



# PRESS RELEASE

Stockholm 19 April 2018

## Invitations to shareholders of CLX Communications AB (publ) to attend the annual general meeting

### **Stockholm, Sweden – CLX Communications AB (publ) - XSTO: CLX**

The shareholders of CLX Communications AB (publ) (“CLX” or the “Company”) are hereby summoned to the annual general meeting (the “Meeting”) on Friday 18 May 2018 at 2.00 p.m. CET in the meeting venue Horn, Lindhagen mat & möten, Lindhagensgatan 126, Stockholm.

Registration of participation at the meeting will be terminated at the opening of the meeting. The premises will open at 1.30 p.m. CET.

### **Right to attend the meeting**

Shareholders who wish to attend the meeting must be registered in the share register kept by Euroclear Sweden AB on Saturday 12 May 2018 (since the record date is a Saturday, shareholders must be entered into the share register kept by Euroclear Sweden AB on Friday 11 May 2018).

Shareholders must also notify CLX of their intention to participate by mail to CLX Communications AB (publ), Att: Årsstämma, Lindhagensgatan 74, SE-112 18, Stockholm, or by e-mail to [agm2018@clxcommunications.com](mailto:agm2018@clxcommunications.com), at the latest on Monday 14 May 2018.

The notification should include the shareholder’s name, personal identification number/corporate registration number, address and daytime telephone number.

The complete notice of annual general meeting follows.

### **For further information please contact**

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### **About CLX Communications**

CLX Communications (CLX) is a leading global provider of cloud-based communication services and solutions to enterprises and mobile operators. CLX’s mobile communication services enable companies to quickly, securely and cost-effectively communicate globally with customers and connected devices – Internet of Things (IoT). CLX’s solutions enable business-critical communications worldwide via mobile messaging services (SMS), voice services and mobile connectivity services for the IoT. CLX has grown profitably since the company was founded. The Group is headquartered in Stockholm, Sweden, and has presence in a further 20 countries.

CLX Communications’ shares are traded at NASDAQ Stockholm - XSTO: CLX.



To learn more please visit: [www.clxcommunications.com](http://www.clxcommunications.com)

**Important information**

This communication may contain certain forward-looking statements. Such statements are all statements that do not relate to historical facts and include expressions such as "believe", "estimate", "anticipate", "expect", "assume", "predict", "intend", "may", "presuppose", "should" or similar. The forward-looking statements in this release are based on various estimates and assumptions that in several cases are based on additional assumptions. Although CLX believes these assumptions were reasonable when made, such forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that are difficult or impossible to predict and that are beyond CLX's control. Such risks, uncertainties and important factors could cause the actual results to differ materially from the results expressly or implicitly indicated in this communication through the forward-looking statements. The information, perceptions and the forward-looking statements in this release apply only as of the date of this release and may change without notice.

Disclaimer: Every care has been taken in the translation of this press release. In the event of discrepancies, however, the Swedish original will supersede the English translation.



## **Notice to annual general meeting in CLX Communications AB (publ)**

The shareholders of CLX Communications AB (publ) ("CLX" or the "Company") are hereby summoned to the annual general meeting on Friday 18 May 2018 at 2.00 p.m. in the meeting venue Horn, Lindhagen mat & möten, Lindhagensgatan 126, Stockholm.

Registration of participation at the meeting will be terminated at the opening of the meeting. The premises will open at 1.30 p.m.

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### **Nominee-registered shares**

Shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own name in the share register maintained by Euroclear Sweden AB in order to be entitled to attend the meeting. Such registration must be effected no later than Friday 11 May 2018. Shareholders must therefore instruct their nominees well in advance thereof.

### **Proxy**

Shareholders represented by proxy must issue a written, dated power of attorney. If the power of attorney is issued by a legal entity, a certified copy of the certificate of registration for that entity or equivalent certificate of authority must be enclosed with the power of attorney. The power of attorney is valid for one year, or, if explicitly stated, up to five years from its issuance. The original power of attorney and certificate of registration or equivalent certificate of authority is to be submitted to the Company by mail at the above address well in advance of the meeting. A form of power of attorney is available on the Company's website: [www.clxcommunications.com](http://www.clxcommunications.com).

### **Advisors and use of personal data**

A shareholder or proxy may bring one or two advisors to the meeting.

Personal data obtained from the share register, notice of attendance at the annual general meeting and information on proxies and advisors will be used for registration, preparation of the voting register for the annual general meeting and, when applicable, the minutes of the annual general meeting

## **Proposed agenda**

1. Opening of the meeting
2. Appointment of chairman of the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Determination that the meeting has been duly convened
7. Presentation of the annual report and the auditors' report as well as the consolidated annual report and the auditors' group report
8. Resolution on:
  - (a) adoption of the profit and loss statement and the balance sheet as well as the consolidated profit and loss statement and consolidated balance sheet;
  - (b) appropriation of the Company's profit or loss according to the adopted balance sheet;
  - (c) discharge from liability of the members of the board of directors and the CEO.
9. Resolution on the number of members of the board of directors and deputy members as well as auditors and deputy auditors
10. Resolution on remuneration to the board of directors and the auditors
11. Election of members of the board of directors, chairman of the board of directors and auditors
12. Resolution on the principles for the nomination committee
13. Resolution on guidelines for compensation to senior executives
14. Resolution on authorization for the board of directors to resolve on new issues of shares
15. Resolution on an incentive programme
16. Closing of the meeting

### **Proposal on appointment of chairman of the meeting (item 2)**

The nomination committee of CLX, consisting of Richard Sallanto (who represents Cantaloupe AB), Jonas Fredriksson (who represents Neqst D1 AB), Thomas Wuolikainen (who represents fjärde AP-fonden), Joachim Spetz (who represents Swedbank Robur) and Erik Fröberg (Chairman of the Board of Directors), proposes that the chairman of the board Erik Fröberg is appointed chairman of the meeting.

### **Proposal for the appropriation of the Company's profit or loss according to the adopted balance sheet (item 8 b)**

The board of directors proposes that no dividend is paid for the financial year 2017.

### **Resolution on the number of board members and auditors, remuneration to the board members and auditors and election of the chairman of the board and other board members (items 9 – 11)**

The nomination committee proposes that the board of directors shall consist of six members, elected by the general meeting, with no deputy members and that the Company shall have a registered accounting company as auditor.

The nomination committee proposes that the remuneration shall be paid with SEK 250,000 to each of the members of the board of directors who are not employed by the Company, with SEK 550,000 to the chairman of the board of directors, with SEK 40,000 to each of the members of the audit committee and with SEK 80,000 to the chairman of the audit committee.

The nomination committee notes that the board of directors is contemplating to establish a remuneration committee. If a remuneration committee is established, remuneration shall be paid with SEK 20,000 to each of the members in the remuneration committee and with SEK 40,000 to the chairman of the remuneration committee.

The nomination committee proposes re-election of Erik Fröberg, Kjell Arvidsson, Renée Robinson Strömberg, Johan Stuart and Björn Zethraeus and election of Bridget Cosgrave as new member of the board of directors. It was noted that Charlotta Falvin has declined re-election. The Nomination Committee proposes that Erik Fröberg shall be elected as chairman of the board of directors.

The nomination committee proposes re-election of the registered accounting company Deloitte AB as the Company's auditor and that remuneration to the auditor is paid in accordance with approved invoices.

### **Resolution on the principles for the nomination committee (item 12)**

Save for the date of the share register extract being changed from 30 June to 30 September, no changes to the procedures of the nomination committee are proposed. The following principles are consequently proposed:

The general meeting assigns the chairman of the board of directors to contact the four largest shareholders or owner groups in terms of votes (including both directly registered shareholders and custodian registered shareholders), based on Euroclear Sweden AB's transcription of the share register as of 30 September 2018, of which each will appoint one representative to, in addition to the chairman of the board of directors, constitute the nomination committee until a new nomination committee is appointed by the annual general meeting 2019. If any of the four largest shareholders or owner groups decline to exercise the right to appoint a representative, the fifth largest shareholder or owner group shall be given the opportunity to exercise such right, and so on until the nomination committee consists of five members.

The majority of the members of the nomination committee shall be independent in relation to the Company and the Company's management. At least one of the members of the nomination committee shall be independent in relation to the Company's largest shareholder or group of shareholders, in terms of votes, working together with the administration of the Company. The CEO or any another member of the Company's management must not be a member of the nomination committee. Members of the board of directors may be appointed to the nomination committee but are not to constitute a majority of its members. If more than one member of the board of directors is appointed to the nomination committee, no more than one member may be dependent in relation to the Company's larger shareholders.

The nomination committee appoints the chairman of the committee among themselves. The chairman of the board of directors or any other member of the board of directors may not be appointed chairman of the nomination committee. The composition of the nomination committee must be announced no later than six months prior to the 2019 annual general meeting.

If earlier than two months prior to the annual general meeting, one or more of the shareholders having appointed representatives to the nomination committee is/are no longer among the four largest shareholders, representatives appointed by these shareholders shall resign and the shareholders who then are among the four largest shareholders may appoint their

representatives. Should a member resign from the nomination committee before its work is completed and the nomination committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the four largest shareholders, the largest shareholder in turn, in accordance with the principles above, but based on Euroclear Sweden AB's transcription of the share register as soon as possible after the date the representative left the committee. Changes to the composition of the nomination committee must be announced immediately.

Remuneration shall not be paid to the members of the nomination committee. The Company shall, however, pay any necessary expenses that the nomination committee may incur in its work. The term of office for the nomination committee ends when the composition of the following nomination committee has been announced.

The nomination committee shall present proposals for the following resolutions at the 2019 annual general meeting:

- a) proposal for chairman of the meeting;
- b) proposal for the board of directors;
- c) proposal for chairman of the board of directors;
- d) proposal for auditors;
- e) proposal for remuneration for the board of directors, divided between the chairman and the other members of the board of directors;
- f) proposal for remuneration for the Company's auditors; and
- g) proposal for principles for appointing a nomination committee for the 2020 annual general meeting.

### **Resolution on guidelines for compensation to senior executives (item 13)**

The board of directors proposes the following guidelines for compensation to senior executives. The senior executives' team in the Company currently comprises ten senior executives, including the CEO.

The guidelines shall be applied for employment agreements entered into after the annual general meeting and for changes made to existing employment agreements thereafter.

If there are justifiable reasons, the board of directors may deviate from the below remuneration guidelines for senior executives.

#### **Remuneration**

The remuneration to the CEO and other senior executives is to reflect CLX's need to recruit and motivate qualified employees through a compensation package that is on a fair and competitive level.

The remuneration is to consist of the following components:

- fixed base salary;
- short-term variable pay;
- long-term variable pay;
- pension benefits; and
- other benefits and severance pay.



## **Base salary and variable compensation**

The fixed base salary shall reflect the position, qualifications, experience and individual performance and shall be based on market terms.

Variable pay shall be measured against pre-defined financial performance targets. Non-financial targets may also be used in order to strengthen the focus on delivering on the group's strategic plans. The targets shall be specific, clear, measurable and time bound and be determined by the board of directors.

Variable pay may not exceed 30 percent of the fixed base salary for the CEO and other senior executives.

Long-term variable pay may include share-related incentive programs, see below.

## **Pensions**

The pension contributions for the CEO and other senior executives shall reflect usual market terms, as compared to what is generally applicable to comparable senior executives in other companies and shall normally be based on defined contribution pension plans.

## **Other compensation**

Other benefits shall primarily consist of health insurance and preventive health care. Other benefits may also include commonly accepted benefits in conjunction with employment or the move abroad of a senior executive.

## **Share-related incentive programs**

The board of directors will each year assess whether to propose a long-term share-related incentive program to the general meeting. At an extraordinary general meeting on 5 December 2016 it was resolved to adopt a share-related incentive program (LTI 2016) and the board of directors has proposed that the annual general meeting resolves on a new share-related incentive program (LTI 2018). The purpose of offering share-related incentive programs is to align the interests of the senior executives with those of the Company's shareholders. Individual, long-term ownership among key individuals can be expected to stimulate increased interest in the business and its profitability, increase motivation and affinity with the Company.

## **Termination of employment**

If the Company terminates the CEO's employment, a notice period of no more than six months shall apply, and if the CEO terminates the employment, a notice period of six months shall apply.

Between the Company and the other senior executives, a notice period of 3-6 months shall apply both for the Company and the employee.

## **Resolution on authorization for the board of directors to resolve on new issues of shares (item 14)**

The board of directors proposes that the meeting authorizes the board of directors to, on one or several occasions, until the next annual general meeting, resolve on new issues of shares to be paid in cash or in kind or otherwise on terms and conditions and that such new issue can be performed with deviation from the shareholders' preferential rights. The issues are to be performed on market conditions, taking into account any discount on market terms. The reason for the authorization and the reason for the possible deviation from the shareholders' preferential rights is to enable capital raisings for the acquisition of companies, or parts of companies, and for the operations of the Company. The board of directors is entitled to resolve



on share issues causing an increase of the Company's share capital of at most 10 percent of the Company's registered share capital at the time the board of directors first utilizes the authorization.

## **Proposal on resolution on incentive programme (item 15)**

### **Background and reasons**

The Company has previously implemented a share-based incentive programme. In view of this, the board of directors proposes that the general meeting resolves to implement an additional long-term incentive programme for senior executives and key employees within the CLX group ("LTI 2018"). The proposal to implement an incentive programme have been put forward as the board of directors determines that it is important and in the interest of all shareholders to create even greater participation for current and future key persons and senior executives within the group with regard to the group's development. It is also important to give reason for continued employment.

In the light of the above, the board of directors proposes that the general meeting resolves to implement the incentive programme LTI 2018 in accordance with item 15 (a) – 15 (c) below. The resolutions under item 15 (a) – 15 (c) below are proposed to be conditional upon each other and for that reason it is proposed that all resolutions are to be passed as one resolution. LTI 2018 is proposed to include up approximately 120 current and future senior executives and key employees within the CLX group.

### **Proposal regarding the adoption of LTI 2018 (item 15 (a))**

LTI 2018 comprises six (6) series. Series 1-3 consists of warrants to be transferred to employees. The warrants of Series 1 have a term of three (3) years, the warrants of Series 2 have a term of (4) years and the warrants of Series 3 have a term of five (5) years. For series 1 the holders is entitled to exercise the warrants to subscribe for shares during a period of three (3) months after the expiry of the term and for series 2 and 3 the holder will be entitled to subscribe for shares during a period of three (3) months before the end of each term. Series 4-6 comprises of employee stock options.

The board of directors therefore proposes that the general meeting resolves to issue not more than 1,500,000 warrants, of which not more than 400,000 warrants may be issued in Series 1, not more than 400,000 warrants may be issued in Series 2, not more than 400,000 warrants may be issued in Series 3, not more than 100,000 warrants may be issued in Series 4, not more than 100,000 warrants may be issued in Series 5 and not more than 100,000 warrants may be issued in Series 6. The right to subscribe for the warrants of Series 1-6 shall belong to the wholly-owned subsidiary CLX Communications Holding AB (the "Subsidiary"), which shall transfer the warrants of Series 1-3 to employees of the Company and the group and hold warrants of Series 4-6 to ensure delivery of shares upon exercise of employee stock options in Series 4-6. Each warrant entitles the holder to subscribe for one (1) share in the Company. The warrants shall be issued without consideration to the Subsidiary.

Below is a description of the terms and conditions for each of the options Series 1-3 and 4-6.

#### **Series 1-3 - Warrants**

The Subsidiary will transfer the warrants in Series 1-3 to participants at a price corresponding to the market value of the warrant (the warrant premium).

Each warrant of Series 1-3 entitles the holder to subscribe for one (1) share in the Company during each Series call period at an exercise price corresponding to 140 per cent of the volume-weighted average price for the Company's share on Nasdaq Stockholm during the period commencing on 19 February 2018 up to and including 18 May 2018. However, the exercise



price may not be less than the share's quota value of SEK 0.10. Day without price quotation shall not be included in the calculation.

The call periods for exercising the warrants for subscription of shares under each Series are according to the following:

- Series 1: during the period commencing on 22 June 2021 up to and including 22 September 2021,
- Series 2: during the period commencing on 22 March 2022 up to and including 22 June 2022, and
- Series 3: during the period commencing on 22 March 2023 up to and including 22 June 2023.

The issued warrants of Series 1-3 shall, with deviation from the shareholders' preferential rights, be able to be subscribed for by the Subsidiary – a wholly owned subsidiary to the Company – whereafter this company shall offer the warrants to the participants. The transfer of the warrants in Series 1-3 shall be made at a price corresponding to the market value of the warrants (the warrant premium), calculated according to an established method of valuation (the Black & Scholes valuation model). The measurement period for the calculation of the warrant premium using the Black & Scholes valuation model shall commence on 19 February 2018 up to and including 18 May 2018. Notice of acquisition of warrants must take place during the period commencing on 1 June 2018 up to and including 21 June 2018. The board of directors of the Company shall be authorized to extend the period during which notice of acquisition must take place. Warrants shall also be available to future new employees. For acquisitions made by future new employees the terms shall be the same or equal to the terms that are stated in this resolution. This means, inter alia, that such acquisitions shall take place based on the, at that time, going market value and that the board of directors shall set forth an equivalent notice of acquisition period for new employees whose acquisition takes place after the initial notice of acquisition period. The valuation of the warrants shall be made by an independent appraiser or auditor firm. The Company shall in connection with the transfer of the warrants to the participants reserve a pre-emption right regarding the warrants if the participant's employment or assignment within the group is terminated or if the participant wishes to transfer its warrants.

#### ***Series 4-6 – Employee stock options (with warrants as hedging arrangement)***

Each employee stock option entitles the employee to acquire one (1) share in the Company in accordance with the following terms and conditions:

- The employee stock options of Series 4-6 will be granted without consideration;
- The employee stock option of Series 4-6 entitles the holder to acquire one (1) share in the Company at an exercise price corresponding to 140 per cent of the volume-weighted average price for the Company's share on Nasdaq Stockholm during the period commencing on 19 February 2018 up to and including 18 May 2018. However, the exercise price may not be less than the shares quota value of SEK 0.10. Day without quotation price shall not be included in the calculation;
- Further, for U.S. participants, and for UK participants granted tax-qualified stock options, the exercise price may not be less than 100 per cent of the mean between the highest and lowest quoted selling prices for the Company's shares on Nasdaq Stockholm on the trading day immediately preceding the date that the employee stock option is granted;
- The employee stock options of Series 4 entitles the holder to acquire shares during the period commencing on 22 June 2021 up to and including 22 September 2021;

- The employee stock options of Series 5 entitles the holder to acquire shares during the period commencing on 22 March 2022 up to and including 22 June 2022;
- The employee stock options of Series 6 entitles the holder to acquire shares during the period commencing on 22 March 2023 up to and including 22 June 2023;
- The employee stock options may not be transferred or pledged;
- As a general rule, the employee stock options shall only be available to be exercised if the holder is still an employee within the group; and
- Participants from the U.S and UK are only entitled to exercise the underlying stock option if the Company's earnings per share during a measurement period of three (3) years, calculated during the last three (3) years of the duration period for each series of employee stock options, have increased with at least ten (10) per cent per year in average.

***Recalculation due to split, consolidation, new share issue etc.***

The exercise price for Series 1-3 and 4-6, determined as set out above, shall be rounded to the nearest SEK 0.10 whereby SEK 0.05 shall be rounded upwards. The exercise price and the number of shares that each warrant entitles to subscription for shall be recalculated in the event of a split, consolidation, new share issue etc. in accordance with customary recalculation terms. If the warrants of Series 1-6 are completely exercised the Company's share capital will increase with SEK 150,000.

***Allocation of warrants, limitations in the disposition of the warrants and the right to receive warrants and employee stock options***

The participants' right to acquire warrants and employee stock options have been differentiated with reference to position, responsibility and working performance in the group and the participants have for this reason been divided into three different categories:

**Category A** – The managing director of the group

**Category B** – Members of the group management and a number of important key employees

**Category C** – Other participants

The right to receive warrants for employees within Sweden and some of the group's foreign subsidiaries requires that the participant enter into a pre-emption agreement with the Company and that the participant subscribes the same number of warrants in series 1, 2 and 3. Pre-emption shall be made at market value with regard to the Swedish participants and also with regard to the foreign participants, to the extent that it does not cause adverse tax consequences. The warrants are otherwise freely transferable. The right to receive employee stock options shall accrue to senior managers and other key employees within, amongst others, the group's U.S. and UK subsidiaries. The following allocation applies to the grant of options within each category.

	<b>Maximum number of options for each participant</b>	<b>Total number of options within the category</b>
<b>Category A – not more than 1 people</b>	500,000 options	500,000 options
<b>Category B – not more than 20 people</b>	200,000 options	500,000 options
<b>Category C – not more than 100 people</b>	25,000 options	500,000 options

In the event that all options within a category are not transferred after the initial notice of acquisition period, such non-transferred options may be offered to employees in category B and C, primarily to employees in category B and secondarily to employees in category C. The maximum number of options per person, within each category, may not be exceeded for any individual.

The Company's board members and the founders shall not be eligible to participate in LTI 2018.

### **Proposal regarding issue of warrants in Series 1-3 (item 15 (b))**

The board of directors proposes that the Company shall issue not more than 1,200,000 warrants for subscription of shares, whereof not more than 400,000 warrants in Series 1, not more than 400,000 warrants in Series 2 and not more than 400,000 warrants in Series 3, whereby the Company's share capital may be increased by not more than SEK 120,000 at full subscription, corresponding to approximately two point two (2.2) per cent of the total number of shares and the total number of votes in the Company.

The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, only belong to the Subsidiary, with the right and obligation to dispose of the warrants as described above. Each warrant entitles the holder to subscribe for one (1) share in the Company. The warrants will be issued without consideration to the Subsidiary.

In order to fulfil the commitments arising from LTI 2018, the board of directors proposes that the general meeting authorizes that the Subsidiary may assign to a third party or in another way dispose of the warrants in accordance with the above.

### **Proposal regarding issue of warrants in Series 4-6 (item 15 (c))**

The board of directors proposes that the Company shall issue not more than 300,000 warrants for subscription of shares, of which not more than 100,000 warrants may be issued in Series 4, not more than 100,000 warrants may be issued in Series 5 and not more than 100,000 warrants may be issued in Series 6, whereby the Company's share capital may be increased by not more than SEK 30,000, at full subscription corresponding to approximately zero point fifty-five (0,55) per cent of the total number of shares and number of votes in the Company.

The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, only belong to the Subsidiary, with the right and obligation to dispose of the warrants as described above. Each warrant entitles the holder to subscribe for one (1) share in the Company. The warrants shall be issued without compensation to the Subsidiary.

In order to fulfil the commitments arising from LTI 2018, the board of directors proposes that the general meeting authorizes that the Subsidiary may assign to a third party or in another way dispose of the warrants in accordance with above.

### **Costs**

The incentive programme is expected to have a marginal effect on the Company's earnings per share. Given that the warrants of Series 1-3 shall be transferred at a price corresponding to the market value of the warrants, no significant social security costs will arise for the Company in connection with the transfer of warrants to the participants. The market value of the warrants is, in accordance with a preliminary valuation made based on a market value on the underlying share corresponding to SEK 63.50, SEK 6.31, SEK 7.80 and SEK 9.77 per warrant for each of the three different call periods, assuming an exercise price of SEK 88.90 per share. The Black & Scholes valuation model has been used for valuing the warrants, assuming a risk free interest of -0.3, -0.2 and 0.1 per cent and a volatility of 30 per cent.

Costs related to LTI 2018 will be accounted for in accordance with IFRS 2 which stipulates that the employee stock option shall be recorded as a personnel expense in the income statement during the vesting period. The total costs for the employee stock options are expected to amount to approximately SEK 310 000 during the term of the programme.

The total costs, including other expenses for LTI 2018 related to fees to external advisors, valuation, own work and for administration of the programme, are estimated to amount to approximately SEK 1.000.000 during the term of the programme, under the assumption of a share price of SEK 63.50.

### **Effect on important key ratios**

The costs for LTI 2018 amount to approximately 0.03 per cent of the Company's revenue for the financial year 2017.

### **Dilution**

Upon exercise of all warrants in LTI 2018 up to 1,500,000 shares (with reservation for any recalculation), equivalent to approximately two point eight (2.8) per cent of the total number of shares and votes, may be issued. The calculation is based on the maximum number of shares and votes which can be issued divided with the total number of shares and votes after such issue. Upon full exercise of the warrants, the Company's share capital will increase with a maximum of SEK 150,000. Together with outstanding warrants in warrant program LTI 2016 the total dilution is approximately five (5) per cent of the total amount of outstanding shares and votes.

### **Preparation of the proposal**

The proposal to the incentive programme LTI 2018 has been prepared by the board of directors of the Company.

### **The reason for the deviations from the shareholders' preferential rights**

The reason for the deviation from the shareholders' preferential rights is to implement an incentive programme for the senior executives and key employees in the Company and the group.

### **Authorization**

It is further proposed that the board of directors, or a person appointed by the board of directors, is authorized to undertake such minor adjustments in the decision that may be required for the registration with the Swedish Companies Registration Office and Euroclear Sweden AB and that the board of directors shall have the right to undertake such minor adjustments to the incentive programme due to applicable foreign rules and laws.

### **Outstanding programmes**

The Company does have one outstanding warrant program; LTI 2016. An extraordinary general meeting held on 5 December 2016 approved the board's proposal regarding an incentive program for key employees and resolution of share issue of not more than 1,500,000 warrants LTI 2016 and resolution of approving transfer of warrants. At full subscription with support of all warrants, 1,500,000 new shares may be issued which is equivalent to a dilution of three (3) per cent of the total amount of outstanding shares and votes in the Company. 1,205,700 stock options have been subscribed for. No more warrants or personal stock options will be offered out of LTI 2016. The subscription price was set to SEK 127.67 per share.



## **Majority requirements**

The resolution under item 14 above is valid only if the resolution is supported by shareholders representing at least two thirds of the votes cast as well as of the shares represented at the meeting. The resolution under item 15 above is valid only if the resolution is supported by shareholders representing at least nine tenths of the votes cast as well as the shares represented at the meeting.

## **Available documents**

The complete proposals will be made available at the Company's offices, Lindhagensgatan 74, SE-112 18, Stockholm, in accordance with the requirements of the Swedish Companies Act and will be sent to shareholders who so request and who inform the Company of their mailing address. The documents will also be made available on the Company's website: [www.clxcommunications.com](http://www.clxcommunications.com). All documents above will be presented at the meeting.

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

At the meeting, shareholders have the right to information – should the board of directors consider that this can occur without significant damage to the Company – on circumstances that could impact on the evaluation of an item on the agenda and relationships that could impact on the evaluation of the Company's or a subsidiary's financial situation.

## **Other information**

The Company currently has 53,602,089 outstanding shares and votes. The Company holds no treasury shares.

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Stockholm in April 2018  
CLX Communications AB (publ)  
*The board of directors*