



**ROTTNEROS**

*N.B. This is an unofficial translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.*

## **Notice to attend the Annual General Meeting in Rottneros AB (publ)**

The shareholders in Rottneros AB (publ), reg. no. 556013-5872, (“**Rottneros**”) with its registered office in Sunne, are hereby invited to the Annual General Meeting (the “**AGM**”) on Wednesday 24 June 2020 at 2 PM CEST, Lagergrens gata 2, Karlstad, Sweden. The registration for the AGM will commence at 1.30 PM CEST and will close once the meeting is opened.

### **Information in relation to Covid-19 (the Coronavirus)**

Rottneros is mindful of the health and well-being of its shareholders and employees. It’s important for Rottneros to take a social responsibility and contribute to reduce the risk of transmission of the Covid-19. According to the Public Health Agency of Sweden, there is a community spread of Covid-19 in Sweden and persons belonging to a risk group should take precautions and avoid gatherings of people.

As a precautionary measure, Rottneros intends to keep the AGM short and effective. No food will be served. The speeches will be limited to a few minutes or completely left out in order to limit the duration of the meeting. The address by the CEO will be posted on the company’s website after the closing of the meeting. Further, all questions at the AGM will be concentrated on issues relating to decision points on the agenda. For any more general questions regarding the company or the group, shareholders are welcome to send such questions to the company in advance to [rottneros@vinge.se](mailto:rottneros@vinge.se). Participation by the company’s management and Board of Directors will be kept at a minimum. Shareholders who show flu-like symptoms, have been in a risk area, belong to a risk group or have been in contact with someone infected with Covid-19 should carefully consider utilising the opportunity to vote in advance, see below, as well as the opportunity to participate through a proxy.

Rottneros closely monitors the development of events and will, if necessary, update the above described precautionary measures prior to the AGM.

### **Notification, etc.**

Shareholders who wish to attend the AGM shall

- be entered in the share register maintained by Euroclear Sweden AB no later than on Wednesday 17 June 2020 (for nominee-registered shares, see “*Nominee-registered shares*” below), and
- give notice of their intention to attend no later than on Wednesday 17 June 2020, by mail to Rottneros AB, AGM 2020, c/o Advokatfirman Vinge KB, Box 11025, 404 21 Gothenburg, Sweden or by e-mail to [rottneros@vinge.se](mailto:rottneros@vinge.se).



The shareholders shall in their notice to attend state name, personal identification number or company registration number, shareholding, address, phone number and information about any assistants (maximum two), proxies or representatives. Information delivered upon notice to attend will be processed and used only for the AGM. See below for further information on processing of personal data.

## **Nominee-registered shares**

Shareholders whose shares are registered in the name of a nominee through a bank or a securities institution must re-register their shares in their own names in order to be entitled to attend the AGM. Such registration, which may be temporary, must be duly effected in the share register maintained by Euroclear Sweden AB no later than on Wednesday 17 June 2020. The shareholders must therefore advise their nominees well in advance of this date.

## **Proxy, etc.**

Shareholders represented by proxy shall issue a dated power of attorney for the proxy. If the power of attorney is executed by a legal person a certified copy of the certificate of registration or equivalent should be attached. The power of attorney may not be older than one year, however, it may be older provided that the power of attorney according to its wording is valid for a longer period, although, not more than five years. The certificate of registration must not have been issued earlier than one year before the. The power of attorney in original and, where applicable, the certificate of registration should be submitted to the company to the address set forth above well in advance of the AGM. A proxy form is available on the company's website, [www.rottnernos.com](http://www.rottnernos.com).

## **Advance voting**

The shareholders may exercise their voting rights at the AGM by voting in advance, so called postal voting in accordance with Section 3 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. The company encourages the shareholders to use this opportunity in order to minimise the number of participants attending the AGM in person and thus reduce the spread of the infection.

A special form shall be used for advance voting. The form is available on [www.rottnernos.com](http://www.rottnernos.com). A shareholder who is exercising its voting right through advance voting do not need to separately notify the company of its attendance to the AGM. The advance voting form is considered as the notification of attendance to the AGM.

The completed voting form must be submitted to Rottneros no later than on Wednesday 17 June 2020. The completed and signed form shall be sent to the address stated under "Notification, etc." above. A completed form may also be submitted electronically and is to be sent to [rottnernos@vinge.se](mailto:rottnernos@vinge.se). If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The same apply for shareholders voting in advance by proxy. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote is invalid.

Further instructions and conditions are included in the form for advance voting.



### **Proposed agenda**

1. Opening of the AGM;
2. Election of a chairman at the AGM;
3. Preparation and approval of the voting list;
4. Approval of the agenda;
5. Election of one or two persons who shall approve the minutes of the meeting;
6. Determination as to whether the AGM has been duly convened;
7. Submission of the annual report and the auditors' report and the consolidated financial statements and the auditors' report for the group;
8. Resolution regarding adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
9. Resolution regarding allocation of the company's profits or losses in accordance with the adopted balance sheet;
10. Resolution regarding discharge of the members of the Board of Directors and the CEO from liability;
11. Determination of the number of members of the Board of Directors and the number of auditors and, where applicable, deputy auditors;
12. Determination of fees for members of the Board of Directors and auditor;
13. Election of the members of the Board of Directors;
14. Election of auditors and, where applicable, deputy auditors;
15. The nomination committee's proposal for resolution on principles for appointment of a nomination committee for the annual general meeting 2021;
16. The Board of Directors' proposal to adopt guidelines for remuneration to executive managers;
17. The Board of Directors' proposal on resolution to change the Articles of Association;
18. Closing of the meeting.

### **The Nomination Committee's proposals**

**Proposal regarding the Chair of the AGM, the number of members of the Board of Directors, the number of auditors and deputy auditors, fees to the Board of Directors and the auditor, and election of members of the Board of Directors, as well as election of auditors (items 2 and 11-14)**

The Nomination Committee, consisting of Julia Onstad (appointed by Arctic Paper S.A.), Stefan Sundh (appointed by PROAD AB) and Per Lundeen (Chairman of the Board of Directors), has submitted the following proposals:

- Per Lundeen is proposed to Chair the AGM (item 2).
- The number of members of the Board of Directors is proposed to be five (5), with no deputy members, and the number of auditors is proposed to be one registered accounting firm (item 11).
- The following fees to the Board of Directors are proposed:
  - A fee to members of the Board who are not employed within the company shall, unchanged, be paid with SEK 550,000 to the Chairman of the Board and SEK 275,000 to each of the other members of the Board.
  - Fees for committee work shall be paid with SEK 20,000 per member of the Audit Committee and SEK 10,000 per member of the Remuneration Committee.



- A fee of SEK 27,500 shall be paid to each of the employee representatives regarding the time required to read materials ahead of meetings.

Furthermore, it is proposed that the fee to the auditor shall be paid in accordance with approved statement of costs (item 12).

- Per Lundeen, Marie S. Arwidson, Ulf Carlson, Roger Mattsson and Conny Mossberg are proposed to be re-elected as members of the Board of Directors, all for the period until the end of the next annual general meeting. Further, Per Lundeen is proposed to be re-elected as Chairman of the Board of Directors (item 13).

The Board members proposed for re-election until the end of the annual general meeting 2021 have been presented in the company's annual report and on the company's website, [www.rottneros.com](http://www.rottneros.com)

- The accounting firm KPMG is proposed for re-election as auditor for the time until the end of the next annual general meeting, in accordance with the Audit Committee's recommendation. The Nomination Committee notes that Sven Cristea will be appointed auditor in charge should KPMG be elected as auditor (item 14).

#### **The Nomination Committee's proposal for resolution on principles for appointment of a nomination committee for the annual general meeting 2021 (item 15)**

The Nomination Committee proposes that the AGM resolves that the principles for appointment of a nomination committee as adopted at the annual general meeting 2018 should be unchanged, which are those described below.

The Nomination Committee shall consist of the Chair of the Board and two additional members. The Chair of the Board shall not chair the Nomination Committee. One of the two members, in addition to the Chair of the Board, shall be appointed by the company's largest shareholder and one shall be elected by one of the company's other four largest shareholders. Neither of these two members may also be a Board member.

In the event that, during the Nomination Committee's mandate period, one or more shareholders that have appointed members of the Nomination Committee are no longer among the five largest shareholders in terms of the number of votes, the members appointed by these shareholders shall relinquish their positions and the shareholder(s) that have taken a position among the five largest shareholders in terms of number of votes shall have the right to appoint their own representatives or offer the shareholder who is next in line in terms of number of votes a place on the Nomination Committee, so that there are three Committee members. The Chair of the Board is responsible for ensuring that members are appointed as stated above.

The names of the Nomination Committee members are to be presented no later than six months prior to the AGM. The Nomination Committee shall appoint a chair from within its ranks. The composition of the Nomination Committee at any given time shall be published on the company's website.

The Nomination Committee shall submit proposals on the following matters for resolutions by the AGM: (a) the Chair of the AGM, (b) the number of Board members, (c) the election of Board members, (d) the election of Chair of the Board, (e) Board fees, including distribution between the Chair and other Board members as well as compensation for committee work, (f) fees for the auditors, (g) proposal for election of auditors, and (h) changes to the instruction for the Nomination Committee, if any.



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

#### **The Board of Directors' proposal on resolution on allocation of the company's profits or losses in accordance with the adopted balance sheet (item 9)**

The Board of Directors proposes that the funds at the AGM's disposal, SEK 186,455,581, shall be carried forward, and, thus, that no dividend shall be paid.

#### **The Board of Directors' proposal to adopt guidelines for remuneration to executive managers (item 16)**

##### ***Scope***

These guidelines include board members and group management, which include the CEO and other members of the executive management of Rottneros AB (publ). The guidelines are forward-looking and applicable to remuneration already agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

##### ***Promotion of the company's business strategy, long-term interests and sustainability***

Rottneros' overall objective is to achieve sustainable profitability and yield a good return for the group's shareholders. To deliver this, Rottneros will offer the highest quality products and services that create clear added value in growing niches. Rottneros is continuously working on developing new products and applications for existing as well as new customer groups. Employee safety, high productivity in the mills and a first-class level of service to Rottneros' customers are of top priority.

A prerequisite for a long-term successful and sustainable implementation of the company's business strategy is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

##### ***Remuneration to executive management***

###### ***Types of remuneration etc.***

Rottneros shall offer remuneration in accordance with market practice which enables the recruitment and retention of qualified executives. Remunerations within Rottneros shall be based on principles of performance, competitiveness and fairness. The remuneration to the executive management may consist of fixed remuneration, variable remuneration, share and share-price related incentive programs, pension and other benefits. If local conditions justify variations in the remuneration principles, such variations may occur.

The fixed remuneration shall reflect the individual's responsibility and experience level. The fixed remuneration shall be reviewed annually. The variable cash remuneration may amount to a maximum of 50 per cent of the annual fixed salary for the CEO, and a maximum of 30 per cent of the annual



fixed salary for other members of the executive management. The variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The satisfaction of the criteria for awarding variable cash remuneration shall be measured over a period of one year. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The board of directors is responsible for the evaluation so far as it concerns variable cash remuneration to the CEO. For variable cash remuneration to other executives, the remuneration committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

For the CEO and other executive managers, pension benefits shall be premium defined and entitle the managers to pension from the age of 65. Variable cash remuneration shall qualify for pension benefits.

Other benefits may include, for example, life insurance, medical insurance (*Sw. sjukvårdsförsäkring*) and company cars. Such benefits shall not constitute a substantial part of the total remuneration.

Additional cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary work performance beyond the individual's ordinary tasks. Such cash remuneration shall be commercially justified, in proportion to the individuals fixed salary and not be paid more than once a year and per person. Any resolution on such remuneration shall be made by the board of directors based on a proposal from the remuneration committee.

In addition, general meetings may, if resolved, submit an offer of long-term incentive plans such as share- or share-price-related remuneration or incentive plans. Such plans are to be resolved by the general meeting and are therefore excluded from these guidelines.

For employments governed by rules other than Swedish these guidelines may be duly adjusted for compliance with such mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### *Criteria for awarding variable cash remuneration, etc.*

The variable cash remuneration and remuneration awarded under potential cash-based incentive programs shall be linked to predetermined and measurable criteria which can be financial or non-financial. Fulfillment of the criteria for awarding short-term variable cash-based remuneration shall be measured for a period of one year. They may also be individualized, quantitative or qualitative objectives. The criteria for short-term as well as long-term variable cash remuneration shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.



To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The remuneration committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

The board of directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds.

### ***Remuneration to board members***

Remuneration to board members for their work in the board of directors of Rottneros shall be resolved upon by the general meeting. The board of directors are only entitled to remuneration resolved by the general meeting. However, board members may receive additional remuneration for services board members provide to Rottneros within their respective areas of expertise in addition to their duties as board members. Such remuneration shall be on market terms and based in a consultancy agreement approved by the board of directors.

### **Employment conditions**

#### *Salary and employment conditions for employees*

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

#### *Termination of employment*

In the event of termination by the company of the CEO's employment the notice period may not exceed eighteen months and for other members of the executive management the notice period may not exceed twelve months. When termination is made by the executive, the notice period may not exceed twelve months. When termination of the CEO's employment is made by the company, the CEO shall receive normal salary and other benefits during the notice period. In all other cases, no severance pay shall be paid.

### **Decision-making process, amendments and deviations, etc.**

#### *The decision-making process to determine, review and implement the policy*

The board of directors has established a remuneration committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the



general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

*Derogation from the guidelines*

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

**The Board of Directors' proposal on resolution to change the Articles of Association (item 17)**

The Board of Directors proposes that the AGM resolves to change the company's Articles of Association, in accordance with the table below.

Change	Current wording	Proposed wording
§ 1 – Company name	“Business name”	“Company name”
§ 9 – Participation in meetings	“ <b>All persons listed in a transcript or other production of the share record relating to the position five working days prior to the meeting, are entitled to attend the general meeting, though only if they notify their attendance to the company no later than on the day stated in the notice of the meeting.</b> Such day may not be a public holiday or a day before a public holiday and may not fall earlier than the fifth ordinary working day preceding the meeting.”	“ <b>Shareholders who provide notification of their intention to attend the general meeting no later than on the date stipulated in the notice convening the meeting, are entitled to attend the general meeting.</b> Such day may not be a public holiday or a day before a public holiday and may not fall earlier than the fifth ordinary working day preceding the meeting.”
§ 12 – Law reference	“The shares of the company shall be registered in a closing date register in accordance with the <b>Swedish Financial Instruments Accounts Act (1998:1479).</b> ”	“The shares of the company shall be registered in a closing date register in accordance with the <b>Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).</b> ”



**ROTTNEROS**

## **Miscellaneous**

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

Per the date of this notice the total number of shares and votes in the company amounts to 153,393,890, of which the company holds 821,965 treasury shares.

### **Special majority requirement**

For a valid resolution in accordance with item 17 above, the resolution must be supported by shareholders with a minimum of two-thirds (2/3) of both the votes cast and the shares represented at the AGM.

### **Shareholders' right to request information**

The Board of Directors and the CEO shall, if any shareholder so requests and the Board believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda and the company's relation to other companies within the group.

### **Documentation**

The annual report and the auditor's report for the financial year 2019, as well as documents related to the AGM, will be available on the company's website, [www.rottneros.com](http://www.rottneros.com). Further, the Nomination Committee's complete proposals and reasoned statement will be available on the company's website stated above at least four weeks before the meeting. All documentation is also available at the company's premises at Vallvik Mill, 826 79 Vallvik, Sweden and will be sent to those shareholders who so request and state their postal address or e-mail address.

### **Processing of personal data**

For information on how your personal data is processed, see the integrity policy that is available on Euroclear's website, [www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-engelska.pdf).

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Vallvik, May 2020  
**Rottneros AB (publ)**  
*The Board of Directors*