

## **Minutes Taken at the Annual General Meeting of the Shareholders of AB Fagerhult, 556110-6203, on 23 April 2018 in Habo**

Shareholders present: As listed in Appendix 1

### **§ 1 Opening of meeting**

The meeting was opened by Jan Svensson.

### **§ 2 Election of a chairman for the meeting**

Jan Svensson was appointed as chairman to lead the proceedings. Thomas Jansson was appointed secretary for the meeting.

### **§ 3 Preparation and approval of the electoral roll**

The list of attending shareholders in Appendix 1 was approved as electoral roll.

### **§ 4 Approval of the agenda**

The meeting approved the agenda.

### **§ 5 Election of scrutinisers**

Birgitta Delefeldt and Sven Lindberg were appointed to check the minutes of the meeting together with the chairman.

### **§ 6 Determination of whether the meeting has been duly convened**

The meeting was determined to have been duly convened.

### **§ 7 Submission of the annual report and auditor's report, and of the consolidated financial statements and consolidated auditor's report**

The annual report and auditor's report, and the consolidated financial statements and consolidated auditor's report for the financial year of 2017 were submitted.

### **§ 8 Presentation by the Chief Executive Officer**

Johan Hjertsson, the company's Chief Executive Officer could not, due to illness, be present at the meeting. In his absence Michael Wood, Chief Financial Officer, gave a presentation and those attending were given an opportunity to ask questions.

**§ 9 Resolution on adoption of the income statement and balance sheet, and of the consolidated income statement and consolidated balance sheet**

The company's auditor commented on the audit for the year and on the auditor's report. The meeting then adopted the income statement and balance sheet, as contained in the annual report for the parent company and the Group, for the financial year 2017.

**§ 10 Resolution on the appropriation of the company's profit, as stated in the adopted balance sheet**

In accordance with the recommendation of the Board and CEO, the meeting resolved that the available funds of MSEK 475.4 be used to pay a dividend to the shareholders of SEK 2.00 per share, resulting in a total distribution of MSEK 229.0, and that the remaining available funds of MSEK 246.4 be carried forward. The record date for the dividend was set for 25 April 2018.

**§ 11 Resolution on release from liability for the Directors and Chief Executive Officer**

The meeting resolved to release the Directors and Chief Executive Officer from liability in respect of the administration of the company's affairs for the year 2017.

**§ 12 Determination of the number of Directors and Deputy Directors**

Johan Ståhl, representing Lannebo Fonder reported on the work of the Nomination Committee. The meeting resolved that the Board of Directors shall consist of seven (7) regular Directors with no deputies.

**§ 13 Determination of Directors' and auditors' fees**

The meeting resolved to approve the payment of fees at a total amount of SEK 2,300,000 to the AGM-appointed Directors for the period until the next Annual General Meeting. The Chairman of the Board will receive SEK 650,000, the Vice Chairman SEK 450,000 and the other AGM-appointed Directors SEK 300,000 each.

Directors' fees are not paid to employees of the Group. No fee is paid for committee work.

The meeting resolved that fees be paid to the auditors on the basis of invoices.

**§ 14 Election of the Chairman of the Board and Directors**

Eric Douglas, Morten Falkenberg, Cecilia Fasth, Catherina Fored, Johan Hjertonsson, Fredrik Palmstierna and Jan Svensson were re-elected as regular Directors for the period until the next Annual General Meeting.

Jan Svensson was elected Chairman of the Board and Eric Douglas as Deputy Chairman of the Board.

**§ 15 Election of an auditor**

PwC was elected as auditor for the period until the end of the next Annual General Meeting. PwC has announced that the Authorised Public Accountant Peter Nyllinge will be auditor-in-charge.

#### **§ 16 Authorisation entitling the Board to determine on the buyback of own shares up until the next annual meeting**

The Board was authorised to determine, up until the next annual meeting, on the buyback of the company's shares. Sveriges Aktiesparares Riksförbund, with 450 shares, voted against this authorisation, while the other shareholders voted in favour of the authorisation. The authorisation is intended, if deemed appropriate, to enable acquisitions of businesses using shares of the company as payment, to ensure that Fagerhult's capital structure can be continually adapted, and to cover any long-term incentive schemes for employees. Share buybacks may be made on NASDAQ OMX Stockholm at a price which at any given time is within the registered spread, defined as the spread between the highest bid price and the lowest ask price. The number of shares repurchased may not exceed such number as would cause the company's total holding of treasury shares to exceed 10 per cent of all outstanding shares of the company. Share buybacks may be made on one or more occasions.

#### **§ 17 Authorisation entitling the Board to determine on the transfer of own shares up until the next annual meeting**

The Board was authorised to sell, up until the next annual meeting, shares in the company in conjunction with the acquisition of companies or operations, in a manner other than via NASDAQ OMX Stockholm. The decision as regards this issue was not unanimous as Sveriges Aktiesparares Riksförbund with 450 shares voted against this authorisation. The authorisation can be utilised on one or a number of occasions and includes all of the company's own shares held at the point of time of the Board's resolution. The authorisation includes the right to determine on deviation from the shareholders' right of preference and with or without consideration of the regulations on payment in kind or right of offset. The sale of shares can take place on a cash basis or on the basis of the value of acquired property equivalent to the stock exchange price at the point of sale of the Fagerhult shares with such deviations as found to be appropriate by the Board.

#### **§ 18 Adoption of principles for the appointment of the Nominating Committee**

The Annual General Meeting appointed a Nominating Committee consisting of one representative of each of the four shareholders or owner groups which held the largest number of votes at 31 August 2018 and the Chairman of the Board. The Chairman shall be invited to attend meetings of the Nominating Committee without the right to vote. The Nominating Committee shall be formed after the Chairman has identified the four largest shareholders of the company in terms of votes, who along with the Chairman shall constitute the Nominating Committee. In the event that any of the four largest shareholders waives its right to appoint a representative, this right shall be transferred to the shareholder which after the waiving shareholder has the largest shareholding at the date concerned. The names of the four Directors and the names of the shareholders they represent shall be published no later than in connection with the company's interim report for the third quarter, along with the names of

those persons who may be contacted with regard to questions concerning the Nominating Committee. The mandate of the Nominating Committee shall end on the appointment of a new Nominating Committee.

#### § 19 Adoption of principles for remuneration of senior executives

The Board's proposed guidelines for remuneration of senior executives, as contained in Appendix 2, were adopted.

#### § 20 Resolution on performance share scheme for senior executives

Jan Svensson, the Chairman of the Board, informed the meeting on the outcome of the 2015 share save schemes, and those attending were given the opportunity to ask questions.

Eight individuals participated in the 2015 share save scheme, investing in a total of 7,299 shares (share scheme shares). The total number of shares that will be allocated at the end of the scheme is 8,070. The scheme provides the possibility of receiving a dividend on performance shares. Performance shares are allocated if a financial target based on earnings per share has been met. The target was average earnings per share for 2015 and 2016 of SEK 2.67-3.50. Actual earnings per share were SEK 2.95, which resulted in an allocation of 55.2%. The total cost for this share save scheme was MSEK 0.8, including costs for the allocated shares and social security contributions.

The meeting resolved to introduce a performance share scheme for senior executives, as proposed by the Board in Section 20.a of the Notice of Annual General Meeting. Shareholders with a total of 1,534,282 shares, equivalent to approximately 1.9% of the shares represented at the meeting, voted against the proposal but a significant majority of both the stated votes, as well as the votes represented at the meeting, voted in favour of the introduction of a performance share scheme. The scheme will run for three years and involve approximately 40 senior executives in the Group, who will be invited to take part in the scheme by investing an amount of at least 25 per cent and up to 100 per cent of his or her monthly salary, before tax, for March 2018.

The Board undertook to inform shareholders at future Annual General Meetings of the target levels and outcomes for the scheme.

The meeting resolved, in accordance with Section 20.b of the Notice of Annual General Meeting, to ensure delivery of Fagerhult shares during the 2018 Performance Share Scheme through the transfer of treasury shares of Fagerhult to the scheme participants. Shareholders with a total of 1,534,282 shares, equivalent to approximately 1.9% of the shares represented at the meeting, voted against the proposal, but a majority in excess of nine-tenths of both the stated votes, as well as the votes represented at the meeting, voted in favour of the Board's proposal for a method to transfer shares to the 2018 performance share scheme.. The meeting resolved to approve the transfer of treasury shares on the following conditions:

- (i) A maximum of 720,000 Fagerhult shares may be transferred to participants of Performance Share Scheme 2018 (or such higher number of shares as may result from a recalculation due to a bonus issue, share

consolidation or share split, rights issue or similar action, in accordance with normal practice for equivalent incentive schemes).

- (ii) Transfers of shares shall be made without payment at the time of transfer and in accordance with the terms and conditions under which participants in Performance Share Scheme 2018 are entitled to receive allocations of shares.

**§ 21 Other items**

The Chairman thanked the management and all employees for their strong performance during the financial year 2017.No other matters were addressed.

**§ 22 Closure of the meeting**

The meeting was closed.

Keeper of the minutes

Thomas Jansson

Minutes checked by

Jan Svensson

Birgitta Delefelt

Sven Lindberg