

Press release 2 May 2017 at 23.30 CET

Notice to the Annual General Meeting 2017 in Eltel AB

The shareholders of Eltel AB (publ) (company register number 556728-6652) ("Eltel") are hereby invited to the Annual General Meeting to be held on Thursday 1 June 2017 at 14.00 CET.

Location

Solna Gate, meeting room "Parlament", Hemvärnsgatan 9, 17154 Solna, Stockholm

Notice of attendance

Shareholders who wish to attend the Annual General Meeting shall:

- have entered into the share register kept by Euroclear Sweden AB on Friday 26 May 2017; and
- give notice of his/her intention to participate at the Annual General Meeting no later than Friday 26 May 2017, preferably by noon CET.

Notice of attendance at the Annual General Meeting shall be made in writing to Eltel AB, attn: Henrik Sundell, P.O. Box 126 23, SE-112 92 Stockholm, Sweden or by email bolagsstamma@eltelnetworks.com.

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

Proxies

If participation is by way of proxy, such document should be submitted in connection with the notice of participation at the Annual General Meeting. For shareholders who wish to participate at the Annual General Meeting by proxy, a proxy form will be available at the company's website, www.eltelgroup.com and may be ordered by contacting Eltel.

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 shareholder must notify its nominee regarding the above-mentioned matter in due time prior to Friday 26 May 2017.

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. Presentation of the Annual Report and the Auditor's Report as well as the Consolidated Financial Statement and the Group Auditor's Report
7. Statement by the CEO
8. Resolution regarding adoption of the profit and loss statement and the balance sheet and the consolidated profit and loss statement and consolidated balance sheet
9. Resolution regarding appropriation of the company's profit according to the adopted balance sheet
10. Resolution regarding discharge from liability for the members of the Board of Directors and the Managing Director
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 Auditors

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13. Election of the members of the Board of Directors
14. Election of the Auditor
15. Resolution regarding Guidelines for remuneration of the Senior Management of Eltel
16. Resolution regarding: I. the Board of Directors' proposal for resolution on amendment of the articles of association and reduction of the share capital, II. the Board of Directors' proposal for resolution on amendment of the articles of association and to approve the Board of Directors' resolution on a rights issue of shares and III. the Board of Directors' proposal for resolution on a bonus issue and reduction of the share capital
17. Authorisation for the Board of Directors to resolve to issue new shares
18. Authorisation for the Board of Directors to resolve on the repurchase and transfer of own shares of the Company
19. Resolution regarding potential management buy-out with respect to all shares in SIA Eltel Networks in Latvia
20. Closing of the Annual General Meeting

Proposals to the Annual General Meeting

The Nomination Committee proposes:

The Nomination Committee, consists of Joakim Rubin (appointed by Zeres Capital and Chairman of the Nomination Committee), Erik Malmberg (appointed by Solero Luxco S.á.r.l.), Per Colleen (appointed by the Fourth Swedish National Pension Fund), Marianne Flink (appointed by Swedbank Robur Fonder) and Ossian Ekdal (appointed by the First Swedish National Pension Fund).

Item 1: Election of Chairman of the Meeting

The Nomination Committee proposes Wilhelm Lüning to be elected as Chairman of the Meeting.

Items 11-14: Election of the Board of Directors and Auditors and related remunerations

The Nomination Committee has presented the following proposals:

- that the Board of Directors shall consist of six (seven) ordinary members of the Board of Directors 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 Board of Directors shall be EUR 476,500 to be allocated with EUR 175,000 to the Chairman, whereof EUR 75,000 is additional remuneration based on the extraordinary work load in the coming year, and EUR 49,500, whereof EUR 16,500 is an additional compensation based on the extraordinary work load in the coming year, to each five other members of the Board of Directors. Further, it is proposed that EUR 10,000 is paid to the chairman of the audit committee and EUR 8,200 to each of the members of the Audit Committee and the Remuneration Committee;
- that the remuneration to the Auditors shall be paid in accordance with approved accounts;
- that the following members of the Board of Directors shall be re-elected for the period until the end of the next Annual General Meeting: Ulf Lundahl and Gunilla Fransson; that Ulf Mattsson, Håkan Dahlström, Hans von Uthman and Mikael Moll for the same period, shall be elected as new members of the Board of Directors; and that Ulf Mattsson is proposed to be elected as new Chairman of the Board of Directors; and
- that Öhrlings PricewaterhouseCoopers AB is elected as auditor for Eltel for another year until the next Annual General Meeting. If elected auditor, the authorized public accountant Michael Bengtsson will be auditor-in-charge.

Detailed information about all persons proposed to be elected as members of the Board of Directors may be found on Eltel's website, www.eltelgroup.com .

The current members of the Board of Directors, Matti Kyytsönen, Susanne Lithander, Rada Rodriguez and Karl Åberg, have declined re-election.

The Board of Directors proposes:

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

The Board of Directors proposes that no dividend be paid for the financial year 2016.

Item 15: Resolution regarding Guidelines for remuneration of the Senior Management of the Company

The Board of Directors proposes the following Guidelines for remuneration of the Senior Management of Eltel.

Eltel's overall objective is to offer senior management a competitive and market-based level of remuneration consisting of fixed and variable salary, pension and other remuneration components. Remuneration shall be determined in relation to area of responsibility, duties, expertise and performance.

The fixed salary component equals and compensates for an engaged work of management at a high professional level, creating value to Eltel. The short-term variable salary component is based on predetermined and measurable financial targets recommended by the Remuneration Committee and ultimately decided by the Board of Directors.

The pension terms of senior executives should be market based in relation to those that generally apply for comparable executives. Being an international team with members from Sweden, Finland and Denmark, the pension terms of Eltel's senior management reflect some national differences. In addition, senior executives may be offered long term incentive schemes on market-based terms. The Board shall have the right to deviate from the guidelines in individual cases if there are particular grounds for such deviation.

Item 16: Resolution regarding: I. the Board of Directors' proposal for resolution on amendment of the articles of association and reduction of the share capital, II. the Board of Directors' proposal for resolution on amendment of the articles of association and to approve the Board of Directors' resolution on a rights issue of shares and III. the Board of Directors' proposal for resolution on a bonus issue and reduction of the share capital

As stated below, the Board of Directors of Eltel proposes, among other things, that the Annual General Meeting resolves to approve the resolution by the Board of Directors made on 2 May 2017 regarding a share issue with preferential rights for the shareholders (item 16 II B below). The intention is that the rights issue shall raise an issue proceed of approximately EUR 150 million, prior to issue costs, assuming that the rights issue is fully subscribed.

To enable the implementation of the rights issue, it is proposed that the Annual General Meeting also resolves on a reduction of the share capital and thereto related amendment of the articles of association (item 16 I below), an amendment of the articles of association in relation to the rights issue (item 16 II A below), a bonus issue (item 16 III A below) and a reduction of the share capital (item 16 III B below). The Board of Directors has not yet resolved on the final proposals of the resolutions above.

Complete proposal from the Board of Directors will be presented as soon as the Board of Directors has adopted the resolutions, however no later than three weeks prior to the Annual General Meeting.

Item 16 I – The Board of Directors' proposal for resolution on amendment of the articles of association and reduction of the share capital

A. Proposal on resolution on amendment of the articles of association

See above.

B. Proposal on resolution on reduction of the share capital

See above.

Item 16 II – The Board of Directors' proposal for resolution on amendment of the articles of association and to approve the Board of Directors' resolution on a rights issue of shares

A. Proposal on resolution on amendment of the articles of association

See above.

B. Resolution on new issue of shares

The Board of Directors proposes that the Annual General Meeting approves the resolution by the Board of Directors on a new share issue of ordinary shares with preferential rights for the shareholders on the following terms:

1. The Board of Directors, or whomever the Board of Directors may appoint among its members, is authorized to resolve, no later than five business days before the record date, on the maximum amount by which the share capital shall be increased, the maximum number of ordinary shares to be issued, the number of existing ordinary shares that shall entitle to subscription for a certain number of new shares and the subscription price per new ordinary share.
2. The company's shareholders shall have pre-emptive rights to subscribe for the new ordinary shares in proportion to the ordinary shares previously owned.
3. The record date for entitlement to participate in the rights issue with pre-emptive right shall be 5 June 2017.
4. If not all of the shares are subscribed for by exercise of subscription rights, the Board of Directors shall, up to the maximum amount of the share issue, resolve on allotment of ordinary shares subscribed for without the exercise of subscription rights where in such case, allotment shall be made in the following order:
 - (a) Those who have subscribed for new ordinary shares by the exercise of subscription rights (irrespective of whether or not they were shareholders on the record date) pro rata in relation to the number of new ordinary shares subscribed for by exercise of subscription rights.
 - (b) Others who have notified the company of their interest in subscribing for ordinary shares without the exercise of subscription rights, pro rata in relation to such declared interest (the general public in Sweden and qualified investors).
 - (c) Those who have made an underwriting guarantee regarding subscription of new ordinary shares.

To the extent allotment according to the above cannot be made pro rata, allotment shall be made by drawing of lots.

5. Subscription of shares shall be made during the period as from 8 June up to and including 22 June 2017, or, as regards those who have guaranteed the rights issue, up to and including 7 July 2017. The Board of Directors shall be entitled to extend the period for subscription.
6. Subscription for ordinary shares by exercise of subscription rights shall be made by simultaneous cash payment. Subscription for ordinary shares without subscription rights shall be submitted on a separate subscription list where allotted ordinary shares shall be paid in cash no later than three banking days from dispatch of the contract note to the subscriber setting forth the allotment of shares.
7. The new ordinary shares shall entitle to dividend as from the first record date for dividend to occur after the registration of the new share issue with the Swedish Companies Registration Office.

The Board of Directors, or whomever the Board of Directors may appoint, shall be authorized to make such minor adjustments of the above resolution as may prove necessary in connection with the registration with the Swedish Companies Registration Office or Euroclear Sweden AB.

Item 16 III – The Board of Directors’ proposal for resolution on a bonus issue and reduction of the share capital

A. Proposal on resolution on bonus issue

See above.

B. Proposal on resolution on reduction of the share capital

See above.

Majority requirement

A valid resolution according to items 16 I A, 16 I B, 16 II A and 16 III B require approval of shareholders representing at least two-thirds of the votes cast and the shares represented at the meeting.

Item 17: Authorisation for the Board of Directors to resolve to issue new shares

The Board of Directors proposes that the Annual General Meeting authorizes 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 per cent of the registered share capital after the the fulfilment of the proposed item 16 above.

The purpose of the authorization 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 basis for the issue price shall be in accordance with current market conditions at the time of the share issue.

A valid resolution requires approval of shareholders representing at least two-thirds of the votes cast and the shares represented at the meeting.

Item 18: Authorisation for the Board of Directors to resolve on the repurchase and transfer of own shares of the Company

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to resolve to repurchase, on one or several occasions prior to the next Annual General Meeting, 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 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 authorizations 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 authorization to repurchase 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.

A valid resolution requires approval of shareholders representing at least two-thirds of the votes cast and the shares represented at the meeting.

Item 19: Resolution regarding potential management buy-out with respect to all shares in SIA Eltel Networks in Latvia

The Board of Directors is considering a potential management buy-out in Latvia whereby District Manager Jurijs Kokorevics and possible co-investors would acquire 100 per cent of the shares in SIA Eltel Networks. A complete proposal from the Board of Directors will be presented as soon as the Board of Directors has adopted a resolution.

A valid resolution requires approval of shareholders representing at least nine tenth of the votes cast and the shares represented at the meeting.

Miscellaneous

The Board of Directors' complete proposals for resolutions in accordance with the above, including reports and statements related thereto in accordance with the Swedish Companies Act (SFS 2005:551), will be available at the Company's address no later than on Thursday 11 May 2017 and on the Company's website www.eltelgroup.com and will also be sent to those shareholders who so request and provide their postal address. Printed copies of the Annual Report 2016 will be available in English and Swedish during week 21.

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 CEO regarding circumstances which may affect items on the agenda and circumstances which may affect the Company's financial situation.

Number of shares and votes

As of the date of this notice, the total number of shares in Eltel is 63,161,238 and the total number of votes is 62,677,938, whereof 62,624,238 are ordinary shares carrying one vote each and 537,000 are class C shares carrying 1/10 vote each. Eltel holds 537,000 class C shares. However, Eltel will not exercise any voting rights regarding these shares as long as held by Eltel.



Bromma, 2 May 2017

Eltel AB (publ)
The Board of Directors

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About Eltel

Eltel is a leading Northern European provider of technical services for critical infrastructure networks – Infranets – in the segments of Power, Communication and Other, with operations throughout the Nordics, Poland and Germany. Eltel provides a broad and integrated range of services, spanning from maintenance and upgrade services to project deliveries. Eltel has a diverse contract portfolio and a loyal and growing customer base of large network owners. In 2016, Eltel net sales amounted to EUR 1.4 billion. The current number of employees is approximately 9,500. Since February 2015, Eltel AB is listed on Nasdaq Stockholm.