

## **NOTIFICATION OF THE ANNUAL GENERAL MEETING**

### **BYGGMAX GROUP AB (PUBL)**

Shareholders of Byggmax Group AB (publ), Corporate Registration Number 556656-3531, (the “**Company**”) are hereby notified of the Annual General Meeting (AGM) to be held on Wednesday, May 6, 2020, at 10:00 a.m. at Lindhagen Konferens, Lindhagensgatan 126, Stockholm, Sweden.

*To reduce the risk of the spread of COVID-19 (the corona virus), no food or drink will be served at the AGM and the number of non-shareholders present will be limited. Shareholders with cold-like or flu-like symptoms, including mild symptoms, are asked to participate via proxy. Shareholders belonging to a risk group are also invited to participate via proxy instead of in person. The Company closely monitors the situation regarding the COVID-19 outbreak and will post information on the Company’s website ([www.byggmax.com](http://www.byggmax.com)) if further measures are deemed necessary.*

#### **Notification, etc.**

Shareholders who wish to participate at the Annual General Meeting must:

- both be listed in the register of shareholders maintained by Euroclear Sweden AB on Wednesday, April 29, 2020, and
- notify the Company of their intention to attend the AGM, no later than at 4:00 p.m. on Wednesday, April 29, 2020, to the address Byggmax Group AB (publ), c/o Advokatfirman Lindahl KB, Studentgatan 6, 211 38 Malmö, Sweden (Labeled “Annual General Meeting”), by telephone +46 (0) 40-664 66 50 or by e-mail to [byggmax@lindahl.se](mailto:byggmax@lindahl.se).

When giving notice of participation, shareholders must state: their name, personal ID/corporate registration number (or equivalent), address, daytime telephone number, shareholding in the Company, the names of any advisers (maximum two) and, when applicable, the name of a proxy or legal representative.

#### **Trustee registered shares**

To be able to participate at the AGM, shareholders who have registered their shares in the name of a trustee must request registration of the shares in their own names in the register maintained by Euroclear Sweden AB. Registration of shareholders should be completed not later than Wednesday, April 29, 2020. The shareholder should notify the trustee well in advance of this date. Such registration may be temporary.

#### **Proxies**

Shareholders who intend to be represented by proxy must issue a dated power of attorney for the proxy. If the power of attorney is issued by a legal entity, an attested copy of the certificate of registration or its equivalent for the legal entity must be enclosed with the notice of participation. The period of validity of the power of attorney is permitted to extend to five years from the date of issue. An original of the power of attorney and, when applicable, the certificate of registration should be submitted to the Company at the above address, in good time, prior to the AGM. The Company provides proxy forms on request and these are also available from the Company’s website, [www.byggmax.com](http://www.byggmax.com).

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

The Company had a total of 60,999,045 shares at the date of issue of the notification. The

total number of votes in the Company is 60,999,045. The Company does not own any treasury shares.

### **Proposed agenda**

1. Opening of the Meeting and election of the Chairman for 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. Determination of whether the Meeting has been duly convened
6. Presentation of the Annual Report and the Auditors' Report, as well as the Consolidated Financial Statements and the Consolidated Auditor's Report
7. Address by the Managing Director
8. Resolution regarding the adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet
9. Resolution regarding the appropriation of the Company's profit in accordance with the adopted balance sheet
10. Resolution regarding discharge from liability of the Board of Directors and the Managing Director
11. Determination of the number of Board members, auditors and deputy auditors
12. Determination of fees for members of the Board of Directors and auditor
13. Election of Board members, Chairman of the Board and auditor
14. Resolution regarding principles regulating the appointment of the Nomination Committee and its work
15. Resolution on guidelines for the remuneration of Board members and Company Management
16. Resolution regarding authorization for the Board of Directors to resolve on issue of shares, warrants and/or convertible instruments
17. Resolution regarding authorization for the Board of Directors to resolve on acquisitions and transfer of own shares
18. Close of the Meeting

### **Proposals for resolution**

The Nomination Committee, which comprises of Anders Algotsson, AFA Försäkring; Vegard Søråunet, Verdipapirfonde Odin Sverige; Peter Anderson, RBC Investor Services Trust; and Anders Moberg, Chairman of the Board, have submitted proposals for items 1 and 11–14.

#### *Item 1 — Election of Chairman for the Meeting*

The Nomination Committee proposes the election of Anders Moberg as Chairman of the Annual General Meeting. If Anders Moberg is unable to participate, Gunilla Spongh is proposed as Chairman of the Annual General Meeting.

*Item 9 – Resolution regarding the appropriation of the Company's profit in accordance with the adopted balance sheet*

The Board moves that no dividend be distributed for the 2019 fiscal year and that the funds at the disposal of the Annual General Meeting be carried forward.

*Item 11 — Determination of the number of Board members, auditors and deputy auditors*

The Nomination Committee proposes that the number of Board members elected by the AGM is seven. Furthermore, the Committee proposes one auditor with no deputy.

*Item 12 — Determination of fees for members of the Board of Directors and auditor*

The Nomination Committee proposes an unchanged fee of SEK 630,000 to the Chairman of the Board and unchanged fees of SEK 300,000 to each of the other Board members. For the Audit Committee, unchanged fees are proposed of SEK 100,000 to the Chairman and SEK 40,000 to each of the other two members. For the newly established Remuneration Committee, fees are proposed of SEK 50,000 to the Chairman and SEK 30,000 to each of the other two members. Altogether, the Nomination Committee's proposal means that total remuneration to the Board, compared to the previous year, will decrease by SEK 190,000 from SEK 2,910,000 in total to SEK 2,720,000.

The Nomination Committee also proposes that fees to the auditor are paid against approved invoices.

*Item 13 — Election of Board members, Chairman of the Board and auditor*

The Nomination Committee proposes the re-election until the end of the next AGM of the following Board members: Anders Berg, Kjersti Hobøl, Hannele Kemppainen, Anders Moberg, Daniel Mühlbach and Gunilla Spongh. Ullrika Eliasson and Per Strömberg have declined re-election. Lars Ljungälv is proposed for election as new Board member. It is proposed that Anders Moberg be re-elected as Chairman of the Board.

Lars Ljungälv is currently Managing Director and Group CEO of Bergendahl & Son AB and has previously, inter alia, been Regional Director and Global Head of Large Corporates and Institutions at Swedbank AB (publ) and Managing Director and Group CEO of Sparbanken Öresund AB (publ). Other current assignments include Board member of Ikano Bank AB (publ).

A presentation of all proposed Board members is available on the Company's website, [www.byggmax.com](http://www.byggmax.com).

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, the re-election of the Company's current auditor, the registered accounting firm Öhrlings PricewaterhouseCoopers AB, until the end of the 2021 Annual General Meeting. Öhrlings PricewaterhouseCoopers AB have notified that Authorized Public Accountant Cesar Moré will serve as the Auditor in Charge.

*Item 14 – Resolution regarding principles regulating the appointment of the Nomination Committee and its work*

The Nomination Committee proposes the following principles regulating the appointment of the Nomination Committee and its work.

Annually and not later than the end of the third quarter every year, the Chairman of the Board of Directors convenes the three largest shareholders or shareholder groups (this includes directly registered and trustee-registered shareholders) in the Company, as

registered at August 31 according to Euroclear Sweden AB, which are then each entitled to appoint one member of the Nomination Committee. The appointee in question should not be a Board member. If any of the three largest shareholders wishes to refrain from a place on the Committee, the place on the Committee is offered in turn to the next-largest shareholder. In addition to the above, the Chairman of the Board may be appointed as a member of the Nomination Committee provided the other members of the Nomination Committee requests such appointment. If any shareholder should waive their right to appoint a member of the Nomination Committee, only the five largest shareholders need to be asked unless this would result in the Nomination Committee consisting of less than its minimum of three members (including, where applicable, the Chairman of the Board of Directors). The Managing Director and senior executives of the Company are not permitted to be members of the Nomination Committee.

The Chairman of the Board is the convener of the first meeting of the Nomination Committee. Unless otherwise decided by the Committee, the member representing the largest shareholder should be appointed Chairman of the Nomination Committee. The Nomination Committee prepares written rules of procedure to govern its work. The mandate period of the Committee extends until such time as a new Nomination Committee has been appointed.

The composition of the Nomination Committee will be published not later than six months prior to the AGM, thereby providing all shareholders with information regarding which individuals to contact regarding nomination issues.

If shareholders have been added among the three largest shareholders after the Nomination Committee has held its statutory meeting, said shareholders may contact the Chairman of the Nomination Committee to make a request to appoint a member of the Committee. The Chairman of the Nomination Committee then informs the other members of this wish. If the ownership change is not insignificant, the member appointed by the shareholder that is no longer among the three largest shareholders should vacate his position and the new shareholder can then be permitted to appoint a member. However, the structure of the Nomination Committee should not be changed less than two months prior to the AGM. If a member leaves the Nomination Committee prior to completion of the Committee's work, the Nomination Committee is to invite the shareholder who appointed the departing member to appoint a new member. In the event that no new member is appointed by the shareholder who appointed the departing member and if the Committee finds it necessary to replace this member, a new member should be appointed in accordance with the principles set out in the first paragraph above, based on the share register maintained by Euroclear Sweden AB, as soon as possible after the member has left the Committee. Changes in the Nomination Committee are announced immediately.

The Nomination Committee should prepare and submit proposals to the General Meeting in respect of:

- the election of the Chairman of the Annual General Meeting;
- the number of Board members;
- the election of the Chairman of the Board of Directors and other Board members on the Company's Board of Directors;
- directors' fees specified between the Chairman of the Board of Directors and other Board members;
- the election of and approval of fees to the auditor and deputy auditor (where applicable); and
- resolutions on policies regulating the appointment of the Nomination Committee.

No fees are payable to members of the Nomination Committee. The Nomination Committee is entitled to charge the Company with expenses including the cost of recruitment consultants or other expenses required for the Nomination Committee to fully execute its assignment.

The above principles for the appointment of the Nomination Committee apply until the Annual General Meeting decides on a change to them. It is the responsibility of the Nomination Committee, prior to the AGM, to determine whether the Nomination Committee finds it necessary to propose any change to the principles in question and in this event, to submit a motion to the AGM in accordance with paragraph five above.

#### *Item 15 — Resolution on guidelines for the remuneration of Board members and Company Management*

The Board of Directors proposes that the Annual General Meeting passes a resolution on guidelines for determining remuneration and other terms of employment for Board members and senior executives according to the following.

#### Application and validity period

The guidelines apply to members of the Board and senior executives. The guidelines shall be valid until further notice, but no longer than until the 2024 Annual General Meeting, and shall apply to future remuneration that is agreed upon, and changes to remunerations already agreed upon, from the time the guidelines have been adopted by the 2020 Annual General Meeting. The guidelines do not comprise remuneration resolved by the General Meeting.

#### The guidelines' contribution to business strategy, long term interests and sustainability

An overall objective of the business of the Company is to create a long-term increase of value for the shareholders. The Company holds a strong market position in the Nordic do-it-yourself-market and the objective is to continue to grow with good profitability. The business idea is in short to sell construction products and related products to home owners at the lowest price. Since the Company is part of society and will continue to exist for a long time to come, the Company also contributes to a sustainable development. The Company will do so by, among other things, decreasing the Company's carbon dioxide emissions over time. Further information regarding the Company's business strategy, long term interests and sustainability work can be found on the Company's website ([www.byggmax.com](http://www.byggmax.com)).

The implementation of the Company's business strategy and the safeguard of the Company's long-term interests and sustainability requires that the Company, in relation to each country of employment, has competitive and market-based remunerations and terms of employment, in order to retain, and when needed, recruit senior executives with the competence and experience required. The overall remuneration shall be based on the position, the individual performance, the Group's earnings and that the remuneration shall be market based and competitive in the country of employment.

#### Process for preparation, monitoring and evaluation of the guidelines

The Board shall set up a Remuneration Committee with the main task of preparing the resolutions of the Board regarding principles of remuneration, remuneration and other

employment terms for senior executives. The Remuneration Committee shall thus prepare proposals to guidelines regarding remuneration to members of the Board and senior executives, to be submitted before the Annual General Meeting for resolution at least every fourth year. The Remuneration Committee shall also monitor and evaluate ongoing programs and programs that have terminated during the year regarding variable remunerations for the Company Management and monitor and evaluate the application of the guidelines for remuneration for members of the Board and senior executives resolved by the General Meeting and structures of remuneration as well as levels of remuneration in the Company. The Chairman of the Board may be the Chairman of the Committee. Other Board members elected by the General Meeting shall be independent in relation to the Company and the Company Management. If the Remuneration Committee hires an external consultant for its work, the Committee must ensure that no conflict of interest exists in relation to other assignments for the Company or the Company Management.

If the Board finds it more appropriate in relation to the purpose, the entire Board may fulfill the tasks of the Remuneration Committee, with the prerequisite that members of the Board of Directors who are part of the Company Management do not take part in the work. When the Board prepares and resolves upon questions related to remuneration, the Managing Director and other members of the Company Management shall not be attending, to the extent that they are affected by the questions.

### Remuneration

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 Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Total remuneration to senior executives may comprise a fixed salary, variable salary in the form of short-term incentives (STIs) based on annual performance targets, long-term incentives (LTIs) based on performance over a multi-year period as well as pension and other benefits. In addition to the aforementioned come the terms for notice of termination and severance pay. Fixed salaries should be set below market averages. However, overall remuneration, including STIs and LTIs, entails that the market average may be exceeded. Total remuneration should be reviewed annually to ensure that it reflects market rates and is competitive. Comparisons should take into consideration the position, the Company's size, the level of salary and the individual's experience.

### Fixed salary

Fixed salary comprises the basis for total remuneration. The fixed salary should relate to the relevant market and reflect the scope of the responsibility entailed by the position.

### Variable salary (Short-Term Incentives "STI")

In addition to fixed salaries, senior executives may receive STIs for performance that surpasses one or more predetermined performance targets during the fiscal year. The performance targets shall be designed so as to contribute to the Company's business strategy, long-term interests and sustainability. Remuneration from the STI program is

limited to a maximum of 100 percent of the fixed salary for the Managing Director and 40 percent of the fixed salary for other senior executives, which means that the Company can immediately calculate the maximum variable remuneration level. STI shall to an extent of at least 40 percent be dependent on EBIT or other quantitative measures. The remaining part of the STI may be dependent on individualized qualitative measures. The maximum cost of the Byggmax Group's STI program is estimated to amount to SEK eleven million (excluding social security contributions). The Board of Directors is responsible for determining the criteria and to assess if the criteria have been met.

#### Long-Term Incentives "LTI"

Senior executives may be offered incentive programs which mainly shall be share-related or share price-related. An incentive program shall be aimed at improving the participants' commitment to the further development of the Company and be implemented on market terms. Share-related and share price-related incentive programs shall be resolved by the General Meeting and are therefore not comprised by these guidelines.

The 2017 Annual General Meeting and the 2019 Annual General Meeting resolved on long-term warranty-based incentive programs for senior executives and other key employees within the Byggmax Group. The incentive programs are described in note 9 of the Annual Report of 2019 which can be found on the Company website ([www.byggmax.com](http://www.byggmax.com)).

#### Pension

Where possible, pension agreements should be premium-based and designed in accordance with the levels and practices applicable in the country where the senior executive is employed. Pension provisions shall be made for senior executives equal to a maximum of 30 percent of the fixed yearly salary, unless mandatory rules or local practices require further pension provisions. The retirement age for the Managing Director and other senior executives is 65.

#### Other benefits

Other benefits, in the form of for example health insurance and car benefit, may be provided in accordance with the conditions that apply in the country where the senior executive is employed. However, the value of all such benefits should be as limited in scope as possible relative to the total remuneration, unless mandatory rules or local practices require further benefits.

#### Notice period and severance pay

Senior executives should be offered terms complying with prevailing legislation and practices in the country of employment of the senior executive. Upon cessation of the employment the notice period may not exceed 12 months. Salary during the notice period and severance payment may not exceed the fixed salary for 12 months. If the notice of termination of employment is made by the senior executive, the notice period may not exceed 6 months and there shall be no right to severance pay. During the notice period, senior executives should be prevented from working in a competing business. In specific cases, a non-compete clause against continued compensation may be applicable for a

period of up to 24 months after termination of the notice period. Such monthly remuneration may not exceed 60 percent of the fixed monthly salary and may be paid only to the extent that the previous senior executive lacks the right to severance pay.

#### Board member's work

If a Board member carries out work on behalf of the Company besides board work, consultancy fees and other remuneration for such work may be paid following a specific decision by the Board. No remuneration shall be paid for board work apart from the remuneration resolved by the General Meeting.

#### Derogation from the guidelines

The Board may 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. If the Board resolves to derogate from the guidelines for the remuneration of the Board members and Company Management, this shall be accounted for at the next Annual General Meeting.

#### *Item 16 – Resolution regarding authorization of the Board of Directors to issue new shares, warrants and/or convertible instruments*

The Board of Directors proposes it be authorized to, with or without deviation from shareholders' preferential rights and on one or several occasions during the period until the next Annual General Meeting, resolve to increase the Company's share capital by issuing new shares, warrants or convertible instruments. The number of shares that such issues may comprise may be equivalent to a maximum of ten percent of the share capital of the Company at the time of the Annual General Meeting 2020.

Any issues with deviation from shareholders' preferential rights shall be conducted under market conditions, subject to issue discounts in line with market practice, and payment may, apart from payment in cash, be made in kind or by set-off or otherwise be coupled with conditions pursuant to the Swedish Companies Act.

Other conditions for issues pursuant to this authorization, including to whom an issue is directed, shall be left for the discretion of the Board of Directors. The purpose of the authorization and the reasons for any deviation from shareholders' preferential rights is to finance acquisitions or otherwise to capitalize the Company in a time- and cost-effective way.

The Managing Director, or any person appointed by the Board of Directors, shall be authorized to make minor amendments to the Annual General Meeting's resolution and to take those measures that are required in connection with the registration of the resolution.

A resolution in accordance with this item is valid only where supported by shareholders holding not less than two thirds of both the votes cast and the shares represented at the General Meeting.

#### *Item 17 – Resolution regarding authorization of the Board of Directors to resolve on acquisitions and transfers of own shares*

The Board of Directors proposes it be authorized to, on one or several occasions during the period until the next Annual General Meeting, resolve on acquisitions of own shares

as follows:

1. Acquisition may take place provided that the Company's holding does not at any time exceed 5 percent of all shares in the Company.
2. Acquisition may take place on Nasdaq Stockholm.
3. Acquisitions on Nasdaq Stockholm may only occur at a price per share within the price interval registered at any given time, i.e. the interval between the highest bid price and the lowest selling price.
4. Payment for the shares shall be made in cash.

The Board further proposes it be authorized to, on one or several occasions during the period until the next Annual General Meeting, resolve on transfer of the Company's own shares as follows:

1. All treasury shares held by the Company at any given time may be transferred.
2. Transfer of own shares shall be made either on Nasdaq Stockholm or in another manner with deviation from shareholders' preferential rights.
3. Transfer of shares on Nasdaq Stockholm may only occur at a price per share within the price interval registered at any given time, i.e. the interval between the highest bid price and the lowest selling price. Transfer of own shares in another manner shall be conducted under market conditions, subject to issue discounts in line with market practice.
4. Payment for transferred shares may, apart from payment in cash, be made in kind or by set-off.

The purpose of the authorization to acquire and transfer own shares is to provide the Board of Directors with greater freedom of action in relation to the Company's capital structure, and to make it possible for the Company to finance acquisitions with own shares. The possibility to deviate from the shareholders' preferential rights when transferring own shares is motivated by the fact that a transfer of shares on Nasdaq Stockholm, or otherwise with the deviation from the shareholders' preferential rights, can be done more rapidly and more cost efficient than by a transfer to the shareholders. If the Company's own shares are transferred against compensation in any other form than cash in connection with an acquisition, the Company cannot provide the shareholders the opportunity to exercise their preferential rights.

A resolution in accordance with this item is valid only where supported by shareholders holding not less than two thirds of both the votes cast and the shares represented at the General Meeting.

### **Information concerning the Annual General Meeting**

The Board of Directors and the Managing Director must, if a shareholder so requests and the Board of Directors considers it possible without this resulting in material damage to the Company, provide information concerning conditions that could influence the assessment of an item on the agenda, conditions that could influence assessments of the financial condition of the Company or subsidiaries and the Company's relationship to other Group Companies.

### **Documentation for the Annual General Meeting**

The financial statements and auditors' report, the auditors' opinion on the application of guidelines for the remuneration of senior executives, a complete set of proposals for the

resolutions, and, where applicable, reasoned opinions as well as other documents pursuant to the Swedish Companies Act will be available from the Company at Armégatan 40 in Solna, Sweden, and on the Company's website, [www.byggmax.com](http://www.byggmax.com), not later than three weeks before the Annual General Meeting, that is, not later than April 15, 2020. Copies of the documents are sent to shareholders who have requested this and provided their postal address free of charge. The documents will also be available at the Annual General Meeting.

### **Processing of personal data**

For information regarding the processing of your personal data in connection with the Annual General Meeting, please refer to the privacy policy available on [www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf](http://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf).

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Stockholm, April 2020

**Byggmax Group AB (publ)**

*The Board of Directors*