

*Unofficial English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.*

## **Annual general meeting in Concentric AB**

The Annual General Meeting of Concentric AB (publ), org. nr 556828-4995, will be held on Thursday 22 April 2021.

Due to the extraordinary situation as a result of Covid-19, the Meeting will be held in a different way than usually. In order to reduce the risk of spreading the new coronavirus and having regard to the authorities' regulations and advice on avoiding public gatherings, the Meeting will be carried out through advance voting (postal voting) pursuant to temporary legislation. No meeting with the possibility to attend in person or to be represented by a proxy will take place, i.e. the Meeting will be held without physical presence.

### **QUESTIONS**

Since no meeting with the opportunity to attend in person or by proxy will be held, there will be no opportunity to ask questions at the Meeting. Questions can instead be sent in advance by post to Concentric AB, Ågatan 39, 582 22 Linköping, or via e-mail to [lennart.lindell@concentricab.com](mailto:lennart.lindell@concentricab.com), no later than on Monday 12 April 2021. The questions will be answered and published no later than on Saturday 17 April 2021. The questions and the answers will be available at the Company at Ågatan 39 in Linköping and on the Company's website, [www.concentricab.com](http://www.concentricab.com), and will be sent to the shareholder if the shareholder's address is known or has been provided by the shareholder along with the question.

Information on the resolutions passed at the Meeting will be published on Thursday 22 April 2021, as soon as the result of the advance voting has been finally confirmed.

### **RIGHT TO ATTEND AND NOTIFICATION TO THE COMPANY**

Shareholders wishing to attend the Meeting through advance voting must:

- (i) be recorded as shareholders in the share register maintained by Euroclear Sweden AB, as of Wednesday 14 April 2021; and
- (ii) notify by casting its advance vote in accordance with the instructions under the heading *Advance voting* below so that the advance voting form is received by Euroclear Sweden AB no later than on Wednesday 21 April 2021.

In order to participate in the Meeting, those whose shares are registered in the name of a nominee must request their bank or broker to have their shares owner-registered with Euroclear Sweden AB as of Friday 16 April 2021 and the bank or broker should therefore be notified in due time before said date. This registration may be made temporarily.

See below for further information on the processing of personal data.

## **ADVANCE VOTING**

The shareholders may only exercise their voting rights at the Meeting by voting in advance, so-called postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on the Company's website, [www.concentricab.com](http://www.concentricab.com). The advance voting form is considered as the notification of participation.

The completed voting form must be received by Euroclear Sweden AB (which administers the forms on behalf of Concentric AB) no later than on Wednesday 21 April 2021. The form shall in due time be submitted via e-mail to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com) or by mail to Concentric AB, "Årsstämma", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm. Shareholders who are natural persons may also cast their advance votes electronically through BankID verification via Euroclear Sweden AB's website, <https://anmalan.vpc.se/euroclearproxy>. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid.

In the advance voting form, shareholders can request that a resolution in one or some of the items on the proposed agenda below are deferred to a so-called continued general meeting, which must not solely be an advance voting meeting. Such continued general meeting to decide on a particular matter shall take place if the Meeting decides on it or if shareholders of at least one tenth of all shares in the Company request it.

If the shareholder votes in advance by proxy, a signed and dated power of attorney shall be enclosed to the form. Forms of power-of-attorney in Swedish and English are available on the Company's website, [www.concentricab.com](http://www.concentricab.com). A power-of-attorney may also be obtained at the Company in Linköping or ordered by phone from Euroclear Sweden AB using the telephone number below. If the power-of-attorney is issued by a legal entity, a verified copy of the registration certificate or an equivalent authority document for the legal entity must be appended. The power-of-attorney and the registration certificate may not be older than one year. However, a longer period of validity may be specified on the power-of-attorney, although no longer than five years from the date of issue.

Further instructions and conditions are included in the advance voting form.

For questions about the Meeting or to have the advance voting form or any power-of-attorney sent by post, please contact Euroclear Sweden AB on phone number +46 8 402 91 33 (Monday-Friday at 09.00-16.00).

## **AGENDA**

### **Proposal for agenda**

1. Opening of the general meeting and election of Chairman of the general meeting
2. Drawing up and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to approve the minutes
5. Determination of whether the general meeting was duly convened
6. Presentation of the annual report and the auditor's report and the consolidated financial statements and the consolidated auditor's report

7. Resolutions on:
  - (a) adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
  - (b) appropriation of the company's result according to the adopted balance sheet and on record date for dividend; and
  - (c) discharge of personal liability for the board members and the CEO for the financial year 2020
8. Resolution on the number of board members and auditors
9. Resolution on fees to the board members and the auditor
10. Election of the board members and the auditor
11. Resolution on approval of Remuneration Report
12. Resolution on performance based incentive programme (LTI 2021)
13. Resolution on a directed issue of warrants and approval of transfer of warrants
14. Resolution on:
  - (a) authorisation for the board to resolve on acquisition of own shares;
  - (b) authorisation for the board to resolve on transfer of own shares;
  - (c) transfer of own shares to participants in LTI 2021; and
  - (d) transfer of own shares to an employee share ownership trust
15. Closing of the general meeting

#### **Election of Chairman of the general meeting (item 1 on the agenda)**

The Nomination Committee proposes that Kenth Eriksson, or if he is prevented from attending, the person the Nomination Committee proposes in his place, be as the elected Chairman of the Meeting.

#### **Drawing up and approval of the voting list (item 2 on the agenda)**

The voting list proposed for approval is the voting list that has been established by Euroclear Sweden AB on behalf of the Company, based on the share register and received advance votes, and controlled and approved by the persons elected to approve the minutes.

#### **Election of one or two persons to approve the minutes (item 4 on the agenda)**

Erik Durhan and Malin Björkmo, or if one or both of them are prevented, the person or persons instead appointed by the Nomination Committee, are proposed to be elected to approve the minutes of the Meeting together with the Chairman. The task of approving the minutes of the Meeting also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the Meeting.

#### **Resolution on appropriation of the company's result according to the adopted balance sheet and on record date for dividend (item 7 (b) on the agenda)**

The Meeting has at its disposal profits carried forward of SEK 1,617,882,083 added with the net profit for the year of SEK 762,459,655. Thus, the Meeting has in total a non-restricted equity of SEK 2,380,341,738 at its disposal.

The board proposes a dividend for the financial year 2020 of SEK 3.50 per share, totaling SEK 132,543,365 (shares held by the company and shares held by the Employee Share Ownership Trust are excluded from dividend) and that the balance of SEK 2,247,798,373 is carried forward.

As record date for the dividend the board proposes Monday 26 April 2021. Subject to the resolution by the Meeting in accordance with this proposal, the cash dividend is expected to be distributed by Euroclear Sweden AB on Thursday 29 April 2021.

**Resolution on the number of board members and auditors, resolution on fees to the board members and the auditor, and election of the board members and the auditor (items 8 – 10 on the agenda)**

In accordance with the resolution of the annual general meeting 2019, Göran Espelund, Chairman, (Lannebo Fonder), Erik Durhan (Nordea Fonder), Malin Björkmo (Handelsbanken Fonder) and Per Trygg (SEB Fonder) and Kenth Eriksson, Chairman of the Board of Concentric were all appointed members of the Nomination Committee in October 2020, in preparation for the Annual General Meeting 2021. The Nomination Committee represents about 34.0 percent of the shares and votes in the company.

The Nomination Committee proposes that the Board be composed of seven (previously eight) directors elected at the AGM, with no alternates, for the period until the next AGM.

The Nomination Committee proposes re-election of Karin Gunnarsson, Anders Nielsen, Susanna Schneeberger, Martin Sköld and Claes Magnus Åkesson as Directors and proposes Petra Sundström and Joachim Rosenberg as new Directors. Kenth Eriksson, Martin Lundstedt and Marianne Brismar have decided not to stand for re-election as Directors. It is proposed that Anders Nielsen be elected Chairman of the Board.

Petra Sundström has a PhD in Human Computer Interaction from Stockholm University and a Master of Computer Science from the Royal Institute of Technology in Stockholm. She is currently Vice President and Head of Digital Offering at Sandvik Rock Processing. She has previously worked at Husqvarna Group. Petra is a regularly appointed speaker on the topics of Digital transformation, innovation and Internet of Things.

Joachim Rosenberg holds an MSc in Industrial Engineering and Management, an MSc in Financial Economics and an Msc in Business and Economics. Joachim has been working at Volvo Group since 2005 and since 2012 he is part of the company's Executive Board. He currently holds the positions of Executive Vice President Volvo Group since 2012, Executive Chairman of UD Trucks since 2016 and President of Volvo Energy since 2021. Prior to joining Volvo, Joachim spent eight years with McKinsey & Company in Europe and the US.

Information about the other proposed directors can be found on the company's website [www.concentricab.com](http://www.concentricab.com).

The Nomination Committee proposes that the company have one auditor with no deputy. The Nomination Committee proposes that, following the procurement, the registered accounting firm KPMG AB be re-elected as the company's auditor until the end of the annual general meeting 2022. KPMG AB has notified the company that Joakim Thilstedt, authorised public accountant, will be appointed auditor-in-charge of the company. The Nomination Committee's proposal corresponds to the Audit Committee's recommendation. Neither the Nomination Committee nor the Audit Committee have been influenced by a third party and no clause of a contract entered into with a third party has influenced or restricted the Audit Committee's choice of auditor.

Fees to the directors for the period up to and including the annual general meeting 2022 is proposed to be paid as follows. The Chairman of the Board will receive SEK 800,000 (previously SEK 700,000) and each of the other directors will receive SEK 350,000 (previously SEK 325,000). In addition, the Chairman of the Compensation Committee will receive unchanged SEK 100,000 and director of the Compensation Committee will receive unchanged SEK 50,000. Further, the Nomination Committee proposes that the Chairman of the Audit Committee will receive unchanged SEK 150,000 and directors of said committee will receive unchanged SEK 75,000.

The Nomination Committee has conducted an analysis of director fees and associated remuneration for committee work and compared them to similar companies based on several measures of size and complexity. The outcome of the analysis justifies, according to the Nomination Committee, an increase of said fees and remunerations.

Fees to the auditor for services performed are proposed to be paid against by the company approved current account.

### **Resolution on approval of Remuneration Report (item 11 on the agenda)**

The Board of Directors proposes that the Annual General Meeting resolves to approve the Board of Directors' report on remuneration pursuant to Chapter 8, Section 53a of the Swedish Companies Act.

### **Resolution on performance based incentive programme (LTI 2021) (item 12 on the agenda)**

#### General

The Board believes that an incentive programme that is connected to the company's profits and at the same time its increase in value will award and foster the long-term growth of the company. Further, an incentive programme will contribute to the ability of the company to retain and recruit key employees within the group.

Considering the above, the Board proposes a long-term performance based incentive programme ("LTI 2021") under which senior executives and key employees will be entitled to receive employee stock options that entitle the participants to acquire shares in the company under the terms and conditions set out below. In order to ensure and maximise the management's engagement in the company, allocation of employee stock options under LTI 2021 will be conditional upon the participants becoming shareholders in the company by own investments in the company's share in the stock market. The Board's intention is that the incentive programme will run over a long-term period, thus the Board intends to propose the general meeting in the coming years to resolve upon similar incentive programmes.

To be able to implement LTI 2021 in a cost-efficient and flexible manner, the Board has considered various methods for transferring the company's shares under LTI 2021, such as a share swap agreement with a third party, repurchase and transfer of own shares to participants in LTI 2021 or an Employee Share Ownership Trust as well as transfer of warrants entitling to subscription of new shares. The Board has also taken into consideration that delivery of shares under LTI 2021 will be made no earlier than 2024. In order to retain full flexibility, the Board proposes that shares can be delivered with any of the above four alternate methods (in accordance with the proposals below and the Board's proposal on directed issue and transfer of warrants and the Board's proposal on acquisition and transfer of own shares to participants in LTI 2021, or an Employee Share Ownership Trust), with the right for the Board to combine or choose any of the methods.

#### The proposal

Concentric has implemented LTI programmes principally as described in this proposal on an annual basis since 2012. The LTI programme has enabled Concentric to offer a competitive total reward package necessary to attract and retain employees who are critical to Concentric's ongoing success.

The Board proposes that the general meeting resolve on the implementation of a long-term incentive programme, LTI 2021, principally based on the following conditions and principles.

1. LTI 2021 shall comprise up to five senior executives, including the CEO, and five other executives and other key employees (total of ten employees) and up to eleven senior managers within the Concentric group.
2. In order to participate in LTI 2021, the participants must make own investments in Concentric shares in the stock market no later than 29 September 2021, with right for the Board to, in respect of participants joining LTI 2021 thereafter, postpone the last day of acquisition to no later than 3 December 2021.
3. Within LTI 2021, investments in Concentric shares may be made (i) by the CEO up to a value of 50 per cent of his annual base salary, (ii) by the *senior vice president* (former CFO) up to a value of 30 per cent of his annual base salary, (iii) by eight other senior executives up to a value of 20 per cent of their respective annual base salary, and (iv) by a total of eleven senior managers up to a value of 10 per cent of their respective annual base salary. References to the annual base salary means the participant's base salary effective from 1 January 2021. The maximum number of shares that each participant is entitled to acquire under the LTI 2021 shall be calculated using a share price of SEK 180.90, which equals to the average of each trading day's volume weighted average share price on Nasdaq Stockholm during the period from 10 February 2021 to 23 February 2021 (inclusive), rounded to the nearest ten öre.
4. Each Concentric share acquired under LTI 2021 will entitle the participants to two (2) free employee stock options, where each, after a three-year lock-up period, will entitle the participant to acquire one (1) Concentric share at a price of SEK 144.70 and SEK 217.10 respectively. This exercise price equals 80 and 120 per cent respectively of the average of each trading day's volume weighted average share price on Nasdaq Stockholm during the period from 10 February 2021 to 23 February 2021 (inclusive), rounded to the nearest ten öre.
5. Each Concentric share acquired under LTI 2021 will also entitle the participants to two (2) free performance employee stock options ("Performance Employee Stock Options"), where each, if certain performance criteria specified below are met, will entitle the participant to acquire one (1) Concentric share at a price of SEK 144.70. This exercise price equals 80 per cent of the average of each trading day's volume weighted average share price on Nasdaq Stockholm during the period 10 February 2021 to 23 February 2021 (inclusive), rounded to the nearest ten öre.
6. Each participant in LTI 2021 may receive no more than four (4) employee stock options and Performance Employee Stock Options in total for each acquired Concentric share. In all, a maximum of 175,000 employee stock options, each entitling to one (1) Concentric share, may be allocated under LTI 2021. Allocation of the employee stock options is to be decided by the Board.
7. The employee stock options shall have a 39 months' term (but never past 31 October 2024) and can be exercised to acquire Concentric shares during a three-month period from the date of publication of the company's report for the first quarter 2024.
8. Exercising the employee stock options is subject to the participant remaining employed in the Concentric group (with certain exceptions decided by the Board) and retaining the Concentric shares acquired under LTI 2021 throughout the three-year lock-up period, thus up to and including the date of exercising the employee stock options.

9. The Board shall be authorised to resolve on a premature exercise of the employee stock options (i) if a person, alone or together with related parties, acquires such number of shares in the company that it, in accordance with applicable rules, gives rise to an obligation to announce a mandatory offer to acquire all outstanding shares in the company or (ii) for individual participants based on individual circumstances, or (iii) if premature exercise is otherwise deemed to be suitable or appropriate, taking into account performance achieved to the date of premature exercise.
10. The number of Concentric shares that may be transferred to participants in LTI 2021 may be recalculated due to a bonus issue, share split, rights issue and/or any similar event, by applying the recalculation principles applicable on the warrants proposed to the general meeting under the Board's proposal on directed issue of warrants. In addition, the Board may adjust the performance criteria due to circumstances affecting comparability of key figures, e.g. non-recurring events such as acquisitions, divestments and similar.
11. The Board shall decide on the detailed terms and conditions of LTI 2021. The Board shall be entitled to deviate from or adjust the terms and conditions as a result of local regulations and practice.

#### *Performance criteria*

The conditional right to exercise the Performance Employee Stock Options is subject to the fulfilment of the following performance criteria.

The first Performance Employee Stock Option will entitle the participant to acquire one (1) Concentric share per Performance Employee Stock Option if the company's reported earnings per share of the financial year 2023 reach or exceed SEK 8.00.

The second Performance Employee Stock Option will entitle the participant to acquire one (1) Concentric share per Performance Employee Stock Option if the company's reported earnings per share of the financial year 2023 reach or exceed SEK 10.00.

No partial exercising of Performance Employee Stock Options will be allowed if the performance criteria are not fully met.

#### *Authorisation to enter into a swap agreement*

The company's supply of shares to the participants under LTI 2021 may be made by instructing a third party to deliver Concentric shares under a swap agreement.

In accordance with this, the Board proposes that the general meeting resolve to authorise the Board to enter into a swap agreement regarding own shares. Thus, it is proposed that the financial exposure of LTI 2021 may be hedged by the company entering into a share swap agreement with a third party, whereby the third party in its own name shall acquire and transfer Concentric shares to participants in LTI 2021.

#### *Costs*

The LTI 2021 is expected to result in annual costs of approximately MSEK 2.0 for the company if participants invest to their individual limits under the incentive programme and the performance criteria are met, and an annual 15 per cent share price growth is assumed. In addition to this, social security charges will apply in the year of vesting, 2024. Social security charges are expected to amount to approximately MSEK 0.9 annually based on the same assumptions.

*Preparation of the matter*

The Board's proposal on LTI 2021 has been prepared by the Board.

**Resolution on a directed issue of warrants and approval of transfer of warrants (item 13 on the agenda)**

The Board proposes that the general meeting resolve on a directed issue of warrants with the right to subscribe for new shares in the company, in accordance with the below proposal.

The Board's proposal entails that the general meeting shall decide on a directed issue of 175,000 warrants with the right to subscription of new shares in the company, principally in accordance with the following conditions.

1. The warrants are issued free of charge. Each warrant will give the right to subscribe for one new share in the company, thus the share capital of the company can increase with a maximum of SEK 444,500 if the warrants are fully utilised.
2. The right to subscribe for warrants shall, with a deviation from the shareholders' preferential rights, be granted the company's fully owned subsidiary Concentric Skånes Fagerhult AB.
3. Subscription to the warrants shall be made no later than 30 June 2021, with the Board reserving the right to extend this time limit.
4. The warrants can be exercised to subscribe for shares in the company from the registration of the warrants with the Swedish Companies Registration Office and up to and including 31 December 2024.
5. A warrant entitles its holder to subscribe for one new share in the company for a subscription price corresponding to the share's quota value, SEK 2.54.
6. The new shares issued under the warrants shall entitle to dividend as from the first record date for dividend to occur after the registration of the new shares with the Swedish Companies Registration Office.
7. The number of shares issued under each warrant may be recalculated in accordance with recalculation principles due to a bonus issue, share split or consolidation, rights issue and/or any similar event.

*Reason for the deviation from the shareholders' preferential right*

The reason for deviating from the shareholders' preferential rights is that the company wishes to implement an incentive program for senior executives and key employees within the group, by which they can be offered the opportunity to take part in an increase in the company's share value.

*Dilution*

At full utilisation of the warrants, the number of outstanding shares in the company will increase by 175,000. These shares constitute 0.5 per cent of the number of shares and votes after full dilution, calculated as the number of new shares in relation to the number of existing and new shares in the company. Together with outstanding warrants under previous incentive programs, the warrants will result in a combined dilution of approximately 1.3 per cent of the outstanding shares and votes in the company.

If the proposed warrants had been fully utilised throughout 2020, the company's basic and diluted earnings per share for the financial year 2020 would have been SEK 5.40 and SEK 5.40 per share respectively on a pro forma basis, instead of SEK 5.43 and SEK 5.42 per share respectively as reported.

In the event that repurchased shares, or shares transferred by a third party under a swap agreement, (in accordance with the Board's proposal for acquisition and transfer of own shares and the Board's proposal of LTI 2021, respectively) are fully or partly transferred to the participants in LTI 2021 instead of warrants, the dilution will be reduced.

#### *Transfer of the warrants*

Furthermore, the Board proposes that the general meeting resolve to approve that Concentric Skånes Fagerhult AB, on one or more occasions, may transfer warrants to the participants in LTI 2021 in accordance with the terms and conditions of LTI 2021, and dispose of the warrants in order to cover costs related to, or fulfil obligations occurring under, LTI 2021.

#### *Preparation of the matter*

The Board's proposal has been prepared by the Board.

#### *Special authorization and condition for resolution*

The Board proposes that the Board, or anyone appointed by the Board, shall be entitled to make the minor adjustments to the above proposed resolution that may be necessary upon registration of the resolution with the Swedish Companies Registration Office or due to any other formal requirement.

The Board proposes that a resolution under this proposal be subject to the general meeting having resolved to pass the Board's proposal on LTI 2021 under item 12 on the agenda.

### **Resolution on authorisation of acquisition and transfer of own shares, transfer of own shares to participants in LTI 2021 and transfer of own shares to an employee share ownership trust (items 14 (a)-(d) on the agenda)**

#### Proposal for resolution on authorization for the Board to resolve on acquisition of own shares (item 14 (a) on the agenda).

The Board proposes that the general meeting authorises the Board to resolve on repurchase of own shares on one or several occasions during the period up to the annual general meeting 2022 in accordance with the following.

1. Acquisition of own shares must be made on Nasdaq Stockholm.
2. Own shares may be acquired to the extent the company's holdings of own shares in total amounts to no more than one tenth of all shares in the company.
3. Acquisition of own shares on Nasdaq Stockholm shall be made in cash and at a price within the stock market price interval registered at any given time, such interval being the interval between the highest purchase price and the lowest sales price.

The reasons for the proposed authorisation to repurchase own shares are to be able to improve the company's capital structure and to enable share transfers in accordance with the Board's proposals for authorisation for the Board to transfer own shares and for previous and proposed resolution on transfer of own shares to participants in LTI 2018–2021, to increase the flexibility for the Board in

connection to potential future corporate acquisitions, as well as to cover costs for LTI 2018–2021 and enable delivery of shares in accordance with LTI 2018–2021. References made to LTI 2018–2021 includes the JSOP and Employee Share Ownership Trust.

Proposal for resolution on authorization for the Board to resolve on transfer of own shares (item 14 (b) on the agenda).

The Board proposes that the general meeting authorises the Board to resolve on transfer of own shares on one or several occasions during the period up to the annual general meeting 2022 in accordance with the following.

1. Transfer of own shares must be made either on Nasdaq Stockholm or in another manner.
2. Transfer of own shares may be made with deviation from the shareholders' preferential rights.
3. The maximum number of shares that may be transferred is the total number of own shares held by the company at the time of the Board's resolution to transfer the shares.
4. Transfer of own shares on Nasdaq Stockholm shall be made at a price within the stock market price interval registered at any given time, such interval being the interval between the highest purchase price and the lowest sales price; transfer of own shares in another manner shall be made at a minimum price that shall be determined in close connection with the shares' quoted price at the time of the Board's resolution to transfer the shares.
5. Payment for the transferred shares may be made in cash, by contribution in kind or by set-off.
6. The Board is entitled to determine the other terms and conditions of the transfer which, however, shall be in accordance with the market practice.

The reasons for the proposed authorisation to transfer own shares and for the deviation from the shareholders' preferential rights are to be able to improve the company's capital structure, to cover costs relating to LTI 2018–2021 (including costs related to the JSOP) as well as to increase the flexibility of the Board in connection to potential future corporate acquisitions, by facilitating a fast and cost-efficient financing by divesting holdings of own shares.

Proposal for resolution on transfer of own shares to participants in LTI 2021 (item 14 (c) on the agenda).

The Board proposes that the general meeting resolve on transfer of own shares in accordance with the following.

1. The maximum number of shares that may be transferred is 175,000.
2. The participants in LTI 2021 are, with deviation from the shareholders' preferential rights, entitled to acquire the shares with right for each of the participants to acquire no more than the maximum number of shares allowed under the terms and conditions for LTI 2021.
3. The participants' right to acquire shares is conditional upon the fulfilment of all of the conditions set up in LTI 2021.
4. The shares must be transferred within the time period set out in the terms and conditions of LTI 2021.

5. The shares must be transferred at a price equivalent to the price established under the terms and conditions of LTI 2021.
6. Payment for the shares must be made in cash and within ten banking days from the participants' exercise of the employee stock options that entitle the participants to acquire the shares.
7. The number of shares that may be transferred to the participants in LTI 2021 may be recalculated due to bonus issue, share split, rights issue and similar events in accordance with the terms and conditions of LTI 2021.

The reason for the proposed transfer and for the deviation from the shareholders' preferential rights is to enable delivery of shares under LTI 2021.

The Board proposes that a resolution under this proposal be subject to the general meeting having resolved to pass the Board's proposal on LTI 2021 under item 12 on the agenda.

Proposal for resolution on transfer of own shares to an employee share ownership trust (item 14 (d) on the agenda).

The board proposes that the general meeting resolve on transfer of own shares to an employee share ownership trust, mainly as set out below.

#### *The Joint Share Ownership Plan*

In order to enable a tax efficient delivery of shares under LTI 2021 to participants residency in the United Kingdom, Concentric wants to be able to invite them to take part in a Joint Share Ownership Plan ("**JSOP**"). Using the JSOP will not change any terms specified in LTI 2021, such that participants will receive the same pre-tax benefits for the same exercise proceeds subject to the same conditions regarding the lock-in period for holding savings shares, maintaining continuity of employment and achieving the relevant performance criteria in LTI 2021. In addition, the total annual costs for Concentric using the JSOP are expected to be in line with those specified in the Board's proposal on LTI 2021 under item 12 on the agenda.

Participants that accept this invitation will, instead of receiving an Employee Stock Option or a Performance Employee Stock Option under LTI 2021, receive (i) a Capped Employee Stock Option and (ii) Joint Ownership Rights together with an Employee Share Ownership Trust ("**ESOT**") in a Concentric share (for which they will pay in cash).

The Capped Employee Stock Option will provide the participant with the value of the Concentric share that would have been realised under LTI 2021 up until the cap. The cap will be determined at the time the Capped Employee Stock Option is issued to the participant based upon the value of the Concentric share at that time. The Joint Ownership Right will provide the participant with any benefits that would have been realised under LTI 2021 if the share price on exercise of the Capped Employee Stock Option exceeds the level of the cap. Participants that join the JSOP will automatically surrender their entitlement to regular Employee Stock Options and Performance Employee Stock Options provided under LTI 2021. Through both the Capped Employee Stock Option and the Joint Ownership Right, the participant is given the same opportunity to take part of the growth of value of the Concentric share had the participant not surrendered the rights to the options provided under LTI 2021.

To facilitate the JSOP, Concentric will transfer a number of own shares equal to the maximum number of share options which may be awarded to participants who elect to join the JSOP into the program.

The shares will be transferred to a securities account controlled by the ESOT in which the shares will be jointly owned by the respective participant and the ESOT as specified within the terms of a joint ownership agreement.

If all the conditions for a participant to receive a Concentric share under a regular Employee Stock Option or Performance Employee Stock Option are met, then

- the participant will be eligible to exercise the respective Capped Employee Stock Option;
- the total funds paid by the participant to Concentric will be the same as the exercise price of the Employee Stock Option or Performance Employee Stock Option; and
- the ESOT will surrender its ownership rights in a jointly owned Concentric share and transfer the Concentric share to the participant as full and final settlement of their entitlement under LTI 2021.

If all conditions set out in LTI 2021 for the exercise of an Employee Stock Option or a Performance Employee Stock Option is not met, any participant in JSOP must surrender all his ownership rights in a corresponding jointly owned Concentric share to the ESOT and the participant may not exercise the Capped Employee Stock Option. Such shares will be retained in the ESOT and used for future share schemes or other variable remuneration purposes in Concentric.

The JSOP will result in Concentric incurring some up-front costs for setting up the necessary practical arrangements. However, the use of Capped Employee Stock Options will also cap social security contributions, such that the total annual costs are expected to be in line with those specified in the Board's proposal on LTI 2021 under item 12 on the agenda. In summary, the JSOP gives the company an opportunity to offer LTI 2021 to participants resident in the United Kingdom in a more tax efficient solution than if the shares had been delivered to them through any other method, whilst ensuring that the conditions for the participants remain the same.

#### *Transfer of Own Shares*

In light of the foregoing, the Board proposes that the general meeting resolve on transfer of own shares to the ESOT and the participants in accordance with the following.

1. The maximum number of shares that may be transferred to an ESOT and the participants is 115,800.
2. Each transferred share may, with deviation of the shareholders' preferential rights, be acquired by the ESOT jointly with one of the participants.
3. The part of a share acquired by the ESOT will be acquired free of charge and the part of a share acquired by a participant, the Joint Ownership Right, is acquired by the participant for a price equal to its market value. The value of this Joint Ownership Right will be established using a best estimate of the initial unrestricted market value, as defined under UK tax law, applying an expected return methodology.
4. The shares must be transferred to the ESOT and the participants before 31 December 2021.
5. The number of shares that may be transferred to the ESOT and the participants may be recalculated due to bonus issue, share split, rights issue and similar events in accordance with the terms and conditions of LTI 2021.

The reason for the proposed transfer and for the deviation from the shareholders' preferential rights is to enable a tax efficient delivery of shares under LTI 2021 to certain participants resident in the United Kingdom.

The Board proposes that a resolution under this proposal is to be subject to the general meeting having resolved to pass the Board's proposal on LTI 2021 under item 12 on the agenda.

## **MISCELLANEOUS**

### **Majority requirements**

Resolutions under items 14 (a) (authorisation for the board to resolve on acquisition of own shares) and 14 (b) (authorisation for the board to resolve on transfer of own shares) will not be valid unless supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Meeting.

Resolutions under items 13 (directed issue of warrants and approval of transfer of warrants), 14 (c) (transfer of own shares to participants in LTI 2021) and 14 (d) (transfer of own shares to an employee share ownership trust) will not be valid unless supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the Meeting.

### **Documents**

All documents in accordance with the Swedish Company's Act (2005:551) will be available at the company at Ågatan 39 in Linköping and on the company's website [www.concentricab.com](http://www.concentricab.com) no later than as from Thursday 1 April 2021 and will be sent, immediately and free of charge to the recipient, to those shareholders who so request and state their postal address. The share register will be available at the company at Ågatan 39 in Linköping. All documents, including the share register, will be provided by being held available accordingly.

### **Information**

Shareholder are entitled to request information regarding items on the agenda, in accordance with Chapter 7 Section 32 of the Swedish Companies Act. A request regarding such information shall be submitted in writing to the Company, Concentric AB, Ågatan 39, 582 22 Linköping, or via email to [lennart.lindell@concentricab.com](mailto:lennart.lindell@concentricab.com), no later than on Monday 12 April 2021. The information is provided by being available at the Company at Ågatan 39, 582 22 Linköping, and on the Company's website, [www.concentricab.com](http://www.concentricab.com), no later than on Saturday 17 April 2021. The information will be sent within the same time to the shareholder who has requested it and provided its postal address.

### **Shares and votes**

As per the day of this notice, the number of shares and votes in the company totals 38,297,600 respectively of which the company holds 123,255 shares. In addition to this, 304,812 shares have been transferred to an Employee Share Ownership Trust.

### **Processing of personal data**

For information on how your personal data is processed, please see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

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**Concentric AB (publ)**  
*The Board of Directors*