

# Notification of the Annual General Meeting of Gunnebo AB (publ)

The Annual General Meeting of Gunnebo AB (publ) will be held at 4 p.m. CET on Wednesday, April 15, 2015, at Chalmers Kårhus, Chalmersplatsen 1, Göteborg, Sweden. Registration starts at 2.30 p.m. CET.

## Participation

In order to be entitled to participate, shareholders who wish to attend the AGM must be recorded in the register of shareholders maintained by Euroclear Sweden AB on Thursday, April 9, 2015, and must notify Gunnebo of their intention to attend the AGM no later than Thursday, April 9, 2015 (preferably before 4 p.m. CET), on the company's website [www.gunnebogroup.com](http://www.gunnebogroup.com), or by telephone: +46 (0)10 209 50 32, or by written notice under address Gunnebo AB, Annual General Meeting, P.O. Box 5181, SE-402 26 Göteborg, Sweden, whereby notification should also be given of the attendance of any assistants.

## Nominee-registered shares

Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must, in order to be entitled to participate in the AGM, register the shares in the shareholder's own name on Thursday, April 9, 2015. Shareholders must inform their nominees well in advance of this date. The registration in the shareholder's own name can be temporary.

## Proxies, etc

Shareholders who are represented by a proxy shall issue a written and dated power of attorney for the proxy. The power of attorney may not be valid for longer than five years from the date of issue. The form to use for a power of attorney is found on the company's website, [www.gunnebogroup.com](http://www.gunnebogroup.com). The original power of attorney should be sent to Gunnebo AB under the above address well in advance of the AGM. If the power of attorney is issued by a legal entity, a verified copy of the certificate of registration or a corresponding document of authority of the legal entity shall be attached.

## Agenda

1. Election of the Chairman of AGM
2. Preparation and approval of voting list
3. Approval of the agenda of the AGM
4. Election of one or two persons to approve the minutes
5. Determination whether the AGM has been properly convened
6. Presentation of the annual report, the consolidated accounts, the Auditor's report and the Auditor's report on the consolidated accounts for the financial year 2014
7. Address by the company's President and CEO
8. Resolutions in respect to
  - a) adoption of the profit and loss statement and balance sheet, the consolidated profit and loss statement and the consolidated balance sheet for the Group
  - b) appropriation of the profit or loss in accordance with the approved balance sheet
  - c) discharge of liability for the members of the Board and Directors and the President
9. Determination of the number of Board members and Deputy members of the Board of Directors
10. Determination of the fees payable to the members of the Board of Directors and to the Auditor
11. Election of the members of the Board of Directors
12. Election of the Chairman of the Board of Directors
13. Appointment of the Nomination Committee
14. Election of Auditor
15. Resolution on approval of the principles for remuneration to senior executives
16. Resolutions on (A) implementation of a long-term share based incentive program for 2015, and (B) hedging activities including resolutions on (1) amendment of the articles of association, (2) authorisation for the Board of Directors to resolve on a directed issue of series C shares (3) authorisation for the Board of Directors to repurchase issued series C shares and (4) transfer of own ordinary shares to participants in LTI 2015
17. Authorisation for the Board of Directors to decide on new share issue
18. Closing of the AGM

## The Nomination Committee's Proposals for Resolutions

**Chairman of the AGM, Number of members of the Board of Directors, fees payable to the Board of Directors, fees payable to the Auditor, election of the members of the Board of Directors, election of the Chairman of the Board of Directors, appointment of the Nomination Committee and election of the Auditor (Items 1, 9 - 14)**

Gunnebo AB's Nomination Committee, which is composed by Dan Sten Olsson, Chairman (Stena Adactum), Nils Olov Jönsson (Vätterledens Invest), Ricard Wennerklint (If Skadeförsäkring), together representing shareholders holding approximately 57% of the shares and votes in the company, and by Martin Svalstedt (Chairman of the Board of Directors), proposes the following.

Item 1: Martin Svalstedt as Chairman of the AGM.

Item 9: Seven ordinary Board members without Deputy members.

Item 10: A total fee to the Board of Directors amounting to SEK 2,000,000, to be divided with SEK 500,000 to the Chairman of the Board of Directors and SEK 250,000 to each of the other Board members elected by the shareholders. The proposal means a total increase of the fees with SEK 250,000 which depends on that it is proposed to extend the Board with one new member. On an individual basis, the proposed fees are unchanged in relation to previous year.

Remuneration for those Board members assigned to the Audit Committee with SEK 50,000 for the Chairman and SEK 30,000 each for other members. Remuneration for those Board members assigned to the Remuneration Committee with SEK 50,000 for the Chairman and SEK 30,000 each for other members. However, no remuneration will be payable to the Chairman of the Board for committee work. The proposed fees are unchanged in relation to previous year.

Auditors' fees to be paid in accordance with approved invoices.

Item 11: Re-election of Tore Bertilsson, Göran Bille, Charlotte Brogren, Bo Dankis, Mikael Jönsson, Martin Svalstedt and election of Eva Elmstedt as a new member of the Board of Directors. A presentation of the nominated Board members is available on the company's website: [www.gunnebo.com](http://www.gunnebo.com).

Item 12: Re-election of Martin Svalstedt as Chairman of the Board of Directors.

Item 13: The Nomination Committee shall consist of the Chairman of the Board of Directors together with one representative of each of the three by voting power largest shareholders at the end of the third quarter of 2015. Should such shareholder not wish to appoint a representative, the fourth largest shareholder by voting power will be invited to do so instead etc.

The Nomination Committee shall appoint its Chairman subject to that the Chairman of the Board of Directors may not be elected Chairman of the Nomination Committee. The constitution of the Nomination Committee shall be made public not later than in connection with the publication of the Company's report for the third quarter 2015. The mandate period of the Nomination Committee runs until the next Nomination Committee has been appointed and its mandate period starts. Should a member of the Nomination Committee resign from the Nomination Committee during the mandate period or become prevented from fulfilling his/hers assignment, the Nomination Committee shall without delay request the shareholder that has appointed the member, to appoint another member to the Nomination Committee. Should the shareholder not appoint another member, the right to appoint another member of the Nomination Committee shall transfer to the subsequent largest shareholder by voting power, provided such shareholder has not already appointed a member of the Nomination Committee or previously waived such right.

The Nomination Committee shall provide to the Annual General Meeting of the Shareholders 2016 proposals for (i) chairman of the Annual General Meeting, (ii) number of members of the Board of Directors and Deputy members to be elected by the shareholders, (iii) chairman of the Board of Directors and other members of the Board of Directors elected by the shareholders, (iv) fees payable to members of the Board of Directors elected by the shareholders and fees payable to members of the Board's committees, (v) fees payable to the Auditor, (vi) procedure for appointing the members of the Nomination Committee and (vii) election of Auditor.

Item 14: Re-election of the registered auditing company Deloitte AB for the period until the end of the Annual General Meeting of the Shareholders 2016.

**The Board of Directors' Proposals for Resolutions**

**Dividend (Item 8 b)**

The Board of Directors propose a dividend to the shareholders of SEK 1 per share and that Friday, April 17, 2015, shall be the record date for receipt of the dividend. Should the AGM decide in favour of the proposal, payment of the dividend is expected to be made by Euroclear Sweden AB on Wednesday, April 22, 2015.

**Principles for remuneration to senior executives (Item 15)**

The Board of Directors proposes that the Annual General Meeting resolves to determine the following principles for remuneration to senior executives.

These principles concern remuneration and other terms of employment for members of the Gunnebo group management team and are valid for employment agreements entered into after the approval of the principles by the Annual General Meeting and for changes to existing employment agreements made thereafter. The proposal is in compliance with the principles of previous years.

Gunnebo shall offer a level of remuneration and other terms of employment which enables the company to recruit and retain senior executives. The overall principles for salary and other remuneration to senior executives are thus that compensation shall be competitive and on market level.

The total remuneration to senior executives shall consist of fixed salary, variable remuneration including long-term incentive programmes, pension and other benefits.

The fixed salary shall take into account the individual's position, competence, areas of responsibility, performance and experience and shall normally be reviewed on an annual basis. The fixed salary shall constitute the basis for the calculation of the variable salary.

The variable salary shall be dependent upon the individual's achievement of specific quantitative financial business objectives and shall not

exceed 50% of the fixed salary.

The Board shall, for each financial year, evaluate whether a share or share-price related incentive programme shall be proposed to the Annual General Meeting or not. It is the Annual General Meeting who decides upon such programmes. The Board has decided to propose to the Annual General Meeting to decide upon an incentive programme in accordance with item 16 on the agenda.

Pension premiums for senior executives resident in Sweden are paid in accordance with a premium based plan. The premiums may, depending on age and salary level, amount to a maximum of 35% of the base salary. Senior executives resident outside Sweden may be offered pension benefits that are competitive in the countries where the senior executives are resident, preferably defined-contribution plans. The retirement age shall be 65.

Additional benefits consist of company car and private health insurance.

For senior executives resident in Sweden, the termination period in case of termination by the company shall be 12 months and 6 months in case of termination by the senior executive. Severance pay is not applied. Senior executives resident outside Sweden may be offered notice periods for termination that are competitive in the countries where the senior executives are resident, preferably notice periods comparable to the notice periods applied to senior executives resident in Sweden.

The Board reserves the right to deviate from these principles if special reasons for such a deviation exist in any individual case.

Remuneration to senior executives already decided which has not become due for payment at the Annual General Meeting 2015 falls within the frames of these principles, except that the CEO is entitled to 12 months' severance pay in case of termination by the company.

In conjunction with the recruitment of a new CEO during 2015, the Board has used the authority decided by the Annual General Meeting to deviate from the principles under certain circumstances. It has thus been agreed that the CEO will be entitled to a severance pay equal to twelve monthly salaries upon termination by the company, that also any variable salary will be counted as pensionable income and that the CEO will be entitled to retire as from 63.5 years of age. The Board assessment is that the above mentioned deviations have been necessary for the recruitment.

No deviations from the principles approved by the Annual General Meeting 2014 have been made except as set out above.

#### **Incentive program 2015 (item 16)**

##### **(A) Implementation of a long-term share based incentive program for 2015**

The Board of Directors proposes that the Annual General Meeting resolves on implementation of a long-term share based incentive program ("LTI 2015") comprising no more than 20 employees including the CEO, the executive management and other key employees within the Gunnebo group (the "**Group**") on the following terms and conditions.

In order to participate in LTI 2015, the participant must make an own investment in Gunnebo shares ("**Saving Shares**") which have to be kept during a three-year vesting period running as from 1 June 2015 until 1 June 2018 (the "**Vesting Period**"). Saving Shares may be acquired by CEO for an investment amount corresponding to no more than 25% of the CEO's gross annual average fixed salary 2015 and by other participants for an investment amount corresponding to no more than 15% of the respective participant's gross annual average fixed salary on 1 January 2015.

Provided that the holding of Saving Shares and the participant's employment within the Group remain until the expiration of the Vesting Period, the participants shall be entitled to, after the expiration of the Vesting Period, allotment of one Gunnebo share free of charge for each Saving Share acquired by the participant ("**Matching Shares**"). Provided that these terms have been met and that certain performance conditions have been achieved, it is furthermore proposed that the participant, after the expiration of the Vesting Period, shall be entitled to additional allotment of no more than four Gunnebo shares free of charge if the participant participates in the program as CEO and no more than three Gunnebo shares free of charge if the participant participates in the program as other participant ("**Performance Shares**").

The performance conditions that have to be achieved for allotment of Performance Shares relate to earning per share (EPS) (the "**Performances Conditions**"). The Performance Conditions are measured based on the outcome of EPS during the period 1 January 2015 –31 December 2017 (the "**Performance Period**").

The Board of Directors proposes that the Remuneration Committee shall be responsible for the design and administration of LTI 2015, and for the detailed terms to be applied between Gunnebo and the participants in the program in accordance with the terms and principles set out in the proposal.

##### **(B) Hedging activities**

In order to secure the undertakings and costs of Gunnebo related to LTI 2015, the Board of Directors further proposes that the articles of association be amended to enable Gunnebo to issue a new, convertible and redeemable series of shares (C shares), that the Board of Directors is authorised to resolve on issue and repurchase of maximum 919,939 series C shares and that the Annual General Meeting resolves on transfer of ordinary shares in Gunnebo ("**Gunnebo Shares**") to the participants in LTI 2015.

##### 1. Amendment of the Articles of Association

To implement the proposed issue, the Board of Directors proposes that the Annual General Meeting resolves to amend § 5 of the articles of association as follows:

###### *"§ 5 Number of shares and share classes*

*The minimum number of shares shall be 40,000,000 and the maximum number shall be 160,000,000.*

*Shares may be issued in two series, ordinary shares and shares of series C. Ordinary shares may be issued in a maximum number corresponding to not more than 100% of the total number of shares in the company and series C shares may be issued in a maximum number corresponding to not more than 1.5% of the total number of shares in the company.*

*Each ordinary share entitles the holder to one vote and each series C share entitles the holder to one-tenth of a vote.*

*Series C shares do not entitle to dividends. Upon the company's liquidation, series C shares carry an equal right to the company's assets as ordinary shares, however not to an amount exceeding up to the quota value of the share.*

*Should the company decide to issue new ordinary shares and series C shares through a cash issue or a set-off issue, owners of ordinary shares and series C shares shall have preferential right to subscribe for new shares of the same series in proportion to their existing shareholdings (primary preferential right). Shares that are not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary subscription). Should the number of shares offered not be enough for subscription through subsidiary preferential right, the said shares shall be apportioned among the subscribers in proportion to their existing shareholdings and, to the extent that this cannot be done, by lottery.*

*Should the company decide through a cash issue or a set-off issue to offer only ordinary shares or series C shares, all shareholders, regardless of whether their shares are ordinary shares or series C shares, shall have right to subscribe for new shares in proportion to their existing shareholdings.*

*The above shall not constitute any restriction on the possibility to decide on a cash issue or a set-off issue, deviating from the preferential rights of the shareholders.*

*What is stated above about the shareholders' preferential rights shall apply mutatis mutandis for new issues of warrants and convertibles not made against contribution in kind.*

*If the share capital is increased through a bonus issue, new shares in each series shall be issued in proportion to the existing number of shares in each series. Old shares in a specific series shall thus carry entitlement to new shares in the same series. The aforesaid shall not constitute any restriction on the possibility to issue new shares of a new series through a bonus issue, following the requisite amendment to the Articles of Association.*

*The board may resolve on reduction of the share capital by redemption of all series C shares. In case of a resolution on redemption, holders of series C shares shall be obliged to redeem all series C shares against a redemption amount corresponding to the share's quota value. Payment of the redemption amount shall be made as soon as possible.*

*Series C shares held by the company itself may, upon request by the board, be reclassified into ordinary shares. Immediately thereafter, the board shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered in the Swedish Register of Companies and the reclassification been noted in the Swedish Central Securities Depository Register."*

#### (2) – (4) Authorisations and transfer of own ordinary shares

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to resolve on a directed issue of redeemable and convertible series C shares in Gunnebo on the following terms and conditions.

1. The maximum number of series C shares to be issued shall amount to 919,939.
2. The authorisation may be exercised on one or several occasions until the annual general meeting 2016.
3. With a deviation from the shareholders' preferential rights, the new shares may be subscribed for only by one external party after arrangement in advance.
4. The amount to be paid for each new share (the subscription price) shall equal the share's quota value at the time of subscription.
5. The new series C shares shall be subject to Chapter 4, Section 6 of the Swedish Companies Act (conversion restriction) and Chapter 20, Section 31 of the Swedish Companies Act (redemption restriction).

Furthermore, the Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to repurchase all issued redeemable and convertible series C shares in Gunnebo on the following terms and conditions.

1. Repurchase may take place by way of an acquisition offer directed to all holders of series C shares in Gunnebo.
2. The authorisation may be exercised on one or several occasions until the annual general meeting 2016.
3. The maximum number of series C shares to be repurchased shall amount to 919,939.
4. Repurchase shall be made at a price per share of minimum 100% and maximum 105% of the quota value applicable at the time of subscription.
5. Payment of repurchased shares shall be made in cash.
6. The Board of Directors shall have the right to resolve on other terms and conditions for the repurchase.
7. Repurchase may also be made of a so-called interim share, by Euroclear Sweden AB designated as a Paid Subscribed Share (Sw. *Betalad Tecknad Aktie (BTA)*), regarding a series C share.

The purpose of the authorisations are to hedge the undertakings of Gunnebo according to LTI 2015 and to, in terms of liquidity, hedge payments of future social security contributions related to Matching and Performance Shares. In order to minimize Gunnebo's costs for LTI 2015, the share price of the issue of series C shares shall equal the share's quota value. The reason for the deviation from the shareholders' preferential rights is that the Board of Directors believes that LTI 2015 will closely align the interests of the executive management and other key employees with those of the shareholders and thus encourage long-term value creation. The purpose of LTI 2015 is also to create a long-term focus on the Group's increase of value among the participants and to facilitate for Gunnebo to recruit and retain members of the executive management and other key employees.

Finally, the Board of Directors proposes that the company's own ordinary shares be transferred to participants in LTI 2015 on the following terms and conditions.

1. A maximum number of 729,053 Gunnebo shares may be transferred free of charge to participants in LTI 2015.

2. With deviation from the shareholders' preferential rights, the right to acquire Gunnebo shares free of charge shall comprise employees in the Group participating in LTI 2015, with a right for each of the participants to acquire the maximum number of shares stipulated in the terms and conditions of LTI 2015.

3. Transfer of Gunnebo shares shall be made free of charge at the time for, and according to the terms for, the allotment of Gunnebo shares to participants in LTI 2015.

4. The number of Gunnebo shares that may be transferred under LTI 2015 shall be recalculated due to any intervening bonus issue, split, preferential issue and/or similar corporate actions.

#### *Scope and dilution*

The maximum number of Matching and Performance Shares that may be allotted to the participants under LTI 2015 amounts to 729,053, which corresponds to approximately 0.9 per cent of the share capital and votes in the company. Aggregated with the maximum number of additional shares that may be transferred, which mainly consist of cash flow related hedging of costs for social security contributions, LTI 2015 will comprise not more than 919,939 shares and the maximum dilution of the program will amount to 1.2 per cent of the share capital and votes in Gunnebo.

#### *Estimated costs*

Based on the assumption that LTI 2015 is fully subscribed for by 20 participants, an anticipated yearly 10 per cent increase in the share price during the Vesting Period and an assessment of future dividends of the Gunnebo share, the total costs for LTI 2015 including costs for social security contributions, are estimated to approximately MSEK 36.7, provided that the Performance Conditions are fully met. Under LTI 2015, the maximum outcome for the participants is not limited, and therefore the maximum costs for social security contributions cannot be calculated.

#### *Miscellaneous*

In order for the resolution by the Annual General Meeting on implementation of LTI 2015 to be valid, the Board of Directors' proposal under item (A) must be supported by more than one half of the votes cast at the Annual General Meeting.

The Board of Directors proposes that the proposed resolutions on hedging activities under item (B) shall be resolved on as one resolution. In order for the resolution by the Annual General Meeting on the proposed hedging activities to be valid, the proposal of the Board of Directors must be supported by shareholders representing at least nine-tenths of the both the votes cast and shares represented at the Annual General Meeting. In the absence of the required majority, the Board of Directors, secondarily, intends to enter into a share swap agreement with a third party in order to hedge delivery of and costs related to the Matching and Performance Shares.

The Board of Directors proposes that the CEO should be authorised to make such minor amendments of the proposal as may be required in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

#### **Authorisation for the Board of Directors to decide on new share issue (item 17)**

The Board of Directors proposes that the Annual General Meeting resolves, during the period until the next Annual General Meeting to authorise the Board of Directors in conjunction with agreements on company acquisitions, on one or several occasions, with or without deviation from the preferential rights for the shareholders, for a cash payment or through payment in kind or set-off, to decide upon a new share issue in the company. The authorisation shall comprise a maximum number of shares corresponding to 10% of the total number of shares in the company.

The reason for the possibility to deviate from the preferential rights for the shareholders is that the company shall be able to issue shares as payment in conjunction with company acquisitions, alternatively to procure capital for such acquisitions. The issue price will be determined in accordance with then current market conditions.

The Board of Directors, the CEO or a person appointed by one of them shall be entitled to make any minor adjustments to the above decision which might be required in conjunction with registration with the Swedish Company Registration Office.

A decision under this item is valid only if supported by shareholders representing at least two-thirds of both votes cast and shares represented at the Annual General Meeting.

#### **The shareholders' right to require information**

The Board of Directors and the CEO shall at the annual general meeting, upon request by a shareholder, provide information in respect of any circumstances which may affect the assessment of a matter on the agenda, and any circumstances which may affect the assessment of the company's financial position. Such information may be provided where the Board of Directors believes that such may take place without significant harm to the company. The duty to provide information also applies to the company's relationship to other group companies as well as the group accounts and the abovementioned circumstances regarding subsidiaries.

#### **Further information**

The Annual Accounts and the Auditor's Report and the statement of the Auditor regarding the application of the principles for remuneration to senior executives will be available at Gunnebo AB and on Gunnebo AB's website [www.gunnebogroup.com](http://www.gunnebogroup.com) no later than March 25, 2015, and will be distributed without charge to shareholders who so request and state their address.

The Nomination Committee's complete proposals for resolutions and the motivated opinion by the Nomination Committee regarding the proposal for the Board of Directors as well as the Board of Directors complete proposals for resolutions in respect of items 15, 16 and 17 on the agenda are available at Gunnebo AB and on Gunnebo AB's website [www.gunnebogroup.com](http://www.gunnebogroup.com) and will be distributed without charge to shareholders who so request and state their address.

The President's address will be available on Gunnebo AB's website as of April 15, 2015.

At the time of the issue of this notice, the total number of shares in the company amounts to 76,173,501, corresponding to the equal number of votes. The company does not hold any own shares.

Göteborg, March 2015  
Gunnebo AB (publ)  
The Board of Directors

*The Gunnebo Security Group is a global leader in security products, services and solutions with an offering covering cash handling, safes and vaults, entrance security and electronic security for banks, retail, CIT, mass transit, public & commercial buildings and industrial & high-risk sites.*

*The Group has an annual turnover of €600 million, employs 5,700 people and has sales companies in 33 countries across Europe, Middle East & Africa, Asia-Pacific and the Americas as well as Channel Partners on over 100 additional markets.*

***We make your world safer.***