



**Press release 19 March 2020**

**Notice of the Annual General Meeting of Coor Service Management Holding AB**

*THE ENGLISH TEXT IS A TRANSLATION OF THE SWEDISH ORIGINAL VERSION. IN THE EVENT OF A CONFLICT BETWEEN THE ENGLISH AND THE SWEDISH TEXTS THE SWEDISH TEXT SHALL PREVAIL.*

The shareholders of Coor Service Management Holding AB (reg. no 556742-0806) are invited to participate in the annual general meeting to be held on Tuesday, April 28, 2020 at 3 p.m. at Kista Entré, Knarrarnäsgatan 7, Kista, Stockholm, Sweden. Registration commences at 2.15 p.m.

**REGISTRATION AND NOTIFICATION**

Shareholders who wish to participate in the annual general meeting must

- be recorded in the share register kept by Euroclear Sweden AB on Wednesday, April 22, 2020, and
- give notice of intent to participate to the company not later than on Wednesday, April 22, 2020.

Shareholders who are private individuals may register on the Company's website [www.coor.com](http://www.coor.com), by phone +46 (0) 771-24 64 00, in writing to the following address: Computershare AB, "Coor Service Management Holding AB:s Annual General Meeting", P.O. Box 5267, SE-102 46 Stockholm, Sweden or by e-mail to [coor@computershare.se](mailto:coor@computershare.se).

Representatives for legal entities shall give notice to attend by phone at +46 (0) 771-24 64 00, in writing to the following address: Computershare AB, "Coor Service Management Holding AB:s Annual General Meeting", P.O. Box 5267, SE-102 46 Stockholm, Sweden or by e-mail to [coor@computershare.se](mailto:coor@computershare.se).

The notice of attendance should state the shareholder's name, personal or organization identification number, address, telephone number and the number of assistants attending (if any). Shareholders represented by proxy should submit a copy of the proxy and other documents of authority to the company prior to the annual general meeting. The proxy shall be presented in the original at the meeting. Proxy forms in Swedish and English are available on the group's website, [www.coor.com](http://www.coor.com).

Shareholders that have their shares registered in the name of a nominee must, in addition to giving notice of participation in the meeting, be recorded in the share register in their own names (so called voting-rights registration) to be able to participate in the annual general meeting. Such registration may be temporary. In order for the registration to be effectuated on Wednesday, April 22, 2020, shareholders should contact their bank or trustee well in advance of that date.



## **INFORMATION ABOUT MEASURES DUE TO THE NEW CORONAVIRUS**

As a precautionary measure to decrease any risk of the spreading of the new coronavirus, the company has decided that no food or beverages will be offered, that the planned presentations will be minimized, that a longer CEO speech will be published on the company's website, that some restrictions will be made as to the attendance of non-shareholders, that attendees will be able to disinfect their hands using hand sanitizer on entering the meeting venue, and that the intention is to minimize the duration of the general meeting without infringing on the rights of the shareholders. In light of the recent government instructions Coor would like to encourage all shareholders to carefully consider whether to attend the meeting in person, but instead use its right to vote via proxy. Coor is carefully monitoring the development and will if necessary update the information.

## **PROPOSED AGENDA**

1. Opening of the meeting.
2. Election of a chairman of the meeting.
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.
6. Determination as to whether the meeting has been duly convened.
7. Presentation of the annual report and the audit report as well as the consolidated accounts and the audit report for the group.
8. Speech by the president and CEO, Mikael Stöhr.
9. Presentation of the work of the board of directors and the work within the remuneration, audit and project committees.
10. Resolutions regarding:
  - a. the adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet,
  - b. allocation of the company's profits in accordance with the adopted balance sheet,
  - c. discharge from liability for the members of the board of directors and the president and CEO,
11. Presentation by the chairman of the nomination committee.
12. Determination of fees for members of the board of directors and auditors.
13. Determination of the number of members of the board of directors and the number of auditors and deputy auditors.
14. Election of the members of the board of directors, chairman of the board of directors as well as auditors and deputy auditors.
15. Resolution on remuneration guidelines for group executive management.



16. Resolution on long-term incentive program (LTIP 2020) in accordance with (A) and hedging arrangements relating thereto in accordance with (B) or (C).
17. Resolution on authorisation for the board of directors to resolve on acquisitions and transfers of own shares.
18. Resolution on authorisation for the board of directors to resolve on new issues of shares.
19. Closing of the meeting.

#### **PROPOSALS BY THE NOMINATION COMMITTEE (ITEMS 2 AND 12-14)**

The nomination committee in respect of the 2020 annual general meeting has consisted of Tomas Risbecker (AMF – Försäkring och Fonder), Jan Särilvik (Nordea Funds), Henrik Didner (Didner & Gerge Funds), Ulrika Danielson (Second AP Fund), and the chairman of the board Mats Granryd.

The nomination committee has proposed the following.

**Item 2** Mats Granryd as chairman of the annual general meeting.

**Item 12** Fees to the board of directors elected by the annual general meeting and not employed by the company as well as fees for committee work in accordance with the following:

- Board member: SEK 290,000
- Chairman of the board of directors: SEK 810,000
- Board member who is a member of the audit committee: SEK 100,000
- Chairman of the audit committee: SEK 200,000
- Board member who is a member of the remuneration committee: SEK 50,000
- Chairman of the remuneration committee: SEK 50,000
- Board member who is a member of the project committee: SEK 75,000
- Chairman of the project committee: SEK 100,000

It is proposed that the fee for board members be increased from SEK 280,000 to SEK 290,000, the fee for the chairman of the board of directors be increased from SEK 785,000 to SEK 810,000. The remaining proposed fees are unchanged in comparison with the fees decided at the previous annual general meeting.

Fees to the auditor shall be paid in accordance with approved invoices.

**Item 13** Seven board directors and no deputies. One auditor and no deputies.

**Item 14** Re-election of Anders Ehrling, Mats Granryd, Mats Jönsson, Monica Lindstedt, Kristina Schauman, Heidi Skaaret and Mikael Stöhr as board members. Re-election of Mats Granryd as chairman of the board of directors. In accordance with the recommendation by the audit committee, re-election of Öhrlings PricewaterhouseCoopers AB as auditor.

Information regarding the proposed board members is available at the company's website, [www.coor.com](http://www.coor.com).



## **THE BOARD'S PROPOSAL ON DIVIDEND AND RECORD DATE (ITEM 10B)**

The board of directors proposes a dividend of SEK 2.20 per share to be paid in two parts. The record date for the first distribution is proposed to be Thursday, April 30, 2020 and for the second distribution Friday, October 2, 2020. Subject to resolution by the annual general meeting in accordance with this proposal, the first distribution of dividend is expected to be made by Euroclear Sweden AB on Wednesday, May 6, 2020 and the second distribution of dividend on Wednesday, October 7, 2020.

## **THE BOARD'S PROPOSAL ON REMUNERATION GUIDELINES FOR THE COOR GROUP EXECUTIVE MANAGEMENT (ITEM 15)**

The board of directors proposes that the annual general meeting resolves to adopt the following guidelines for the remuneration of senior executives.

The executives covered by the guidelines are the CEO and the other members of the executive management. The guidelines also cover any remuneration to board members other than board fees. The guidelines are forward-looking, i.e. they are applicable to remuneration 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. For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

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

In short, Coor's business concept is to take over, manage and develop services in offices, at properties and production facilities, and in the public sector (Facilities Management). The business is to be conducted in an effective, sustainable long-term and value-creating manner in relation to customers, employees and investors as well as society and the environment at large. Coor's overall strategies are:

- Growth within Integrated Facilities Management.
- Growth within single Facilities Management-services.
- Customized and flexible delivery model.
- Focus on operational efficiency.
- Nordic focus, but some flexibility out in Europe.

For more information about Coor's business concept, please visit Coor's website (<https://www.coor.com/about-coor/Business-vision/>).

A prerequisite for the successful implementation of Coor's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive total remuneration, which these guidelines enable. The total remuneration shall be competitive, in line with market levels and reflect the individual's performance and responsibility, and with regard to any long-term variable remuneration, the value growth of the Coor share that accrues to the shareholders. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.



The CEO and the other members of the executive management have had the opportunity to participate in long-term share-related incentive plans implemented in the company during 2018 and 2019. The outcome of these plans does not qualify for pension benefits. The plans have been resolved by the annual general meetings and are therefore not subject to these guidelines. The long-term share-related incentive plan proposed by the board of directors to the annual general meeting 2020 and any future share-related incentive plans to be approved by the general meetings are not subject to the guidelines for the same reason. For more information regarding the performance criteria, terms and conditions and expenses for these plans, please see the board of directors' complete proposals prior to each annual general meeting on Coor's website (<https://www.coor.com/about-coor/corporate-governance/annual-general-meeting/>).

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

The remuneration to the senior executives shall consist of fixed salary, any variable remuneration, pension and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

#### Fixed salary

The fixed salary shall consist of cash salary. The fixed salary for each member of the executive management shall be revised annually. The fixed salary shall be in line with market terms and based on factors such as the position, qualifications, experience and performance.

#### Variable remuneration

Any variable remuneration shall consist of annual variable cash salary. Variable cash remuneration is conditional upon satisfaction of defined and measurable criteria and should be capped to 75 per cent of the annual fixed salary. The satisfaction of criteria for awarding possible variable cash remuneration shall be measured over a period of one year.

The variable cash remuneration shall be linked to one or several predetermined and measurable criteria, such as the group's EBITA, the turnover increase for new businesses (either through organic growth or acquisitions) or cash flow. The criteria may also, to some extent, consist of individualized quantitative or qualitative objectives. Each criterion for the variable remunerations shall be weighted individually for each executive. However, EBITA, turnover increase for new businesses or cash flow shall account for at least 70 per cent of the weight of all criteria. By linking the criteria of the executives' remunerations to growth, profitability measures and cash generation, the remunerations contribute to the implementation of the company's business strategy and long-term interests, including its sustainability and the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration have been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

The terms and conditions for variable remuneration should be designed so that the board of directors, in the event of exceptional economic circumstances, is able to limit or refrain from paying variable remuneration if such action is deemed reasonable.

In specific cases, agreements on non-recurring remuneration may be reached, provided that such remuneration does not exceed an amount corresponding to 25 per cent of the annual fixed salary and is not paid more than once a year to the same individual. Such remuneration



shall not qualify for pension benefits unless otherwise provided by mandatory collective agreement provisions. Any resolution on such remuneration shall be made by the board of directors based on a proposal from the remuneration committee.

No other variable cash remuneration shall be awarded.

#### Pension

For the CEO, pension benefits are regulated by the collective agreement. Pension benefits on salary that exceeds the maximum limit under the collective agreement shall be premium based and amount to not more than 30 per cent of the fixed annual cash salary. Variable remuneration shall not qualify for pension benefits.

For other senior executives, pension benefits shall be premium based unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable remuneration shall qualify for pension benefits. The pension premiums for premium based pension shall amount to not more than 30 per cent of the fixed annual cash salary.

#### Other benefits

Other benefits may include, for example, medical insurance (*Sw: sjukvårdsförsäkring*) and company cars. Premiums and other expenses associated with such benefits may amount to not more than five per cent of the fixed annual salary.

#### Consultancy fees to board members

In specific cases, Coor's board members elected by the general meeting may, for a limited time, be remunerated for services within their respective area of expertise which do not constitute board work. Such services (including services provided by the relevant board member's wholly-owned company) shall be remunerated with an amount that is in line with market terms, provided that such services contribute to the implementation of Coor's business strategy and safeguarding of Coor's long-term interests, including its sustainability. Such consultancy fees shall not exceed two annual board fees per year for each board member.

#### *Termination of employment*

Severance pay is normally paid if the employment is terminated by the company. Members of the executive management may have a period of notice of not more than six months, in combination with severance pay corresponding to at maximum 18 months fixed salary. No severance payment will be made when employment is terminated by the employee.

#### *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.

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

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 resolved by the general meeting, 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'S PROPOSAL REGARDING THE IMPLEMENTATION OF A LONG-TERM INCENTIVE PROGRAM AND HEDGING ARRANGEMENTS RELATING THERETO (ITEM 16)**

#### **Implementation of the program (item 16A)**

The board of directors proposes that the annual general meeting resolves on the implementation of a long-term incentive program (the "LTIP 2020") in accordance with the below.

#### **Objectives**

The LTIP 2020 is designed to provide long-term incentives for members of the Executive Management Team, including the CEO ("EMT") as well as Top Management Team and other key employees ("TMT") to improve Coor's performance and create long-term value. The main purposes of the LTIP 2020 are to increase and strengthen the potential for recruiting and retaining key individuals and to create an individual long-term ownership of Coor shares among the participants and thereby align their interests with those of the shareholders.

#### **Description of the LTIP 2020**

The LTIP 2020 is proposed to include all current and future members of the EMT and TMT (the "**Participants**"), currently comprising of 60 employees in total. It is proposed that the program, which entails an investment requirement, should consist of performance shares. As proposed, the LTIP 2020 may comprise a maximum of 490,000 shares in Coor, representing approximately 0.51 percent of all shares and votes in Coor.<sup>1</sup>

#### **Investment requirement**

In order to participate in the LTIP 2020, Participants are required to make own investments in Coor shares and to allocate a number of shares to the LTIP 2020. The maximum number of Coor shares that may be allocated to the LTIP 2020 corresponds to approximately 7.5-10 percent of the Participant's gross fixed annual salary in connection with enrolment in the LTIP 2020 ("**Investment Shares**"), as further set out below. Coor shares already held by Participants at the time of implementation and that are not allocated to ongoing share related

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<sup>1</sup> Including buffer for dividend compensations but excluding 115,000 shares that may be acquired for subsequent transfers on Nasdaq Stockholm to cover certain costs associated with the LTIP 2020.



incentive programmes<sup>2</sup>, may be accounted for as Investment Shares in the LTIP 2020. Should the Participant be prohibited to acquire Coor shares under market abuse rules or similar at enrolment in the LTIP 2020, Investment Shares must instead be acquired as soon as such restrictions do not longer apply.

### Performance Share Rights

For each Investment Share, rights will be granted free of charge under the LTIP 2020, entitling the Participant to receive a number of Coor shares, free of charge, following expiration of a three-year vesting period (“**Performance Share Rights**”). Each Performance Share Right entitles the holder to one (1) Coor share. Allotment of Coor shares pursuant to Performance Share Rights will be subject to the achievement of performance conditions, as set out below, and will generally require that the Participant retains his or her employment and all his or her Investment Shares over a period of approximately three years from the date of grant of Performance Share Rights (the “**Vesting Period**”).

Granting of Performance Share Rights to the Participants will generally take place as soon as practicably possible following the Annual General Meeting 2020.

In order to align the Participants’ and shareholders’ interests, Coor will compensate for dividends and other value transfers to the shareholders during the Vesting Period by increasing the number of shares that each Performance Share Right entitles the Participant to receive. The number of Coor shares which each Performance Share Right entitles the Participant to receive may be recalculated as a result of e.g. bonus issues, reverse splits or splits of shares, new share issues, reductions of the share capital, or similar actions. The transfer of shares may be accelerated as a result of any merger, demerger, larger acquisition or divestment or similar actions.

### *Allocation and performance conditions*

The Performance Share Rights are divided into three series, Series A, Series B and Series C, and the vesting of Performance Share Rights will be subject to the satisfaction of performance conditions during the period 1 January 2020-31 December 2022 (the “**Performance Period**”), which will determine what portion (if any) of the Performance Share Rights of the respective series that will vest at the end of the Vesting Period.

The three performance conditions for the respective series of Performance Share Rights are the following:

- |                 |   |
|-----------------|---|
| <i>Series A</i> | <u>Average Customer Satisfaction Index (“<b>ACSI</b>”):</u><br>If Coor’s ACSI during the Performance Period equals or fall short of the minimum level 66, no vesting will occur. If Coor’s Average Customer Satisfaction Index equals or exceeds 70, 100% vesting will occur. A linear proportioned performance vesting will occur if the outcome is between the minimum and maximum levels. Information about the outcome will be provided in the annual report for the financial year 2022. |
| <i>Series B</i> | <u>Accumulated adjusted EBITA development:</u><br>If Coor’s accumulated adjusted EBITA development during the Performance Period equals or falls short of the minimum level defined as 10% below of the accumulated adjusted EBITA according to Coor’s Business Plan for 2020-2022 (as decided by the board of directors), no vesting will occur. If Coor’s accumulated adjusted EBITA development percentage   |

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<sup>2</sup> For more information, see below under “Description of ongoing variable compensation programs”





equals or exceeds the maximum level defined as 10% above of the accumulated adjusted EBITA according to Coor's Business Plan, 100% vesting will occur. A linear proportioned performance vesting will occur if the outcome is between the minimum and maximum levels. The board of directors shall have the right to adjust the target levels for any acquisitions or disposals made by Coor during the Performance Period. Information about the target levels and outcome of the performance conditions will be provided in the annual report for the financial year 2022.

*Series C*

Relative Total Shareholder Return ("TSR"<sup>3</sup>) development:

The vesting will vary depending on Coor's TSR performance versus the weighted average of a group of other companies (the "**Peer Group**")<sup>4</sup>. If Coor's accumulated TSR performance during the Performance Period equals or falls short of the weighted average index for the Peer Group (the minimum level), no vesting will occur. If Coor's accumulated TSR performance equals or exceeds the weighted average index for the Peer Group by more than 6 percentage points (the maximum level), 100% vesting will occur. A linear proportioned performance vesting will occur if the outcome is between the minimum and maximum level for the Peer Group. Information about the outcome will be provided in the annual report for the financial year 2022.

The maximum number of Investment Shares to be allocated to the LTIP 2020 and the maximum allocation of the respective series of Performance Share Rights for each of the three participant categories are set out below.

- |                       |   |  |
|-----------------------|---|--|
| <i>Category (CEO)</i> | 1 | The CEO can allocate up to 9,000 Investment Shares to the LTIP 2020. Each Investment Share entitles the CEO to receive:<br>1 Performance Share Right of Series A;<br>4 Performance Share Rights of Series B; and<br>1 Performance Share Right of Series C.<br>In total 6 Performance Share Rights for each Investment Share.                   |
| <i>Category (EMT)</i> | 2 | 10 other employees in the EMT can allocate up to 2,750 Investment Shares each. Each Investment Share entitles these employees to receive:<br>1 Performance Share Right of Series A;<br>3 Performance Share Rights of Series B; and<br>1 Performance Share Right of Series C.<br>In total 5 Performance Share Rights for each Investment Share. |

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<sup>3</sup> TSR is defined as total return on the share calculated including reinvested dividends. To provide a stable assessment of performance, the TSR development will be calculated based on the average closing price of the Coor share on Nasdaq Stockholm, and the corresponding closing share price of the relevant peer group companies, for a period of 20 trading days immediately prior to the commencement and expiration of the Performance Period.

<sup>4</sup> At implementation of the LTIP 2020, the accumulated TSR performance shall be compared against an index consisting of the accumulated TSR development for the following companies, weighted as set out below:

- Core peers (representing 15% each): Compass, ISS, Lassila & Tikanoja, Sodexo; and
- Other peers (representing 6.667% each): Attendo, Bravida, G4S, Loomis, Nobina and Securitas.



- Category (TMT)* 3 Approximately 49 employees in TMT can allocate up to 1,250 Investment Shares each.
- Each Investment Share entitles these employees to receive:
- 1 Performance Share Right of Series A;
  - 2 Performance Share Rights of Series B; and
  - 1 Performance Share Right of Series C.
- In total 4 Performance Share Rights for each Investment Share.

#### *Allotment of shares*

Provided that the performance conditions above have been met during the Performance Period and that the Participant has retained his or her employment (unless special circumstances are at hand) and the Investment Shares during the Vesting Period, the Performance Share Rights will vest and allotment take place of Coor shares (“**Performance Shares**”) as soon as practicably possible following the expiration of the Vesting Period.

When determining the final vesting level of Performance Share Rights, the board of directors shall examine whether the vesting level is reasonable considering Coor’s financial results and position, conditions on the stock market and other circumstances, and if not, as determined by the board of directors, reduce the vesting level to the lower level deemed appropriate by the board of directors.

In the event delivery of Performance Shares to Participants cannot take place under applicable law or at a reasonable cost and employing reasonable administrative measures, the board of directors will be entitled to decide that Participants may, instead, be offered a cash settlement.

#### **Costs, dilution and effects on important key ratios**

The costs for the LTIP 2020, 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 shares in Coor as of 10 March 2020, i.e. SEK 77.00 per share, and the following assumptions: (i) an annual dividend yield of approximately 6 percent, (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 490,000 Performance Shares eligible for allotment. In addition to what is set forth above, the costs for the LTIP 2020 have been based on that the program comprises a maximum of 60 Participants and that each Participant makes a maximum investment.

In total, the costs for the LTIP 2020 according to IFRS 2 are estimated to approximately SEK 12.1 million excluding social security costs (SEK 21.0 million if the average fulfilment of the performance condition is 100 per cent). The costs for social security charges are calculated to approximately SEK 4.1 million, based on the above assumptions, and also assuming an annual share price increase of 10 percent during the LTIP 2020 and a social security tax rate of 23.5 percent (SEK 8.2 million if the average fulfilment of the performance condition is 100 percent).

The expected annual costs of SEK 5.5 million, including social security charges, correspond to approximately 0.1 percent of the Coor Group’s total employee costs for the financial year 2019 (0.2 per cent if the average fulfilment of the performance condition is 100 per cent).

In addition to the above-mentioned costs, the LTIP 2020 is expected to generate costs related to external advisory services and administration costs related to the transfer of shares. In total, these costs are not expected to exceed SEK 0.3 million.



As proposed, the LTIP 2020 may comprise a maximum of 490,000 shares in Coor, representing approximately 0.51 percent of all shares and votes in Coor, including buffer for dividend compensations, but excluding 115,000 shares that may be acquired for subsequent transfers on Nasdaq Stockholm to cover certain costs associated with the LTIP 2020.

Since there is no proposal to issue new shares pursuant to the LTIP 2020, the LTIP 2020 will have no dilutive effect on the existing shareholders votes or share of the capital. The effect on important key figures is only marginal.

### **Hedging arrangements**

The board of directors has considered different methods for securing the financial exposure and the transfer of shares under the LTIP 2020, such as transfer of treasury shares and an equity swap agreement with a third party. The board of directors considers acquisitions of own shares on Nasdaq Stockholm with subsequent transfer to Participants to be the most cost efficient and flexible method to secure the financial exposure and the transfer of shares under the LTIP 2020.

Since the costs in connection with an equity swap agreement will be significantly higher than the costs in connection with transfer of treasury shares, the board of directors' main proposal is that the financial exposure is secured by transfer of treasury shares (item 16B).

Should the majority requirement under item 16B below not be reached, the board of directors proposes that the annual general meeting approves the entering into an equity swap agreement with a third party (item 16C).

### **Preparation of the proposal, etc.**

The proposal regarding LTIP 2020 has been prepared by Coor's remuneration committee in consultation with external advisors and has been adopted by the board of directors.

The board of directors shall, within the framework of the above terms and conditions, be responsible for the implementation and management of the LTIP 2020 and all major decisions relating to the LTIP 2020 will be taken by the remuneration committee, with approval by the full board of directors as required.

### **Description of ongoing variable compensation programs**

Coor's ongoing share related incentive programmes – LTIP 2018 and LTIP 2019 – were approved by the annual general meeting 2018 and 2019 respectively, and are described in the Annual Report 2018, in the note to the Consolidated Financial Statements, Note 5 and in the Annual Report 2019, in the note to the Consolidated Financial Statements, Note 5. The compensation for the EMT, including fixed and variable compensation, and other remunerations are also described in the Annual Report. The Remuneration Report published on Coor's website outlines how Coor implements its guidelines on remuneration to group management in line with the Swedish Corporate Governance Code.

### **Authorisation for the board of directors to resolve on acquisitions of own shares and resolution on transfers of own shares to LTIP 2020 Participants (item 16B)**

#### **Authorisation for the board of directors to resolve on acquisitions of own shares**

The board of directors proposes that the annual general meeting authorises the board of directors to, at one or several occasions up to the next annual general meeting, resolve on acquisitions of the company's own shares in accordance with the following conditions:

- Acquisitions may only be effected on Nasdaq Stockholm.



- A maximum of 605,000 shares may be acquired to secure delivery of shares to LTIP 2020 Participants and for subsequent transfers on Nasdaq Stockholm to cover certain costs associated with the LTIP, mainly social security costs.
- Acquisition may only be made within the registered price range on each occasion between the highest bid price and the lowest selling price.

The board of directors has issued a statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

#### **Resolution on transfers of own shares to LTIP 2020 Participants**

The board of directors proposes that the annual general meeting resolves that transfers of own shares may be made in accordance with the following conditions:

- A maximum of 490,000 shares may be transferred, free of consideration, to LTIP 2020 Participants.
- Right to acquire shares free of consideration shall, with deviation from the shareholders' preferential rights, be granted LTIP 2020 Participants.
- Transfers of shares shall be made free of consideration at the time and on the other terms and conditions that LTIP 2020 Participants have the right to acquire shares.
- The number of shares that may be transferred under the LTIP 2020 may be recalculated as a result of e.g. bonus issues, reverse splits or splits of shares, new share issues, cash dividends, reductions of the share capital, or similar actions.

The transfer of own shares is a part of the proposed LTIP 2020 and the board of directors considers it to be of benefit for Coor and its shareholders that the Participants are offered the opportunity to become shareholders in Coor on the terms and conditions of LTIP 2020.

#### **Equity swap agreement with a third party (item 16C)**

Should the majority requirement under item 16B above not be reached, the board of directors proposes that the annual general meeting approves the entering into an equity swap agreement with a third party, at market terms, whereby the third party in its own name shall be entitled to acquire and transfer Coor shares to the Participants.

#### **Conditions**

The annual general meeting's resolution on implementation of the LTIP 2020 in accordance with item 16A above is conditional upon the annual general meeting resolving either in accordance with the board of directors proposal under item 16B or in accordance with the board of directors proposal under item 16C.

#### **Majority requirements**

The annual general meeting's resolution according to item 16A above requires a simple majority among the votes cast. A valid resolution under item 16B above requires that shareholders representing not less than nine-tenths of the votes cast as well as of the shares represented at the meeting approve the resolution. A valid resolution under item 16C above requires a simple majority among the votes cast.



## **THE BOARD'S PROPOSAL TO AUTHORISE THE BOARD TO RESOLVE ON ACQUISITIONS AND TRANSFERS OF OWN SHARES (ITEM 17)**

The board of directors proposes that the annual general meeting authorise the board of directors to, at one or several occasions up to the next annual general meeting, resolve on acquisitions of the company's own shares.

Acquisition shall take place on Nasdaq Stockholm within the registered price range on each occasion between the highest bid price and the lowest selling price and payment for the shares shall be in cash. So many shares may, at the most, be repurchased so that the company's holding does not at any time exceed 10 percent of the total number of shares in the company.

The board of directors has issued a statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

The board of directors also proposes that the annual general meeting authorise the board of directors, for the period until the next annual general meeting, to resolve on transfers of not more than all of the company's own shares held by the company.

Transfer of shares shall take place on Nasdaq Stockholm within the registered price range on each occasion between the highest bid price and the lowest selling price.

The aim of the authorizations are to allow the board of directors the opportunity to adjust the capital structure and in doing so create increased value for Coor's shareholders.

In order to be valid, a resolution under this item requires approval of at least two thirds of the votes cast and the shares represented at the annual general meeting.

## **THE BOARD'S PROPOSAL TO AUTHORISE THE BOARD TO RESOLVE ON NEW ISSUES OF SHARES (ITEM 18)**

The board of directors proposes that the annual general meeting authorise the board of directors to, at one or several occasions up to the next annual general meeting, resolve upon new issues of shares. By resolutions based on the authorisation, not more than such number of shares corresponding to 10 percent of the total number of shares in the company at the time of the annual general meeting's resolution on the authorisation, may be issued.

The authorisation includes a right to resolve to issue new shares for cash consideration, by contribution in kind or payment by set-off. Share issues for cash consideration and for consideration by set-off may be made with disapplication from the shareholders' preferential rights, provided that the share issue is made on market terms.

The reason for the proposal and the potential disapplication of the shareholders' preferential rights is to allow for flexibility in connection with potential acquisitions or to raise capital for acquisitions.

In order to be valid, a resolution under this item requires approval of at least two thirds of the votes cast and the shares represented at the annual general meeting.

## **SHARES AND VOTES**

There are in total 95,812,022 shares and votes in the company. The company has only one series of shares. The company holds 340,000 treasury shares that are not represented at the meeting.



## **INFORMATION AT THE AGM**

The board of directors and the President and CEO shall, if any shareholder so requests and the board of directors believes that it may be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group. Shareholders wishing to submit questions in advance may send them to Coor Service Management Holding AB, Attn: General Counsel Erik Strümpel, Knarrarnäsgatan 7, SE-164 99 Kista, Sweden.

## **DOCUMENTS**

The annual report, the auditor's report, the board of directors' statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act relating to the proposal under item 10b above, the auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act regarding the remuneration guidelines for the group executive management, and the board of directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act relating to the proposals under item 16B and 17 above, will be available at the company, Coor Service Management Holding AB, Knarrarnäsgatan 7, SE-164 99 Kista, Sweden and on the website [www.coor.com](http://www.coor.com), as from April 3, 2020. The documents will also be sent to shareholders who so request and state their address.

## **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>.

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Stockholm in March 2020  
**Coor Service Management Holding AB (publ)**  
*The board of directors*