



## **Notice for the Annual General Meeting of Shareholders in Momentum Group AB (publ) on 22 August 2018**

**The shareholders in Momentum Group AB (publ), corporate registration number 559072-1352 (the "Company"), are hereby convened to the Annual General Meeting of Shareholders at 2:00 p.m. on Wednesday, 22 August 2018 at IVA's Conference Centre, Grev Turegatan 16, Stockholm, Sweden. The doors will open at 1:30 p.m.**

### **NOTICE OF PARTICIPATION**

Shareholders who wish to participate in the proceedings of the Annual General Meeting must:

- be recorded in the shareholders' register maintained by Euroclear Sweden AB not later than Thursday, 16 August 2018, and
- file notice of their intention to participate with the Company's head office not later than Thursday, 16 August 2018: by post to "Annual General Meeting 22 August 2018", Momentum Group AB (publ), PO Box 5900, SE-102 40 Stockholm, Sweden; by telephone at +46 10 454 54 90; or by email to [arsstamma2018@momentum.group](mailto:arsstamma2018@momentum.group).

Notices filed must contain information about the shareholders' name, personal identity number (corporate registration number), address, telephone number, number of shares and the names of any assisting counsel (maximum of two). Personal data obtained from the shareholders' register maintained by Euroclear Sweden AB, the notice filed and participation in the Meeting as well as information on deputies, proxies and assisting counsel will be used for registration, the preparation of the electoral register for the Meeting and, where applicable, the minutes of the Meeting. Read more about Momentum Group AB's processing of personal data in the Company's privacy policy, which is available at [www.momentum.group](http://www.momentum.group).

To exercise their voting rights at the Meeting, shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names. Such re-registration must be completed not later than Thursday, 16 August 2018.

In the case of participation by proxy authorised by a power of attorney, a written and dated power of attorney signed by the shareholder and other relevant authorisation documents are to be presented. Representatives of legal entities must also submit a certified copy of the entity's certificate of incorporation or corresponding authorisation documents showing that they are authorised to represent the legal entity. A copy of the power of attorney and any certificate of incorporation should be delivered to the Company at the above address well in advance of the Meeting. The original copy of the power of attorney must also be presented at the Meeting.

The Company provides shareholders with a power of attorney form, which is available from the Company's head office or online at [www.momentum.group](http://www.momentum.group).

### **PROPOSED AGENDA**

1. Opening of the Meeting.
2. Election of the Chairman to preside over the Meeting.
3. Compilation and approval of Electoral Register.
4. Approval of the agenda proposed by the Board of Directors for the Meeting.
5. Election of one or two persons to approve the minutes to be taken at the Meeting.
6. Determination of whether or not the Meeting has been duly convened.
7. Presentation of the annual accounts and the auditor's report as well as the consolidated financial statements and the consolidated auditor's report, and an account by the Company's auditor.

8. Address by the President & CEO.
9. Resolutions regarding
  - a) the adoption of the income statement and balance sheet, and of the consolidated income statement and consolidated balance sheet,
  - b) the appropriation of the Company's profit according to the duly adopted balance sheet,
  - c) the discharge from liability for the Board of Directors and the President & CEO.
10. Account of the work of the Election Committee.
11. Determination of the number of Directors.
12. Adoption of fees to the Board of Directors and the auditors.
13. Election of Directors and Chairman of the Board of Directors.
14. Election of registered accounting firm.
15. Resolution regarding the principles for appointing the Election Committee and the duties of the Election Committee.
16. Adoption of guidelines for determining remuneration and other terms of employment for senior management.
17. Resolution regarding the authorisation for the Board of Directors to decide on the acquisition and conveyance of treasury shares.
18. Resolution regarding the issuance of call options for repurchased shares and the conveyance of repurchased shares to key individuals in senior positions ("2018 Share-Based Incentive Programme").
19. Other matters.
20. Closing of the Meeting.

## **PROPOSALS BY THE ELECTION COMMITTEE FOR RESOLUTIONS REGARDING ITEMS 2 AND 11–15 IN ACCORDANCE WITH THE ABOVE**

The Annual General Meeting on 9 May 2017 resolved to authorise the Chairman of the Board to contact the largest shareholders by vote, requesting them to appoint four members who, together with the Chairman of the Board, would constitute an Election Committee for the upcoming election of the Board of Directors. Accordingly, as announced in the Company's interim report published on 9 February 2018, the following persons were appointed members of the Election Committee: Chairman of the Election Committee Anders Börjesson (appointed by Tisenhult-gruppen), Marianne Flink (appointed by Swedbank Robur Fonder), Tom Hedelius, Stefan Nilsson (appointed by Handelsbankens Pensionskassa & Pensionsstiftelse) and Chairman of the Board Jörgen Wigh.

The Election Committee, whose members represent approximately 40 percent of the total number of votes, has announced that it will propose that the Annual General Meeting to be held on 22 August 2018, pass the following resolutions with respect to the items above:

### **Item 2 Election of the Chairman to preside over the Meeting.**

Chairman of the Board Jörgen Wigh.

### **Item 11 Determination of the number of Directors.**

Five regular Directors.

### **Item 12 Adoption of fees to the Board of Directors and the auditors.**

Total Directors' fees of SEK 1,700,000 (preceding year: SEK 1,560,000) to be allocated as follows:

Chairman of the Board: SEK 600,000 (preceding year: SEK 520,000)  
Other Directors: SEK 275,000 per Director (preceding year: SEK 260,000)

In addition, a special fee of SEK 50,000 (preceding year: SEK 50,000) is proposed for each member of the Compensation Committee (two individuals) and a fee of SEK 50,000 (preceding year: SEK 50,000) for the Chairman of the Audit Committee.

Directors may, by special arrangement with the Company and insofar as applicable legislation and prevailing jurisprudence so permit, invoice their fees plus social security contributions and value added tax from a company owned by the Director, or from their private business, provided that such payment is cost neutral for the Company.

Audit fees are, as in previous years, to be paid in accordance to approved invoices.

### **Item 13 Election of Directors and Chairman of the Board of Directors.**

Re-election of current Directors Fredrik Börjesson, Charlotte Hansson, Stefan Hedelius, Gunilla Spongh and Jörgen Wigh.

Re-election of Jörgen Wigh as Chairman of the Board.

A presentation of the members of the Board of Directors is available in the Annual Report for the 2017/18 financial year and at the Company's website [www.momentum.group](http://www.momentum.group).

### **Item 14 Election of registered accounting firm.**

Re-election of the registered accounting firm KPMG AB as auditors until the end of the 2019 Annual General Meeting.

### **Item 15 Resolution regarding the principles for appointing the Election Committee and the duties of the Election Committee.**

It is proposed that an Election Committee be established in accordance with the following and that the following principles apply until further notice, which means that the Annual General Meeting will not be required to make decisions on these principles and the Election Committee's duties on an annual basis, unless the principles or duties are to be changed.

It is proposed, until such time as a new Election Committee is appointed, that the Election Committee comprise five members and that the Chairman of the Board be given the task of contacting the largest shareholders by vote, and requesting that they appoint four members who, together with the Chairman of the Board, will constitute the Election Committee. When determining the four largest shareholders by vote, a group of shareholders is to be considered a single shareholder if they are grouped as a single shareholder in the Euroclear system.

The selection of shareholders to be contacted is to be made based on the shareholders' register in effect at the end of each calendar year. The composition of the Election Committee is to be announced not less than six months prior to the Annual General Meeting. Information concerning the principles for appointing the Election Committee, the Election Committee's duties and the current composition of the Election Committee is to be made available at the Company's website.

The majority of the members of the Election Committee may not be Directors, and the President & CEO and other members of senior management may not be members of the Election Committee. The Election Committee is to appoint a Chairman from among its ranks. However, the Chairman of the Election Committee is not to be a Director.

If any of the four largest shareholders by vote chooses to relinquish its rights to appoint a representative to the Election Committee, the rights will be passed on to the fifth largest shareholder by vote, and so on. No more than three additional shareholders need to be contacted. If, despite this, the Election Committee does not comprise a minimum of five members, the Election Committee itself may appoint a sufficient number of members. When shareholders are contacted concerning a possible appointment as a member of the Election Committee, the Chairman of the Board is to establish the necessary rules of conduct, such as the latest reply date, etc.

If, during the mandate period of the Election Committee, one or more shareholders who have appointed members of the Election Committee are no longer among the four largest shareholders by vote, the members appointed by these shareholders must make their seats available if requested to do so by the shareholder or shareholders who have joined the four largest shareholders by vote and who thereby have the right to appoint their own representatives. Unless there are special reasons, no changes are to be made in the composition of the Election Committee if only minor changes occur in the number of votes or if the changes occur less than three months before the Annual General Meeting. Shareholders who have joined the four largest shareholders due to a more significant change in the number of votes less than three months before the Annual General Meetings have the right to appoint a representative as a co-opted member of the Election Committee. Shareholders who have appointed a representative as a member of the Election Committee have the right to dismiss the member and appoint a new representative as a member of the Election Committee. Changes in the composition of the Election Committee are to be disclosed as soon as such changes occur.

#### **Duties of the Election Committee**

The Election Committee is to evaluate the composition and work of the Board of Directors, and present the Annual General Meeting with nominations for the Chairman of the Meeting, Directors and the Chairman of the Board, auditors and deputy auditors or a registered accounting firm as well as proposals regarding the Director's fee to each individual Director, auditors' fees and, where applicable, proposals to amend the principles for the appointment of the Election Committee and its duties. The Election Committee's proposals are to be presented in the notice for the Annual General Meeting, and at the Company's website in conjunction with this. The Election Committee is to submit a report to the Annual General Meeting on how its work was conducted and present and justify its motions.

The Company is to defray expenses related to the evaluation and/or recruitment of Directors by Election Committee members. Election Committee members receive no remuneration from the Company for their work.

The above principles for appointing the Election Committee and the duties of the Election Committee are to apply until such time as a General Meeting of Shareholders resolves to change them. Prior to the General Meeting of Shareholders, the Election Committee is to express an opinion as to whether it is warranted that the Annual General Meeting proposes a change to these principles.

## **PROPOSALS BY THE BOARD OF DIRECTORS FOR RESOLUTIONS REGARDING ITEMS 9 AND 16–18 IN ACCORDANCE WITH THE ABOVE**

### **Item 9 b Resolution regarding the appropriation of the Company's profit according to the duly adopted balance sheet.**

The Board proposes that the Company's profit be disposed of so that MSEK 72.8 is distributed to the shareholders and the remaining MSEK 550.6 of the Company's profit is brought forward.

This means that the Board of Directors proposes that SEK 2.60 per share be distributed to the shareholders and that Friday, 24 August 2018 be set as the record date for receiving dividends.

If the Annual General Meeting adopts the proposal, dividends are expected to be remitted by Euroclear Sweden AB on Wednesday, 29 August 2018 to those shareholders who are recorded in the shareholders' register as of the record date.

### **Item 16 Adoption of guidelines for determining remuneration and other terms of employment for senior management.**

The Board of Directors proposes that the Annual General Meeting resolve to adopt guidelines for remuneration to senior management that primarily comprise the following:

The guidelines are to apply for remuneration to the President & CEO and other members of senior management in Momentum Group. Momentum Group strives to offer total remuneration that is in line with market terms and thus enables the Company to attract and retain qualified employees. Total remuneration varies in relation to the individual's responsibilities and performance, and may comprise the components specified below.

**Fixed salary** forms the basis of the total remuneration. Fixed salary is to be in line with market terms and reflect the responsibilities associated with the position as well as the individual's competence and performance. Fixed salary is reviewed annually.

**Variable salary** may normally amount to a maximum of 40 percent of the fixed salary and is mainly to be based on the earnings growth and profitability of the Group and the business area.

On an annual basis, the Board of Directors will assess whether a **long-term incentive programme** should be proposed at the Annual General Meeting and, if so, whether the proposed long-term incentive programme should include a conveyance of shares in the Company.

**Retirement pension and healthcare and medical benefits** are to reflect market rules and practice. If possible, pensions are to comprise defined-contribution plans.

**Other benefits** may be provided to individual members or all members of Group management and are to reflect market practice. These benefits may not comprise a significant portion of the total remuneration.

**Other terms of employment**, such as period of notice and severance pay, are to be in line with market terms and may not under any circumstances exceed a 12-month period of notice and 12 months' severance pay. No severance pay is to be paid if notice is given by the employee.

The Board is entitled to deviate from the above guidelines in individual cases if special reasons exist.

The Compensation Committee appointed by the Board of Directors prepares and drafts proposals to the Board for resolution by the Board regarding remuneration to the President & CEO. Based on a proposal by the President & CEO, the Compensation Committee passes resolutions on the remuneration to other senior management. The Board of Directors is informed about the Compensation Committee's decisions.

The above guidelines provide a full account of the proposal for resolution by the Annual General Meeting.

### **Item 17 Resolution regarding the authorisation for the Board of Directors to decide on the acquisition and conveyance of treasury shares.**

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board, prior to the next Annual General Meeting, to acquire a maximum number of Class B shares so that the Company's holding of treasury shares at no time exceeds 10 percent of the total number of shares in the Company. Acquisitions are to be carried out on Nasdaq Stockholm in accordance with the stock exchange rules at a price that is within the registered price range at any given time, meaning the range between the highest purchase price and the lowest selling price. Acquisitions are to be paid for in cash and may be carried out on one or more occasions.

The Board also proposes that the Annual General Meeting authorises the Board, prior to the next Annual General Meeting, to divest Class B shares held in treasury by the Company in a manner other than on Nasdaq Stockholm. This authorisation may be utilised on one or more occasions and encompasses all shares held in treasury by the Company at the time of the Board's decision. The authorisation also entitles the Board to deviate from the shareholders' preferential rights and stipulates that payment may be made by other means than money.

The purpose of this authorisation is to be able to adapt the Group's capital structure and to pay for future acquisitions of businesses and operations using treasury shares. Holdings of treasury shares are also used to secure the Company's obligations under the share-based incentive programme adopted at the Extraordinary General Meeting of Shareholders in November 2017 and the share-based incentive programme proposed in Item 18 below.

A resolution on the Board's proposal in accordance with Item 17 requires the support of shareholders representing at least two-thirds of the votes cast and the shares represented at the Annual General Meeting.

**Item 18 Resolution regarding the issuance of call options for repurchased shares and the conveyance of repurchased shares to key individuals in senior positions ("2018 Share-Based Incentive Programme").**

The Board of Directors proposes that the Annual General Meeting resolves to adopt a long-term incentive programme, known as the 2018 Share-Based Incentive Programme (the "Programme"). The Programme, which is proposed to include some 50 key individuals in senior positions in the Momentum Group, entails that participants will be offered an opportunity to acquire call options at market price for Momentum Group AB's (publ) (the "Company") repurchased Class B shares in the Company and that participants will receive a certain subsidy on the paid premium for the options after a two-year period.

The Board of Directors' proposal also entails that the Annual General Meeting approves that the Company, in deviation from the shareholders' preferential rights, will convey up to 250,000 of the Company's repurchased Class B shares to the option holders at the established redemption price in connection with any exercise of the call options (subject to any recalculations).

The Company currently holds 250,000 Class B shares in Momentum Group AB.

The proposal was prepared by the Company's Compensation Committee in consultation with the Company's Board of Directors. The decision to propose the Programme to the Annual General Meeting was taken by the Board of Directors. The Company's Directors are not covered by the Programme.

The Programme has the following key conditions:

- a) The number of call options issued should not exceed 250,000, corresponding to approximately 0.9 percent of the total number of shares and approximately 0.7 percent of the total number of votes in the Company (including shares owned by the Company). Each call option entitles its holder to acquire one (1) repurchased Class B share ("Share") in the Company on two occasions: 1) during the period starting 14 February up to and including 28 February 2022 (after the Company has published its interim report for the period 1 April–31 December 2021), and 2) during the period starting 16 May up to and including 30 May 2022 (after the Company has published its financial report for the period 1 April 2021–31 March 2022) (the "Redemption Periods"). However, the acquisition of Shares may not take place during such a period when trading in shares in the Company is prohibited in accordance with Regulation (EU) No 596/2014 on market abuse of the European Parliament and of the Council issued on 16 April 2014 ("Market Abuse Regulation") (or other equivalent legislation prevailing at any given time).
- b) The acquisition price ("Redemption Price") for Shares when redeeming call options is to correspond to 120 percent of the volume-weighted average price for the Company's Class B shares on Nasdaq Stockholm during the period starting 23 August 2018 up to and including 5 September 2018. Under certain circumstances, the Redemption Price may be recalculated over the duration of the call option programme.
- c) The right to acquire call options will apply to some 50 key individuals in senior positions in the Momentum Group in Sweden, Norway and Finland. The proportion of call options offered to each individual for acquisition will vary depending on the employee's position and level of responsibility. Approximately 15 percent of the call options may go to Group management and the remaining approximately 85 percent of the call options may go to other key individuals.
- d) If an individual entitled to receive a call options refrains, in whole or in part, from acquiring the offered call options then such unacquired call options will be distributed between the individuals entitled to receive call options who have presented a written application stating that they are interested in acquiring additional call options.
- e) The Board of Directors is to decide on the final distribution in accordance with the principles presented in items c) and d) above.
- f) An application to acquire call options must be made not later than 7 September 2018.

- g) The premium for call options will correspond to the market value of the call options using an external independent assessment in accordance with a generally accepted valuation method (Black & Scholes model). The measurement period for the assessment of the option premium is to be based on the volume-weighted average price for the Company's Class B shares on Nasdaq Stockholm during the period starting 23 August 2018 up to and including 5 September 2018.
- h) Based on a price for the Company's share of SEK 117.80, and on other market conditions existing on 19 June 2018, the value per option has been calculated at SEK 11.20, which gives a total value for all options of approximately MSEK 2.8.
- i) Issuing call options to employees outside Sweden is dependent on tax effects, that there are no legal obstacles and that the Board of Directors is of the opinion that such an issue can take place with reasonable administrative and financial resources. The Board of Directors will have the right to make minor adjustments to the Programme brought about by applicable foreign laws and rules.
- j) The call options are freely transferable, taking into consideration the right of first refusal clause with the Company. The right of first refusal of acquired call options is to be carried out at market value. The Company has the right to repurchase issued call options.
- k) The number of Shares which the call options entitle the holders to acquire, and the Redemption Price, may be recalculated due to, for example, bonus issues, the consolidation or split of shares, new share issues or a reduction in share capital or similar measures. The date for the conveyance of Shares may be brought forward due to a merger or similar measures.
- l) To encourage participation in the Programme, a subsidy in the form of cash gross salary may be paid to the option holder corresponding to the paid premium for each call option. The subsidy will be paid in September 2020 provided that the employment of the holder of the option has not been terminated from the Group or that the call options acquired from the Company have not been divested before this date.
- m) The Company has the right to repurchase the call options from the holder in the event that the option holder does not wish to redeem all of the acquired call options and notifies the Company thereof during the Redemption Periods. Options are to be acquired at a price corresponding to the market value at any given time. However, call options may not be repurchased during such a period when trading in shares in the Company is prohibited in accordance with the Market Abuse Regulation (or other equivalent legislation prevailing at any given time).
- n) Within the framework of the conditions and guidelines stated above, the Board of Directors is responsible for preparing and managing the details of the Programme.
- o) The complete terms and conditions for the options are presented in Appendix 1 at the Company's website at [www.momentum.group](http://www.momentum.group). [NB: Only available in Swedish.]

The costs of the Programme mainly comprise the subsidy to be paid in September 2020 in accordance with the above and the social security contributions that will accrue on this subsidy as well as administrative expenses for engaging external consultants and suppliers of administrative services in connection with the establishment of the call option programme. The total cost of the subsidy, including social security contributions, is estimated at approximately MSEK 2.8 after corporate tax (based on the market conditions on 19 June 2018). The subsidy will be offset by the option premium totalling approximately MSEK 2.8, which the Company will receive upon conveyance of the call options (based on the market conditions on 19 June 2018), which is why the Programme does not entail any net cost to the Company's equity.

The reason for the deviation from the shareholders' preferential rights and the Board of Directors' motive for implementing the Programme is to allow key individuals in senior positions in the Momentum Group, through their own investment, to participate in and promote a positive value growth trend for the Company's shares and thereby align their interests more closely with those of the Company's shareholders. The purpose of the Programme is also to contribute to a long-term increase in share ownership by managers and senior management in Momentum Group. In addition, the Programme is expected to create the conditions to retain and recruit qualified personnel to the Momentum Group, provide competitive remuneration and align the interests of the shareholders and senior executives. Against this background, the Board of Directors is of the opinion that the implementation of the Programme will have a positive impact on the continued development of the Momentum Group and that the Programme will benefit both the shareholders and the Company.

The Company has one previous share-based incentive programme, the 2017 Share-Based Incentive Programme. In this programme, 237,500 call options are outstanding, which entitle the holders to acquire 237,500 Shares in the Company. The redemption price for these call options is set at SEK 121.60 per Share and the redemption periods were set at 12–25 February and 12–25 May 2021, respectively. All of the 237,500 underlying Shares in the Company in these outstanding call options correspond in their entirety to previously repurchased Shares in the Company.

A resolution on the Board's proposal in accordance with Item 18 requires the support of shareholders representing at least nine-tenths of the votes cast and the shares represented at the Annual General Meeting.

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## SHARES AND VOTES

The Company has issued a total of 28,265,416 shares, of which 1,062,436 are Class A shares and 27,202,980 are Class B shares, of which 250,000 are held in treasury by the Company. After deducting the shares held by the Company, the total number of votes amounts to 37,577,340. The above information pertains to the conditions at the time this notice was issued.

## SHAREHOLDERS' RIGHT TO REQUEST INFORMATION

According to Chapter 7, Sections 32 and 57 of the Swedish Companies Act, upon request from a shareholder and provided the Board determines that it is possible to do so without causing material damage to the Company, the Board and the CEO are required to provide information about any circumstances that could impact how an item on the agenda is addressed as well as any circumstances that could impact the assessment of the Company's financial situation. This disclosure obligation also encompasses the Company's relationships with other Group companies, the consolidated financial statements and any interactions with subsidiaries as described above.

## DOCUMENTS

Accounting documents and the auditor's report and complete proposals of the Board of Directors for resolutions under items 9b (including the statement of the Board of Directors in accordance with Chapter 18, Section 4 of the Swedish Companies Act), 16 (including the auditor's statement in accordance with Chapter 8, Section 54 of the Swedish Companies Act and the Compensation Committee's evaluation of the application of the guidelines for remuneration of senior management as resolved by the Annual General Meeting), 17 (including the statement from the Board of Directors in accordance with Chapter 19, Section 22 of the Swedish Companies Act) and 18 on the agenda are available from the Company and at the Company's website, [www.momentum.group](http://www.momentum.group), from Wednesday, 18 July 2018 and will be sent to shareholders who so request and who provide their postal address. The Election Committee's proposals for the Board of Directors and statement of explanation are available at the Company's website, [www.momentum.group](http://www.momentum.group), from Wednesday, 18 July 2018. All of the aforementioned documents will be presented at the Meeting.

Stockholm, July 2018

## BOARD OF DIRECTORS

For further information, please contact:

Mats Karlqvist, Head of Investor Relations – Tel: +46 70 660 31 32 / e-mail: [mats.karlqvist@momentum.group](mailto:mats.karlqvist@momentum.group)

*This information is such that Momentum Group AB (publ) is obliged to make public pursuant to Nasdaq Stockholm's Rule Book for Issuers. The information was submitted for publication on 18 July 2018 at 12:30 p.m. CET.*

*This document is in all respect a translation of the Swedish original Notice for the Annual General Meeting of Shareholders in Momentum Group AB (publ). In the event of any differences between this translation and the Swedish original, the latter shall prevail.*

Momentum Group is one of the leading resellers of industrial consumables and components, service and maintenance to professional end users in the industrial and construction sectors in the Nordic region. The Group has annual revenue of approximately SEK 5.6 billion and approximately 1,600 employees. Momentum Group AB (publ) has been listed on Nasdaq Stockholm since June 2017. Read more at [www.momentum.group](http://www.momentum.group).

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