

Press release 2 April 2020 at 09.00 CET

## Notice to the Annual General Meeting 2020 in Eltel AB

**The shareholders of Eltel AB (publ) (Reg. No. 556728-6652) (“Eltel”) are hereby invited to the Annual General Meeting to be held on 4 May 2020 at 14:00 CET.**

### Place

Scandic Alvik, Gustavslundsvägen 135, 167 51 Bromma, Sweden.

### Notice of attendance

Shareholders who wish to attend the Annual General Meeting shall:

- be entered into the share register kept by Euroclear Sweden AB on 27 April 2020; and
- give notice of his/her intention to participate at the Annual General Meeting no later than 28 April 2020, preferably by 12:00 noon CET.

Notice of attendance at the Annual General Meeting shall be made by mail to: “Eltel AB, attn: Henrik Sundell, P.O. Box 126 23, SE-112 92 Stockholm, Sweden”, or by email to: [bolagsstamma@eltelnetworks.se](mailto:bolagsstamma@eltelnetworks.se).

When giving notice of participation, the shareholder shall state name, personal identification number or company registration number, telephone number and number of shares the shareholder will represent at the Annual General Meeting.

### Proxies etc.

Shareholders represented by proxy shall at the Annual General Meeting present proxy and other relevant authorisation documents, and are asked to submit copies of such documents to the company in connection with the notice of participation as set out above. A proxy form will be available at the company’s website, [www.eltelgroup.com](http://www.eltelgroup.com), and may be ordered by contacting the company.

### Nominee registered shares

Shareholders with nominee-registered shares must, in order to participate at the Annual General Meeting, temporarily register the shares in his or her own name. Such shareholders must notify their nominees of this in due time prior to 27 April 2020, when such registration must be effected.

### Measures due to the Coronavirus

As a precautionary measure due to the Coronavirus and in consideration of our shareholders and employees, Eltel has decided to adjust the setup surrounding the Annual General Meeting so that consideration is given to the attendees’ health while upholding the opportunity for the shareholders to exercise their rights. Eltel therefore plans to hold the Annual General Meeting in a simplified form.

The setup for the Annual General Meeting is intended to be as follows:

- The Annual General Meeting will be minimized in time, but without infringing upon the shareholders’ rights.
- No food or beverages will be offered.
- Shareholders are asked to refrain from bringing assistants.
- The number of board members and members of the Group Management in attendance will be limited.
- Eltel intends to propose that the Annual General Meeting allow shareholders not in attendance to follow the Annual General Meeting online, however without possibility to vote or communicate.

### Eltel AB

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Shareholders who have visited a risk area or who belong to a risk category are requested to refrain from attending the Annual General Meeting. The same applies for shareholders who are experiencing illness symptoms. For such persons, the opportunity exists to participate via proxy instead of attending in person. For further information regarding proxy forms and proxies, please refer to "Proxies etc." above. Shareholders who wish to follow the Annual General Meeting online are asked to contact the company via email [bolagsstamma@eltelnetworks.se](mailto:bolagsstamma@eltelnetworks.se) no later than 28 April 2020 for further instructions.

Please note that information regarding the Annual General Meeting may be updated as the situation develops. Continuously updated information on the Annual General Meeting is available at [www.eltelgroup.com](http://www.eltelgroup.com).

### Proposed Agenda

1. Election of Chairman of the meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to verify the minutes
5. Establishment of whether the meeting has been duly convened
6. Statement by the CEO
7. Presentation of the Annual Report and the Auditor's Report as well as the Consolidated Financial Statement and the Group Auditor's Report
8. 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
9. Resolution regarding appropriation of the company's result according to the adopted balance sheet
10. Resolution regarding discharge from liability for the members of the Board of Directors and the CEO
11. Resolution regarding the number of members of the Board of Directors and auditors
12. Resolution regarding remuneration for the Board of Directors and the auditor
13. Election of the members of the Board of Directors and the Chairman of the Board of Directors
14. Election of the auditor
15. Resolution regarding guidelines for remuneration of the senior executives of the company
16. Authorisation for the Board of Directors to resolve to issue new shares
17. Authorisation for the Board of Directors to resolve on repurchase and transfer of the company's own shares
18. Closing of the meeting

### Proposals to the Annual General Meeting

#### The Nomination Committee's proposals:

The Nomination Committee consists of Peter Immonen (Chairman) (appointed by Wipunen Varainhallinta Oy, Mariatorp Oy and Riikantorppa Oy), Erik Malmberg (appointed by Solero Luxco S.á.r.l.), Per Colleen (appointed by the Fourth Swedish National Pension Fund), and Marianne Nilsson (appointed by Swedbank Robur).

#### *Item 1: Election of Chairman of the meeting*

The Nomination Committee proposes that Ulf Mattsson, Chairman of the Board of Directors, is elected as Chairman of the Annual General Meeting.

#### *Items 11-14: Election of the Board of Directors and auditors and related remunerations*

The Nomination Committee makes the following proposals regarding election and remuneration for the period until the end of the next Annual General Meeting:

- that the Board of Directors shall consist of five (nine) ordinary members with no deputy members;
- that one registered auditing company shall be elected as auditor of the company with no deputy auditor;

- that the remuneration for the members of the Board of Directors shall be a total of EUR 299,400 (439,600) to be allocated with EUR 100,000 (100,000) to the Chairman of the Board of Directors, EUR 33,000 (33,000) to each of the other members of the Board of Directors, EUR 10,000 (10,000) to the Chairman of the Audit Committee and EUR 8,200 (8,200) to each of the other members of committees established by the Board of Directors;
- that the remuneration to the auditors shall be paid in accordance with approved accounts within the given quotation;
- that the following persons shall be re-elected as members of the Board of Directors: Ulf Mattsson, Gunilla Fransson, Håkan Dahlström, Roland Sundén and Joakim Olsson. Ulf Mattsson is proposed to be re-elected as Chairman of the Board of Directors.
- that KPMG AB, in accordance with the Audit Committee's recommendation, is elected as auditor for the company.

### **The Board of Directors' proposals:**

#### *Item 9: Resolution regarding appropriation of the company's result according to the adopted balance sheet*

The Board of Directors proposal regarding appropriation of the company's result will be presented in the annual report for the financial year 2019, which will be available as set out below. The Board of Directors does not propose any dividend.

#### *Item 15: Resolution regarding guidelines for remuneration of the senior executives of the company*

The Board of Directors of Eltel AB proposes that the Annual General Meeting 2020 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 2020. 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 LTI, 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 <https://www.eltelgroup.com/en/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, i.e. EBITA in local currency, Net Working Capital (NWC) in EUR and Safety measured as the Long-Term Injury Frequency rate (LTIF). 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, Eltel 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 constitutes 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 2019 has been made as a result of the amendments to the Swedish Companies Act that came into force on June 10, 2019. The proposed changes pursuant to this proposal are not expected to entail any significant change in the remuneration paid in accordance with the guidelines adopted by the Annual General Meeting 2019.

#### *Item 16: Authorisation for the Board of Directors to resolve to issue 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 issue corresponding to a dilution of maximum 10% 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 in a time efficient way to secure financing of its strategy and 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 deferred payments related to such acquisitions, or to raise capital for such acquisitions or deferred payments. The basis for the issue price shall be in accordance with current market conditions at the time of the share issue.

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.

#### *Item 17: 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 to resolve to repurchase, on one or more occasions during the period until the next Annual General Meeting, as many shares as may be purchased without the company's holding at any time exceeding 10% 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 the 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 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 deferred payments related to such acquisitions, or to raise capital for such acquisitions or deferred payments. 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. The basis for the issue price shall be in accordance with current market conditions at the time of the transfer.

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.

### **Miscellaneous**

The Annual Report for the financial year 2019, the Nomination Committee's complete proposals and statement as well as the Board of Directors' complete proposals for resolutions in accordance with the above, including reports and statements related thereto under the Swedish Companies Act, will be available at the company's address set out above and on the company's website [www.eltelgroup.com](http://www.eltelgroup.com) no later than from 13 April 2020 and will also be sent to those shareholders who so request and provide their postal address.

According to Chapter 7, section 32 of the Swedish Companies Act, at an Annual General Meeting the shareholders are entitled to require information from the Board of Directors and the CEO regarding circumstances which may affect items on the agenda and circumstances which may affect the company's financial situation.

### **Processing of personal data**

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

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

As of the date of this notice, the total number of shares in Eltel amounts to 157,499,081, whereof 156,649,081 are ordinary shares carrying one vote each and 850,000 are class C-shares carrying 1/10 vote each. Thus, the total number of votes in Eltel amounts to 156,734,081 as of the date of this notice. All 850,000 class C-shares are held by Eltel and Eltel will not exercise any voting rights regarding these shares at the general meeting.

Bromma, April 2020

### **Eltel AB (publ)**

The Board of Directors

### **For further information:**

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### **About Eltel**

Eltel is a leading Nordic field service provider for power and communication networks. We deliver a comprehensive range of solutions – from maintenance and upgrade services to project delivery. This includes design, planning, building, installing and securing the operation of power and communication networks for a more sustainable and connected world today and for future generations. In 2019, Eltel had annual sales of EUR 1.1 billion. The total number of employees currently stands at around 6,700. Eltel AB is listed on Nasdaq Stockholm.