) The authorization may be exercised on one or several occasions until the Annual General Meeting 2025.
- e) The new class C shares shall be subject to Chapter 4, Section 6 of the Swedish Companies Act (conversion clause) and Chapter 20, Section 31 of the Swedish Companies Act (redemption clause).
- f) The purpose of the authorization is to hedge the undertakings of the company according to LTIP 2024 and, in terms of liquidity, to hedge payments of social security contributions related to Performance Shares and Performance Options.

### **C.3 Authorization for the Board of Directors to repurchase issued class C shares**

The Board of Directors shall be authorized to repurchase class C shares on the following terms and conditions:

- a) Repurchase can only take place by way of an acquisition offer directed to all holders of class C shares in the company.
- b) The maximum number of class C shares to be repurchased shall amount to 5,470,000 shares.
- c) Repurchase shall be made at a cash price per share of minimum 100 and maximum 110 percent of the quota value applicable to the repurchased class C shares at the time of repurchase.
- d) The Board of Directors shall have the right to resolve on other terms and conditions for the repurchase.
- e) Repurchase may also be made of so-called interim shares regarding such class C shares, by Euroclear Sweden AB designated as a Paid Subscribed Share (Sw. Betald Tecknad Aktie, BTA).
- f) The authorization may be exercised on one or several occasions until the Annual General Meeting 2025.
- g) The purpose of the authorization is to hedge the undertakings of the company according to LTIP 2024 and, in terms of liquidity, to hedge payments of social security contributions related to the Performance Shares and the Performance Options.

## **C.4 Approval of transfer of Eltel Shares**

Approval of transfer of Eltel Shares owned by the company on the following terms and conditions:

- a) A maximum number of 4,376,000 Eltel Shares may – with derogation from the shareholders' preferential rights - be transferred to participants in LTIP 2024, of which a maximum of 2,584,000 Eltel Shares may be transferred free of charge and a maximum of 1,792,000 Eltel Shares may be transferred to participants at exercise of the Performance Options at the pre-determined Purchase Price, however, taking into account the net strike so that the number of shares are reduced to the number corresponding to the gain inherent in the option, which shall result in a corresponding net outcome for participants.
- b) It was noted that proposals regarding an authorization for the Board of Directors to resolve on transfer of Eltel Shares on Nasdaq Stockholm will be proposed by the Board of Directors prior to the Annual General Meeting 2025, 2026 and 2027, respectively, in order to hedge the cash flow related to the company's payments of social security contributions in relation to LTIP 2022, LTIP 2023 and LTIP 2024, respectively.

## **C.5 Reasons for the deviation from the shareholders' preferential rights etc.**

The reason for deviation from the shareholders' preferential rights is to implement the proposed LTIP 2024 as set out herein. In order to minimize costs for LTIP 2024, the subscription price shall equal the class C share's quota value.

Since the Board of Directors considers that the most cost-effective method of transferring Eltel Shares under LTIP 2024 is to transfer Eltel Shares owned by the company, the Board of Directors proposes that the transfer is hedged in this way in accordance with this item C. Should the necessary majority not be obtained for the proposal in item C, the Board of Directors will enter into a share swap agreement, in accordance with item D below.

## **D. Hedging of LTIP via an equity swap agreement with a third party**

In the event that the necessary majority is not obtained for item C above, the company will hedge itself against the financial exposure that LTIP 2024 is expected to entail, by the company entering into a share swap agreement with a third party, whereby the third party in its own name shall acquire and transfer Eltel Shares in the company regarding LTIP 2024. The relevant number of Eltel Shares shall correspond to the number of shares proposed under item C above.

## **E. Other matters related to LTIP 2024**

### **E.1 Majority requirements etc.**

A valid resolution under item A above requires a majority of more than half of the votes cast at the general meeting.

A valid resolution under item B above requires that shareholders representing not less than two-thirds of the votes cast as well as the shares represented at the general meeting approve the resolution.

A valid resolution under item C above requires that shareholders representing not less than nine-tenths (90%) of the votes cast as well as the shares represented at the general meeting approve the resolution.

### **E.2 Estimated costs, expenses and financial effects of LTIP**

The costs for the LTIP 2024 which are charged in the profit and loss account, are calculated according to the accounting standard IFRS 2 and distributed over the Vesting Period. The calculation has been made based on the quoted closing price of the Eltel share as of 5 April 2024, i.e. SEK 7.08 per share, and the following assumptions: (i) dividend based on consensus estimates, (ii) an estimated annual turnover of personnel of 10 percent, (iii) an average fulfilment of the performance conditions of approximately 50 percent, and (iv) a total maximum of 2,584,000



Performance Shares and 1,792,000 Performance Options eligible for allotment. In addition to what is set forth above, the costs for the LTIP 2024 have been based on that the program comprises a maximum of twenty-two (22) participants and that each participant makes a maximum investment.

In total, the costs for the LTIP 2024 according to IFRS 2 are estimated to approximately SEK 6.0 million excluding social security costs (SEK 10.5 million if the average fulfilment of the performance condition is 100 percent). The costs for social security charges are calculated to approximately SEK 1.9 million, based on the above assumptions, and also assuming an annual share price increase of 10 percent during the term of LTIP 2024 and a social security tax rate of 25 percent (SEK 4.7 million if the average fulfilment of the performance condition is 100 percent).

The expected annual costs of SEK 2.7 million, including social security charges, correspond to approximately 0.08 percent of the Eltel's total employee costs for the financial year 2023 (0.15 percent if the average fulfilment of the performance condition is 100 percent).

As proposed, the LTIP 2024 may comprise a maximum of 5,470,000 shares in Eltel, representing a dilution of approximately 3.49 percent of all shares and votes in Eltel, including 1,094,000 shares that may be transferred on Nasdaq Stockholm to cover certain costs associated with the LTIP 2024.

The expected cost for the hedging arrangement through a directed issue of convertible and redeemable class C shares, and a repurchase and conversion of these shares to ordinary Eltel-shares is approximately SEK 200,000 including registrations etc. The cost for a share swap arrangement with a third party is significantly higher and based on an interest base with an addition for the company's lending costs, taking into account the structure of the share swap derivative.

The effect on key ratios is only marginal.

### **E.3 The Board of Directors' explanatory statement**

The Board of Directors wishes to increase the ability of the company to retain senior executives and key individuals. Moreover, an individual long-term ownership commitment among the participants in LTIP 2024 is expected to stimulate greater interest and motivation in the company's business operations, results and strategy. The Board of Directors believes that the implementation of LTIP 2024 will benefit the company and its shareholders. LTIP 2024 will provide a competitive and motivation-improving incentive for senior executives and other key individuals within the company.

LTIP 2024 has been designed to reward the participants for increased shareholder value by allotting Eltel Shares and, if applicable, call options, based on the fulfilment of result based conditions. Allotments shall also require a private investment by each respective participant through the acquisition of Savings Shares at market price. When exercising the call options (if applicable), the participant shall pay a Purchase Price per Eltel Share which is acquired through the exercise of the call options. By linking the employees' remuneration to an improvement in Eltel's results and value, the long-term value growth of Eltel is rewarded. Based on these circumstances, the Board of Directors considers that the implementation of LTIP 2024 will have a positive effect on the company's continued development, and will thus be beneficial to the shareholders and the company.

### **E.4 Preparation of the item**

The basis for LTIP 2024 has been prepared by the Board of Directors of the company. The work has been supported by external advisors and has been made in consultation with shareholders. The Board of Directors has thereafter decided to present this proposal for the general meeting. Except for the staff that have prepared the matter upon instruction from the Board of Directors, no employee that may be a participant of the program has participated in the preparations of the program's terms.

### **E.5 Other share-related incentive programs**

The company's other share-related incentive programs are described on pages 75-76 in the company's annual report.

### **E.6 Adjustment Authorisation**

The Board of Directors, or a person appointed by the Board of Directors, shall be authorized to make minor adjustments to the above resolutions that may be necessary in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB, respectively.

---

**Resolution regarding authorisation for the Board of Directors to resolve on issuance of new shares**

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors, on one or more occasions during the period until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, against cash payment, for payment in kind or by way of set-off, to resolve on share issues corresponding to an aggregate dilution of not more than 10 per cent of the registered share capital.

The purpose of the authorisation, and the reason for the deviation from the shareholders' preferential rights, is to enable the company to, in a time efficient way, secure financing of its strategy and/or to use its own shares to make payments in connection with acquisitions of companies or businesses which the company may undertake, or to settle any additional purchase price related to such acquisitions, or to raise capital for such acquisitions or additional purchase prices. The value transferred to the company through share issues by virtue of the authorisation, shall be made on market terms and may include a market based issue discount.

For a valid resolution, the resolution must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

---

**Resolution regarding authorisation for the Board of Directors to resolve on repurchase and transfer of the company's own shares**

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors, on one or more occasions during the period until the next Annual General Meeting, to resolve to repurchase in aggregate as many shares as may be purchased without the company's holding at any time exceeding 10 per cent of the total number of shares in the company. The shares shall be acquired on Nasdaq Stockholm, where shares in the company are listed, and only at a price within the price range registered at any given time, i.e. the range between the highest bid price and the lowest offer price.

It is also proposed that the Board of Directors shall be authorised to resolve on transfer of the company's own shares, on one or several occasions prior to the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, against cash payment, for payment in kind or by way of set-off. The basis for determination of the consideration in connection with transfer of own shares shall be in accordance with current market conditions at the time of the transfer.

The purpose of the authorisations, and the reason for the deviation from the shareholders' preferential rights, is to enable the company in a time efficient way to use its own shares to make payments in connection with acquisitions of companies or businesses which the company may undertake, or to settle any additional purchase price related to such acquisitions, or to raise capital for such acquisitions or additional purchase prices. The purpose of the authorisation to repurchase and to transfer shares is also to enable a continuous adjustment of the company's capital structure, thus contributing to increased shareholder value.

For a valid resolution, the resolution must be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

---