

# Notice of Annual General Meeting of Projektengagemang Sweden AB (publ)

Welcome to the Annual General Meeting (AGM) of Projektengagemang Sweden AB (publ), corporate identity number 556330-2602, ("Projektengagemang" or "the Company") Tuesday, May 21, 2019 at 16.00 p.m. at Helio Kungsholmen (facility Guldspaden), Rålambsvägen 17 in Stockholm. Registration to the AGM will open at 15.00 p.m.

## Participation

A shareholder wishing to attend must:

- be recorded as a shareholder in the shareholder register maintained by Euroclear Sweden AB the Wednesday, May 15, 2019, and
- give notice of attendance to the Company no later than Wednesday, May 15, 2019.

Notice of attendance may be given in writing to Projektengagemang Sweden AB, Box 47146, 100 74 Stockholm, or via e-mail to [ir@pe.se](mailto:ir@pe.se), or by telephone 072 715 06 50. When giving notice of attendance, please state name/company name, personal identity number/corporate identity number, address, telephone number, and the number of accompanying persons, if any.

Shareholders whose shares are held in trust in the name of a nominee must, in addition to giving notice of attendance, temporarily register their shares in their own names in the shareholder register (so-called voting rights registration) in order to be able to participate at the meeting. Such registration must be executed by Wednesday, May 15, 2019 and should be requested at the bank or trustee well in advance of this date.

Shareholders who participate via proxy or representative should send authorization documents (power of attorney/and or certificate of registration) to the Company at the address above well in advance of the meeting. Proxy forms are available on Projektengagemang's website, [www.projektengagemang.se](http://www.projektengagemang.se).

For information about the Company's processing of personal data and your rights, please see [https://www.projektengagemang.se/sites/default/files/sites/default/files/projektengagemang\\_-\\_policy\\_for\\_processing\\_of\\_shareholders\\_personal\\_data.pdf](https://www.projektengagemang.se/sites/default/files/sites/default/files/projektengagemang_-_policy_for_processing_of_shareholders_personal_data.pdf).

## Proposed agenda

1. Opening the meeting
2. Election of an AGM chair
3. Preparation and approval of voting register
4. Approval of the agenda
5. Election of one or two persons to check the minutes of the meeting
6. Determination of whether the meeting has been duly convened
7. CEO's address
8. Presentation of the annual report and auditor's report, the consolidated financial statements and the auditor's report on the consolidated financial statements, and the auditor's statement on whether the guidelines for remuneration of senior executives have been followed
9. Resolution on adoption of the income statement and balance sheet and of the consolidated income statement and consolidated balance sheet
10. Resolution on appropriation of the Company's profit in accordance with the adopted balance sheet

11. Resolution on discharge of the directors and CEO from liability
12. Resolution on the number of directors to be elected by the meeting and the numbers of Election of auditors and any deputy auditors
13. Resolution on directors' and auditor's fees
14. Election of directors and the Chairman of the Board
15. Election of auditors and any deputy auditors
16. Resolution on guidelines for remuneration of senior executives
17. Resolutions on (A) implementation of performance-based Share Savings Scheme 2019 (B) authorization of the Board to decide on acquisition and transfers of Class B shares in the Company and (C) resolution on transfer of Class B shares in the Company.
18. Resolution on authorization for the Board of Directors to decide on new issues of shares of Class B
19. Closing of the meeting

## **Proposed resolutions**

### **Item 2 – AGM chair**

Nomination Committee of Projektengagemang ahead of the 2019 AGM consists of Pontus Mattsson, Chairman of the Nomination Committee, (Projektengagemang Holding i Stockholm AB), Annika Andersson, (Swedbank Robur fonder), Tim Floderus (Investment AB Öresund) and Gunnar Grönkvist, (Chairman of the Board).

The Nomination Committee proposes Chairman of the Board Gunnar Grönkvist for election as AGM chair.

### **Item 10 – Dividend**

The Board of Directors recommends that the 2019 AGM resolve that dividend shall be paid with SEK 1,00 per share and that the record date for payment of the dividend shall be Thursday, 23 May 2019. Given the proposed record date, dividends are expected to be paid out via Euroclear Sweden AB on Tuesday, 28 May 2019. The last day for trading in the Company's stock including the right to the dividend is Tuesday, 21 May 2019.

### **Item 12 – Number of directors and auditors**

The Nomination Committee proposes that:

- the Board of Directors shall have six directors (a decrease with one director), and
- the Company shall have a chartered accounting firm as its auditor and no deputy auditor (unchanged).

### **Item 13 – Directors' and auditors' fees**

The Nomination Committee proposes that the following fees be paid to the Company's directors and auditors:

- SEK 350 000 to the Chairman of the Board (unchanged) and SEK 175 000 to each of the other directors elected by a general meeting (unchanged),
- in addition to directors' fees, SEK 80 000 to the chairman of the audit committee and SEK 40 000 to each of the other members of the audit committee (unchanged) and SEK 40 000 to the chairman of the Compensation Committee and SEK 20 000 to each of the other members in the Compensation Committee (unchanged),
- that the auditor's fees shall be paid in accordance with approved invoice.

### **Item 14 – Election of directors and the Chairman of the Board**

The Nomination Committee proposes:

- re-election of Lars-Erik Blom, Britta Dalunde, Øystein Engebretsen, Per Göransson, Carina Malmgren-Heander och Per-Arne Gustavsson as directors, and
- election of Per-Arne Gustavsson as the Chairman of the Board.

Gunnar Grönkvist has declined re-election.

Information on the persons proposed by the Nomination Committee as directors is available on Projektengagemang's website, [www.projektengagemang.se](http://www.projektengagemang.se).

#### **Item 15 – Election of auditor**

The Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, re-election of the accounting firm PricewaterhouseCoopers AB as auditor for the period until the end of the 2020 AGM. PricewaterhouseCoopers has notified the Company that Camilla Samuelsson will be appointed as chief auditor if the AGM resolves in favor of the proposal.

#### **Item 16 – Guidelines for remuneration of senior executives**

The Board of Directors for Projektengagemang proposes that the 2019 AGM decides to adopt the following guidelines for remuneration of senior executives for the time until the 2020 AGM.

The proposal is mainly in accordance with the guidelines adopted at the AGM 2018.

The guidelines cover the president ("CEO") and the other members of the group management (currently 9 persons), and individual board members in the Company, to the extent employment or consulting agreements with them are concluded. Only remuneration according to agreements concluded or changed after the guidelines have been approved by the AGM are covered.

The compensation to the group management may include fixed base salary, variable salary, long-term incentive programme, pension and other benefits. The combined compensation must be in line with the going rate in the market and be competitive and give the Company the possibility to recruit and retain senior executives in the Company needs to achieve its long-term and short-term targets.

##### Fixed base salary

The fixed based salary for the CEO and other senior executives shall reflect the requirements and the responsibility the work implies, as well as the senior executives' individual achievements. The fixed base salary for the CEO and other senior executives is revised annually.

To the extent the directors performing other work for the Company or other companies in the group, consultancy fees and / or other remuneration for such work may be paid.

##### Variable salary

Variable cash salary shall depend on the fulfilment of defined and measurable criteria and be limited to maximum 50% of the annual fixed based salary for the CEO and CFO and 50% of other members in the group management. The stated criteria are intended to promote the fulfilment of the Company's/the group's short- and long-term targets, long-term development, value creation and financial growth, and must be designed so that they do not encourage excessive risk-taking.

The cost of the group's management's variable cash salary may at the most, at the attainment of all profit targets, be estimated to amount approximately SEK 6 million (excluding social security contributions). The calculation is based on the groups management's current composition.

The terms for variable salary should be designed so that the board of directors is allowed to limit or omit payment of variable salary if exceptional economic conditions prevail and such a measure is considered reasonable. The annual fixed based salary means fixed based, earned during the year, cash salary, excluding pension, supplements, benefits and similar.

#### Long-term incentive programme

The targets with the long-term incentive programme shall be to create a long-term commitment in the Company, to attract and retain appropriate senior executives and other key persons and to achieve an increased interest community between the participants and the shareholders.

To the extent that long-term incentive programs are adopted, they shall constitute a supplement to fixed based salary and variable salary for the senior executives who, through their expertise and their performance, contribute to a particularly high degree to the Company's/Group's performance-related goal achievement. Any share or share price related incentive programs must have a qualifying period of at least three years.

The Board of Directors has recommended that the 2019 AGM resolve in favour of long-term share-based incentive programme (Share Savings Scheme 2019). Further information about Share Savings Scheme 2019 is provided under point 17 in the agenda.

#### Pension

Pension benefits shall be defined contribution. For senior executives outside Sweden, pension benefits may vary due to legislation or local market practice.

#### Other benefits and remuneration

Fixed based salary during the notice period and severance pay, including compensation for any restriction on competition, shall not exceed an amount corresponding to the fixed salary for two years for the CEO and 12 months for other members of the Group management.

Other remuneration may consist of other customary and market-related benefits, such as healthcare insurance, which shall not constitute a significant part of the total remuneration.

In addition, additional compensation under extraordinary circumstances may, on a case-by-case basis, be decided upon by the board of directors, to promote the recruitment or prevent the loss of senior executives. Such extraordinary arrangements may include, for example, a one-time cash payment.

#### Departures from the guidelines

The board of directors shall have the right to deviate from the guidelines adopted by the General Meeting, if there are special reasons for this in an individual case.

#### Other

For further information on remuneration, see note 6 in the annual report.

### **Item 17 – Resolutions on (A) implementation of performance-based share savings scheme 2019 (B) authorization of the Board to decide on acquisition and transfers of Class B shares in the Company and (C) resolution on transfer of Class B shares in the Company**

#### **Background**

Projektengagemang Sweden AB (the "Company") continued growth and profitability depend, among other things, on the Company's ability to retain and recruit key employees. The Board of Directors considers that by introducing a long-term share-based incentive program, it is possible to further motivate the Company's key employees and strengthen the Company's ability to retain and recruit key employees. The Board also believes that it is important and in the interests of the shareholders that key employees in the group have a long-term interest in a good value development of shares in the Company. Against this background, the Board therefore proposes that the Annual General Meeting of the Company resolves to implement a performance-based share savings scheme for senior executives and other key employees in the Group ("Share Savings Scheme 2019") according to section A below.

The Board of Directors further proposes that the Board be authorized to acquire a maximum of 331,180 Class B shares in the Company in order to enable the implementation of the Share Savings Scheme 2019

and to transfer Class B shares in the Company on Nasdaq Stockholm to cover costs (including social security costs) and delivery connected with the implementation of the Company's Share Savings Scheme 2019.

The Board of Directors also proposes that the Company shall transfer a maximum of 252,000 Class B shares in the Company to participants in the Share Savings Scheme 2019.

It is the Board's intention to propose the Annual General Meeting 2020 to establish a long-term incentive program according to the corresponding principles that apply to the now proposed Share Savings Scheme 2019.

**(A) Implementation of performance based Share Savings Scheme 2019**

The Board of Directors proposes that the Annual General Meeting of the Company decide on the implementation of a Share Savings Scheme 2019, comprising a maximum of 252,000 Class B shares in the Company under the following main conditions:

Approximately 30 senior executives and other key employees in the group will be offered participation in the Share Savings Scheme 2019.

Participation in the Share Savings Scheme 2019 requires that participants with their own funds invest in Class B shares in the Company ("Savings Shares") at market price on Nasdaq Stockholm for an amount corresponding to a maximum of 4.2% to 12.5% of the respective participant's annual fixed base salary for 2019 ("Basic Salary") divided the volume-weighted average price paid for the Company's Class B share on Nasdaq Stockholm for a period of ten trading days immediately following the 2019 Annual General Meeting. The investment must be made no later than 31 July 2019, unless the Board of Directors decides to postpone this date due to the fact that the participant is prevented from acquiring shares. If the Savings Shares are retained during the three-year vesting period, which runs from 1 August 2019 (the "Vesting Period") and, with certain limited exceptions, that the participant remains employed by the group during the entire Vesting Period, then each Savings Share entitles to receive, free of charge, one Class B share in the Company ("Matching Share") provided that the total return of the share ("TSR")<sup>1</sup> is positive during the Vesting Period, and – provided that the performance requirements stated below are met – another maximum of one to four Class B shares in the Company ("Performance Shares") as according to the following:

- The CEO and CFO (two persons) may acquire Savings Shares for an amount corresponding to a maximum of 12.5% of their respective Basic Salary and may receive a maximum of four Performance Shares for each held Savings Share.
- Other members of Group Management (eight persons) may acquire Savings Shares for an amount corresponding to a maximum of 8.3% of their respective Basic Salary and may receive a maximum of three Performance Shares for each held Savings Share.
- Business area managers (10 persons) may acquire Savings Shares for an amount corresponding to a maximum of 4.2% of their respective Basic Salary and may receive a maximum of two Performance Shares for each held Savings Share.
- Key personnel in staff function (10 persons) may acquire Savings Shares for an amount corresponding to a maximum of 4.2% of their respective Basic Salary and may receive a maximum of one Performance Share for each held savings Share.

The allocation of Performance Shares is dependent on TSR during the a one-year period from 1 August 2019 as follows:

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<sup>1</sup> Total Shareholder Return, i.e. share price development including dividends. When calculating, the TSR development shall be based on a comparison of the volume-weighted average price paid for the Company's Class B share on Nasdaq Stockholm for a period of 10 trading days immediately before the period commences or expires respectively.

TSR during the a one-year period from 1 August 2019	Percentage of number of Performance Shares allocated
≥17.5%	100%
>15% & <17.5%	Pro rata
15%	75%
>12.5 & <15%	Pro rata
12.5%	50%
<12.5%	0%

Any allocation of Matching- and Performance Shares shall normally be made no later than 30 days after the end of the Vesting Period.

The right to Matching- and Performance Shares cannot be transferred or pledged.

Participants will not be compensated for dividends paid on shares to which Matching and Performance Shares entitle.

In the event of a change of control of the Company, allotment takes place with a reduced number of Matching- and Performance Shares on basis of a factor equal to the number of days that remained of the Vesting Period at the time of Change in Control.

The number of Matching- and Performance Shares may be recalculated in the event of a bonus issue, share split, reverse share split, preferential rights issue and/or similar events.

Before the allotment of Matching- and Performance Shares is finally determined, the Board of Directors shall assess whether the allocation is reasonable in relation to the Company's financial results and position, conditions in the stock market and other circumstances. If the Board considers that this is not the case, the Board shall reduce the number of Matching- and Performance Shares to be allocated to the lower number of shares that the Board deems appropriate.

Participation in the Share Savings Scheme 2019 presupposes that such participation can legally take place, and that such participation can, according to the Board of Directors' assessment, take place with reasonable administrative costs and financial contributions.

The Board of Directors shall be responsible for the detailed design and management of the Share Savings Scheme 2019 within the framework of the above-mentioned main conditions and also have the right to make the minor adjustments to these terms and conditions that may be called upon as a result of legal or administrative circumstances. The Board of Directors shall in addition have the right to make adjustments and deviations from the conditions due to local regulations and applicable market practice.

#### Scope and costs for Share Savings Scheme 2019

The maximum number of Class B shares in the Company that can be allocated according to the Share Savings Scheme 2019 shall be limited to 252,000 shares, which corresponds to approximately 1 percent of all shares and approximately 0.3 percent of all votes in the Company. The number of Class B shares may be subject to recalculation in the event of a bonus issue, share split, reverse share split, preferential rights issue and/or similar events. Including the 79,180 Class B shares that can be transferred to secure, from a cash flow perspective, certain payments, mainly social security contributions, related to the Share Savings Program 2019, the program comprises a maximum of 331,180 Class B shares, which corresponds to approximately 1.3 per cent of all shares and approximately 0.4 per cent of all votes in the Company.

The Share Savings Scheme 2019 will result in the value of Matching- and Performance Shares being recorded as personnel costs in the income statement over the vesting period in accordance with IFRS 2 Share-based Payments. Social contributions will be expensed against the income statement according to UFR 7 during the vesting period. The size of these costs will be calculated based on the Company's share

price development during the vesting period and the allocation of Matching- and Performance Shares. Based on a share price at the final allocation of 48.70 SEK, that the maximum allocation of Matching- and Performance Shares takes place, an estimated staff turnover of 0 percent per year and that all participants make an investment up to the maximum amount and expected dividend during the period, the total cost is estimated to MSEK 12.3 excluding social security charges. The costs for outgoing social contributions, assuming an annual share price increase of 17.5 per cent up to the time of allocation, are estimated to amount to a maximum of approximately MSEK 3.9. The costs should be seen in relation to the Company's total costs for salaries and remuneration, which for 2019 are estimated to amount to MSEK 822.7 including social security contributions. Based on the above assumptions the costs for the Share Savings Scheme 2019, including social security contributions, amounts to approximately 2.0 percent of the company's total costs for salaries and remuneration.

#### Hedging measures

In order to implement the Share Savings Scheme 2019, the Board of Directors proposes that the Annual General Meeting resolves to authorize the Board to acquire and transfer Class B shares in the Company and decide on the transfer of Class B shares in the Company in order to ensure the Company's obligation to deliver Class B shares to participants in the program and secure the cash flow of certain payments related to the Share Savings Scheme 2019 (mainly social security contributions). Detailed terms for the Board's proposal are set out in points B and C below.

As an alternative to the measures in points B and C below, the Company may, if deemed appropriate by the Board of Director's, enter into one or more so-called stock swap agreements on market terms with third parties to secure the financial exposure that Share Savings Program 2019 is expected to entail, whereby the third party in its own name shall be able to acquire and transfer shares of series B in the Company in accordance with the Share Savings Scheme 2019.

#### Preparation of the proposal

The Share Savings Scheme 2019 has been prepared by the Remuneration Committee in consultation with the Board of Directors. The proposal has been adopted by the Board of Directors.

#### Other share-related incentive programs in the Company

There are no outstanding share-related incentive programs in the Company.

#### **(B) Authorizing for the board of directors to resolve on acquisitions and transfer of Class B shares in the Company and (C) resolution of transfer of own Class B shares in the Company**

The Board of Directors' proposal for authorization to resolve on the acquisition and transfer of Class B shares in the Company and resolution on the transfer of Class B shares in the Company are conditional on the Annual General Meeting first having resolved on the Share Savings Scheme 2019 in accordance with section A above.

#### **B) Authorizing the board to resolve on acquisitions and transfer of Class B shares in the Company**

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, during the period up until the next Annual General Meeting, on one or more occasions, to resolve to execute the acquisition of Class B shares in the Company as follows:

- Acquisitions may be made of a maximum of 331,180 Class B shares.
- Acquisition of Class B shares shall take place on Nasdaq Stockholm and at a price per Class B share at each time within the registered price interval, whereby the interval is between the current applicable highest bid price and the lowest selling price.
- Payment for Class B Shares shall be paid in cash.
- Purchase may be made in order to secure the Company's undertakings (including social costs) in connection with the Share Savings Scheme 2019.

The Board of Directors further proposes that the Annual General Meeting authorizes the Board, during the period up until to the next Annual General Meeting, on one or more occasions, to decide to transfer a maximum of 79,180 Class B shares in the Company to enable hedging of costs (including social security costs) and delivery in connection with the implementation of the Company's Share Savings Scheme 2019.

Transfer of Class B shares shall take place on Nasdaq Stockholm and at a price per share of Class B at each time within the registered price interval, whereby the interval is between the current applicable highest bid price and the lowest selling price. Transfer of shares may also take place outside Nasdaq Stockholm to a bank or other financial institution, with deviation from the shareholders' preferential rights. Such transfer may take place at a price corresponding to the market price at the time of the transfer, with such market deviation as the Board finds appropriate. The number of Class B shares that may be transferred according to this authorization may be recalculated as a result of an intermediate bonus issue, split, rights issue and/or other similar events.

**(C) Resolution on transfer of own Class B shares in the Company**

To be able to deliver Matching and Performance Shares in accordance with the Share Savings Scheme 2019, the Board of Directors proposes that the Annual General Meeting resolves on the transfer of Class B shares in the Company as follows.

- A maximum of 252,000 Class B shares in the Company may be transferred (or the higher number of Class B shares that may result from recalculation as a result of bonus issue, split, rights issue and/or other similar events).
- Class B shares may be transferred to participants in the Share Savings Scheme 2019 which, according to the terms of the Share Savings Scheme 2019, are entitled to receive Class B shares.
- Transfer of Class B shares shall take place at the time and according to the conditions that participants in the Share Savings Scheme 2019 are entitled to receive allotment of Class B shares.

The reason for the deviation from the shareholders' preferential rights is that the transfer of Class B shares constitutes a part of the implementation of the Share Savings Scheme 2019. Therefore, the Board of Directors considers it an advantage for the Company to transfer Class B shares according to the proposal.

**Majority requirements**

The Board's proposal for the introduction of a performance-based Share Savings Scheme 2019 in accordance with section A above requires that more than half of the votes cast at the Annual General Meeting approve the proposal.

The Board of Director's proposal to authorize the Board to acquire and transfer Class B shares in the Company in accordance with section B above requires that at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting approve the proposal.

The Board of Director's proposal for the transfer of Class B shares in the Company according to section C above requires that at least nine tenths of both the votes cast and the shares represented at the Annual General Meeting approve the proposal.

**Item 18 – Authorization of the Board of Directors to decide on new issues of Class B shares**

The Board of Directors proposes that the AGM resolve in favor of authorizing the Board of Directors to, with or without deviation from the shareholders' preferential right to, on one or more occasions during the time until the next AGM, decide on new issues of Class B shares in the Company. The authorization includes shares of Class B corresponding to a maximum of ten (10) percent of the total number of issued Class B shares in the Company. The newly issued shares shall be eligible for subscription in cash, in kind, with right of set-off or under conditions referred to in chapter 2 section 5 of the Companies Act.

The reason for deviation from the pre-emption right is that the Company shall be able to issue shares as liquidity in connection with agreements on company acquisitions, or to acquire capital for such acquisitions. The issue price shall be determined in accordance with prevailing market conditions.

The board of directors, the CEO or anyone appointed by them shall have the right to make minor adjustments to the above-mentioned decisions which may prove necessary in connection with registration with the Swedish Companies Registration Office.



Resolution under this item is valid only if supported by shareholders with at least two thirds of both the votes cast and the shares represented at the meeting.

### **Shares and votes**

The total number of shares in the Company on the day this notice was issued was 24 555 677, of which 5 496 000 shares of Class A with 10 votes each, and 19 059 677 shares of Class B with one vote each, corresponding to a total of 74 019 677 votes. The Company holds no own shares.

### **Disclosures at the Annual General Meeting**

The Board of Directors and the CEO shall, if any shareholder requests and if the Board of Directors is of the opinion that it can be done without causing material harm to the Company, provide disclosures about conditions that may influence an assessment of an item of business on the agenda, conditions that may influence an assessment of the Company's or a subsidiary's financial situation, and the Company's relationship to other Group companies.

### **Documents**

The Board of Directors' and Nomination Committee's proposals and other documents that are to be kept on hand pursuant to the Swedish Companies Act and the Swedish Corporate Governance Code will be available from the Company, at Årstaängsvägen 11, 100 74 Stockholm, and on the Company's website, [www.projektengagemang.se](http://www.projektengagemang.se), not later than three weeks before the AGM and will be sent upon request to shareholders who have provided their postal address.

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Stockholm, April 2019  
Projektengagemang Sweden AB (publ)  
*The Board of Directors*

*This is a translation of the Swedish original wording. In case of discrepancies, the Swedish version shall prevail.*