



NOTICE OF THE ANNUAL GENERAL MEETING OF MIPS AB (PUBL)

Shareholders of MIPS AB (publ), reg. no. 556609-0162, are hereby invited to attend the Annual General Meeting, to be held on Thursday 7 May 2020 at 3.00 p.m. at GT30, Grev Turegatan 30 in Stockholm, Sweden.

In view of the spread of Covid-19, MIPS has taken a number of measures ahead of the 2020 AGM

- No drinks or refreshments will be served.
- Participation by Board members and company management will be limited.
- The duration of the meeting will be shortened, but without infringing on shareholders' rights.

To minimise the number of shareholders at the venue, MIPS encourages our shareholders to carefully consider the possibility of attendance via proxy. More information is provided below.

MIPS is taking these precautionary measures to safeguard our shareholders' and employees' health, and to limit as far as possible the potential spread of the new coronavirus.

Notification of attendance

Shareholders who wish to attend the Annual General Meeting must, firstly, be listed in the shareholders' register maintained by Euroclear Sweden AB (the Swedish Central Securities Depository), on Thursday 30 April 2020, and secondly, give notice to the company of their intention to attend the meeting no later than Monday 4 May 2020.

Notification shall be given in writing by mail to MIPS AB, "Annual General Meeting", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden or by telephone +46 8 402 90 58. Shareholders that are physical persons can also give notification at the company's website www.mipscorp.com. Name, personal number/corporate registration number, address, telephone number and the number, maximum two, of accompanying assistants, if any, should be stated when notification is given.

Representatives of minors and corporate representatives shall submit authorisation documents to the company well in advance of the Annual General Meeting. Proxy forms are available on the company's website, www.mipscorp.com.

To be able to attend the Annual General Meeting, shareholders whose shares are registered in the name of a nominee must have such shares temporarily registered in their own names, in the shareholders' register maintained by Euroclear Sweden AB. This procedure, so-called voting rights registration, must have been effected on Thursday 30 April 2020 and should be requested with the nominee well in advance of this date.

Proposed agenda



Press Release

30 March 2020 18:00:00 CEST

1. Opening of the meeting
2. Election of the chairman of the Annual General Meeting
3. Drawing up and approval of voting list
4. Election of two persons to check and verify the minutes
5. Determination of whether the general meeting has been duly convened
6. Approval of the agenda
7. Presentation of the annual report and the auditor's report, and the consolidated financial statements and the auditor's report for the group, for the financial year 1 January - 31 December 2019
8. Report by the chairman of the Board on the work of the Board
9. Presentation by the CEO
10. Adoption of the income statement and the balance sheet and the consolidated income statement and consolidated balance sheet
11. Resolution regarding disposition of the company's earnings in accordance with the adopted balance sheet
12. Resolution regarding discharge from liability of the directors of the Board and the CEO
13. Determination of the number of directors of the Board
14. Determination of the remuneration to the Board and the auditors
15. Election of directors, chairman of the Board and auditors
16. Resolution regarding guidelines for remuneration to the senior executives
17. Resolution on long term incentive plan, including resolution on a directed issue of warrants with a subsequent transfer to the participants in the incentive plan
18. Resolutions on (A) performance share plan, (B) authorisation for the Board to resolve upon acquisition of own shares, (C) transfer of acquired shares to the participants, and (D) authorisation for the Board to resolve upon transfer of acquired shares on NASDAQ Stockholm
19. Resolution on amendment of the articles of association
20. Closing of the meeting

Proposals

The nomination committee, consisting of Peter Lundkvist, chairman (appointed by Tredje AP-fonden), Jan Dworsky (appointed by Swedbank Robur fonder), Henrik Söderberg (appointed by C WorldWide Asset Management) and Magnus Welander, chairman of the Board of MIPS AB, has submitted proposals to be resolved upon under items 2 and 13-15 on the agenda.

Item 2 - Election of the chairman of the Annual General Meeting

The nomination committee proposes that Fredrik Lundén, member of the Swedish Bar Association, is elected as chairman of the meeting.

Item 11 - Resolution regarding disposition of the company's earnings in accordance with the adopted balance sheet

The Board proposes a dividend of SEK 3.00 per share. Record date shall be Monday 11 May 2020. If the meeting resolves in accordance with the proposal, it is estimated that Euroclear Sweden will execute the payment on Thursday 14 May 2020.



Item 13 – Determination of the number of directors of the Board

The nomination committee proposes that the Board shall consist of five (5) members elected by the Annual General Meeting.

Item 14 – Determination of the remuneration to the Board and the auditors

The nomination committee proposes that the chairman of the Board shall be paid a fee of SEK 400,000 (unchanged) and each of the other directors shall be paid a fee of SEK 200,000 (unchanged). The nomination committee has further proposed that fees shall be payable to the chairman of the audit committee with SEK 100,000 (unchanged) and to each member of the audit committee with SEK 50,000 (unchanged). The nomination committee has further proposed that fees shall be payable to the chairman of the remuneration committee with SEK 35,000 (unchanged) and to each member of the remuneration committee with SEK 20,000 (unchanged). The proposal by the nomination committee results in total fees to the Board amounting to SEK 1,200,000, excluding fees for work on the committees (previously SEK 1,400,000) and SEK 1,405,000 including fees for work on the committees (previously SEK 1,605,000).

Further, the nomination committee proposes that the company's auditor shall be paid in accordance with approved invoices.

Item 15 – Election of directors and chairman of the Board

The nomination committee proposes that Pär Arvidsson, Jonas Rahmn, Magnus Welander, Pernilla Wiberg and Jenny Rosberg shall be re-elected as Board members. Further information regarding the proposed members of the Board is available on the company's website at www.mipscorp.com.

The nomination committee proposes that Magnus Welander shall be re-elected as chairman of the Board.

The nomination committee proposes that the registered accounting firm KPMG AB shall be re-elected as auditor for the period until the next Annual General Meeting. KPMG has appointed the authorised public accountant Tomas Gerhardsson as auditor-in-charge.

Item 16 – Resolution regarding guidelines for remuneration to the senior executives

The Board proposes the following guidelines for remuneration to the senior executives.

These guidelines cover the senior executives at MIPS, currently including the CEO, Chief Financial Officer, Head of Operations, Chief Science Officer, Chief Marketing Officer, Head of Sales and Head of Product Development of the company. The guidelines are applicable to remuneration that will be agreed, and amendments to remuneration already agreed, after the adoption of the guidelines by the 2020 Annual General Meeting. These guidelines do not apply to any remuneration resolved or approved by the General Meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Briefly, the company's business strategy is as follows.



Press Release

30 March 2020 18:00:00 CEST

MIPS operates as an ingredient brand with a solution designed to improve helmet safety by reducing rotational motion that can arise in the event of an angled impact to the head. The company's long-term strategy is based on three main helmet categories comprising Sports, Moto and Safety, which together represent a focus market of more than 130 million helmets. As part of the company's business strategy the following long-term (2025) financial targets have been set:

- Net sales > SEK 1 billion
- Operating margin > 40%
- Dividend >50% of annual net earnings

For more information about the company's business strategy, see <https://mipscorp.com/en/about-us/business-model-and-strategy/>.

The company's position as a world-leading actor in its field is largely a result of the innovation, know-how and ability to get things done of a number of individuals affiliated with MIPS. In order to continue to successfully implement the company's business strategy and to safeguard the company's long-term interests, including its sustainability, the company must be able to recruit and retain qualified employees. Consequently, the company must be able to offer competitive remuneration, which these guidelines enable.

The company has established long-term share-based incentive programs that are based on warrants and that expire in the spring of 2020. They were approved by the General Meeting and are therefore not covered by these guidelines. The outcome of the programs has been linked to the company's share price development since the initial public offering in March 2017. In addition, the programs impose requirements on personal investment and multiyear retention. For more information about these programs, see <https://mipscorp.com/en/corporate-governance/incentive-program/>. Prior to the 2020 Annual General Meeting, the Board has proposed two new long-term share-based incentive programs based on warrants and performance share rights, respectively.

Types of remuneration, etc.

The remuneration should be market-based and may comprise the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the General Meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The fixed salary for senior executives shall be adapted to market conditions, be competitive and be based on competence, responsibility and performance.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 75 percent of the fixed annual cash salary of the CEO and not more than 50 percent of the fixed annual cash salary for each of the other senior executives.

The variable cash remuneration shall be linked to predetermined and measurable criteria, which may be financial or non-financial. The criteria may also comprise individually and



Press Release

30 March 2020 18:00:00 CEST

functionally adapted quantitative or qualitative targets. The criteria must be designed to promote the company's business strategy and long-term interests, including its sustainability, by, for example, being clearly linked to the business strategy or by promoting the senior executive's long-term development. The variable cash remuneration will mainly be dependent on the group's net sales and operating margin, which is in line with the company's long-term financial goals. In addition, the remainder of the variable remuneration may be paid based on individual and function-specific targets.

The remuneration committee is responsible for the assessment of outcome regarding variable cash remuneration to the CEO, and the CEO is responsible for the evaluation regarding variable cash remuneration to the other senior executives. With regards to the financial targets, the assessment shall be based on the financial information made public by the company.

The Board shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

For all senior executives, pension benefits, including health insurance (*Sw. sjukförsäkring*), shall be defined-contribution schemes. Variable cash remuneration shall not qualify for pension benefits. The pension premiums to defined-contribution schemes shall amount to not more than 30 percent of the fixed annual cash salary. Other benefits may include, for example, life insurance, medical insurance (*Sw. sjukvårdsförsäkring*), and company cars. Such benefits may amount to not more than 10 percent of the fixed annual cash salary.

Termination of employment

In the event of termination by the company, the period of notice shall be a maximum of twelve months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for two years for the CEO and one year for other senior executives. When termination is made by the senior executive, the notice period may not exceed six months, without any right to severance pay.

Remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for any loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall amount to not more than 60 percent of the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective bargaining agreements, and be paid during the time the non-compete undertaking applies, however not for more than nine months following termination of employment.

Salary and employment conditions for employees

In the preparation of the Board's proposal for these guidelines for remuneration, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board's basis for decision when evaluating whether the guidelines and the



Press Release

30 March 2020 18:00:00 CEST

limitations set out herein are reasonable. The development of the gap between the remuneration to senior executives and remuneration to other employees will be disclosed in the company's remuneration report.

The decision-making process to determine, review and implement the guidelines

The Board has established a remuneration committee. The committee's tasks include preparing the Board's decision to propose guidelines for remuneration to the senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration to the senior management, the application of the guidelines for remuneration to the senior executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and the senior management.

The CEO and other members of senior management do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the Board's resolutions in remuneration-related matters, which includes any resolutions to derogate from the guidelines.

Item 17 - Resolution on long term incentive plan, including resolution on a directed issue of warrants with a subsequent transfer of warrants to participants in the incentive plan

The Board proposes that the Annual General Meeting resolves on a long term incentive plan for senior executives and certain key persons in MIPS ("**Warrant Plan 2020/2023**") through an issue of warrants with a subsequent transfer to the participants. The purpose of Warrant Plan 2020/2023, and the reasons for the deviation from shareholders' preferential rights, is to strengthen the connection between the work of senior executives and key persons and the future value growth of the Company. A long-term incentive plan is also considered to facilitate the Company's retention and recruitment of key persons.

1. ISSUE OF WARRANTS

1.1 The Company shall issue a maximum of 575 000 warrants under Warrant Plan 2020/2023. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, be granted to a wholly-owned subsidiary of MIPS, with the right and obligation for the subsidiary to offer the warrants to be acquired on market terms to the participants of Warrant Plan 2020/2023 in accordance with the Board's instructions. The warrants shall be issued free of charge to the subsidiary.

1.2 Subscription of the warrants shall be made on a subscription list within two weeks



Press Release

30 March 2020 18:00:00 CEST

from the date of the resolution to issue warrants. The Board shall have right to extend the subscription period. Over-subscription is not possible.

2. TRANSFER OF WARRANTS

2.1 In accordance with the Board's instructions, the subsidiary shall have the right to transfer the warrants to senior executives and key persons in the Company with the following allocation:

Category	Guaranteed amount of warrants	Maximum amount of warrants
CEO	150,000	225,000
Senior executives (6 persons)	300,000 (50,000 per participant)	450,000 (75,000)
Other key persons (5 persons)	125,000 (25,000 per participant)	187,500 (37,500)

2.2 Should warrants remain after all applications have been satisfied up to the guaranteed level as set out in Section 2.1, the remaining warrants shall be available for allotment to participants regardless of category. Such distribution shall however at the most result in the maximum number of warrants per person within each category amounting to the maximum number of warrants set out in the table under Section 2.1. Should not all participants who wish to subscribe for the maximum number of warrants set out in the table under Section 2.1 be able to do so, the remaining warrants shall be allotted to these participants pro rata in relation to the number of warrants subscribed for, however not more than the maximum number of warrants set out in the table under Section 2.1. The Board of the Company shall decide on the final allotment.

2.3 The warrants shall be transferred at market value calculated by an external valuator based on the so called Black & Scholes formula. The market value of each warrant has been estimated to SEK 27.2 per warrant, according to a preliminary valuation.

3. TIME AND PRICE FOR SUBSCRIPTION FOR SHARES

3.1 Each warrant entitles to subscription of one (1) new share in MIPS at a subscription price corresponding to 130 per cent of the average volume-weighted price paid for the MIPS share on Nasdaq Stockholm during the period from and including 8 May 2020 up to and including 14 May 2020. If MIPS has inside information during this period, the Board shall have the right to postpone the measurement period for the average share price. Subscription for shares in MIPS by exercise of the warrants may, in accordance with the terms and conditions for the warrants (see Schedule 1), be made during the period from and including 15 May 2023 up to and including 30 September 2023. However, shares cannot be acquired during such period when trading in shares of MIPS is prohibited in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the Market Abuse Regulation) or other



Press Release

30 March 2020 18:00:00 CEST

applicable legislation at any given time.

3.2 The number of shares which the warrants entitle to, and the subscription price, may be recalculated in the event of, inter alia, dividends, fund issues, mergers or divisions of shares, rights issues, certain forms of reductions of share capital or similar measures. The complete terms and conditions for the warrants are attached as Schedule 1 to the proposal. The new shares that may be issued upon new subscription are not subject to any reservations.

4. INCREASE OF SHARE CAPITAL, DILUTION AND COSTS

4.1 If all the warrants are subscribed for and exercised, the Company's share capital will increase with a maximum amount of SEK 57,500 through the issue of a maximum amount of 575,000 shares. Such increase corresponds to a dilution of the share capital and votes in the Company of approximately 2.2 per cent, subject to recalculation according to the terms and conditions for the warrants.

4.2 The Company has no other costs for Warrant Plan 2020/2023 than administrative costs regarding advisors etc. in connection with the preparation of the documentation and the resolution to issue the warrants etc.

5. RIGHT OF FIRST REFUSAL

The warrants shall be subject to an obligation for the participant, prior to transfer of the warrants or the warrants being disposed to any third party, to offer MIPS to repurchase the warrants. Further, the warrants shall be subject to a right for MIPS to repurchase the warrants if the participant's employment in, or assignment for, the Company is terminated during the term of the Warrant Plan 2020/2023.

6. PREPARATION OF THE PROPOSAL ETC.

Warrant Plan 2020/2023 has been prepared by the Board of Directors of the Company and has been processed at board meetings during 2019 and 2020. After the warrant plans adopted by the extraordinary general meeting on 1 February 2017 lapse during spring 2020, there will be no outstanding share based incentive plans in MIPS. However, in addition to this plan, the Board has proposed the implementation of a new performance share plan (please see item 18 on the agenda).

7. SPECIAL AUTHORIZATION FOR THE BOARD OF DIRECTORS

The CEO or the Board of Directors of MIPS are authorized to make such minor adjustments to the resolution by the Annual General Meeting that may be required for registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

The Board shall be entitled to make such adjustments of Warrant Plan 2020/2023 as may be necessary to comply with foreign rules or conditions.

8. THE BOARD OF DIRECTORS' PROPOSED RESOLUTION

Referring to the description above, the Board proposes that the Annual General Meeting resolves on Warrant Plan 2020/2023, including a resolution on a directed issue of warrants with a subsequent transfer to the participants.



9. MAJORITY REQUIREMENTS

A resolution on Warrant Plan 2020/2023 in accordance with the board's proposal is valid if it is supported by shareholders holding more than nine tenths of the votes cast and the shares represented at the Annual General Meeting.

Item 18 – Resolutions on (A) performance share plan, (B) authorisation for the Board to resolve upon acquisition of own shares, (C) transfer of acquired shares to the participants, and (D) authorisation for the Board to resolve upon transfer of acquired shares on NASDAQ Stockholm

The Board proposes that the Annual General Meeting resolves on (A) a long term performance share plan for employees in the Company ("**LTIP 2020**"), in accordance with item 1 below, (B) authorisation for the Board to resolve upon acquisitions of own shares to ensure that the company can deliver shares under LTIP 2020, in accordance with item 2 below, (C) transfers of shares, which the Company acquires by use of the authorisation to acquire shares, to participants, in accordance with item 3 below, and (D) authorisation for the Board to resolve upon transfers of acquired shares on Nasdaq Stockholm, in accordance with item 4 below. The main reasons for LTIP 2020 is to facilitate the Company's retention and recruitment of talented employees, to generate increased commitment from the participants and to align the interests of shareholders and employees of the Company to ensure maximum long-term value creation.

1. (A) LTIP 2020

1.1 Participants in LTIP 2020

LTIP 2020 comprises each employee within the MIPS group except for the employees who are offered to participate in the warrant program 2020/2023, 42 persons (please refer to item 17 on the agenda). Out of these persons, 12 are employed in China, and these are proposed to receive synthetic shares instead of share rights in accordance with the terms set out in item 1.5 below.

1.2 Personal investment and allocation of share rights

To participate in LTIP 2020, the participant is required to own shares in MIPS which shall be allocated to LTIP 2020 ("**Investment Shares**"). The Investment Shares shall be acquired specifically for the LTIP 2020. A participant may as a maximum invest a number of shares which value corresponds to the participant's monthly salary in April 2020 before taxes, assuming a share price of SEK 211.43, which was the average closing price of the MIPS share during the period between 2 March – 27 March 2020.

Each Investment Share entitles to one share right. Allocation of share rights to participants will occur after the Annual General Meeting 2020 in connection with, or shortly after, the participant and MIPS entering into an agreement regarding the participation in LTIP 2020.

1.3 Terms for the share rights

The following conditions apply to the share rights:

- The share rights are allocated free of charge.



Press Release

30 March 2020 18:00:00 CEST

- The participant is not entitled to transfer, pledge or divest the share rights or exercise any shareholders' rights regarding the share rights.
- Each share right entitles the holder to receive one (1) share in MIPS, subject to the conditions for allocation being fulfilled.
- To be entitled to receive shares under the share rights, it is required that (i) the participant remains employed within the MIPS group until, and including, the day on which MIPS' interim report for the first quarter of 2023 is announced, (ii) the participant has kept all of its Investment Shares, and (iii) the performance target (set out below in item 5) is fulfilled.
- Allocation of MIPS shares under the share rights shall normally take place within two weeks after announcement of MIPS' interim report for the first quarter of 2023.
- MIPS will not compensate participants in the plan for dividends in respect of the shares each share right entitles to.

1.4 Performance target

The performance target is achieved if the average total shareholder return (TSR)^[1] on MIPS' share amounts to 10 percent or more during the measurement period (March 2020 – March 2023).

If the performance target is not achieved, i.e. if the average total shareholder return on MIPS' share amounts to less than 10 percent during the measurement period, no shares will be allocated to the participants.

1.5 Employees in China

The 12 persons who are employed by MIPS' subsidiary in China are proposed to receive synthetic shares free of charge after the Annual General Meeting in connection with, or shortly after, the participant and MIPS entering into an agreement regarding the participation in LTIP 2020. The intention is to offer the employees in China an incentive structure which to the fullest extent possible is the same as the terms for LTIP 2020 through a cash based plan, although with no requirement for a personal investment, to facilitate the administration for these participants and the Company.

1.6 Implementation and administration

The Board, or a specific committee appointed by the Board, shall be responsible for the implementation and administration of LTIP 2020, and the terms that will apply between MIPS and each participant in the plan, within the scope of the terms and directions set out herein. In connection therewith, the Board shall be authorised to make adjustments regarding, inter alia, the vesting period and the allocation of MIPS shares in the event of termination of employment during the vesting period as a result of e.g. early retirement.

Before the number of shares which shall be allocated in accordance with the share rights, and the cash compensation which shall be paid pursuant to the synthetic shares, are finally determined, the Board shall assess if the outcome of LTIP 2020 is reasonable. This assessment shall be made in relation to MIPS financial results and position, the conditions on the share market and otherwise. If, in this assessment, the Board finds that the outcome is not reasonable, the Board shall reduce the number of shares and the cash compensation which shall be allocated and paid, respectively.



1.7 Scope

As a maximum, 7,000 shares in MIPS can be allocated to the participants under LTIP 2020, which represents approximately 0.03 per cent of all shares and 0.03 per cent of all votes in the company. The number of shares included in LTIP 2020 shall, under the conditions that the Board stipulates, be subject to recalculation where MIPS implements a bonus issue, a share split or a reverse share split, a rights issue or similar corporate actions, with regard to customary practice for similar incentive plans.

1.8 Hedging

The Board considers that LTIP 2020 should be implemented through the transfer of shares in MIPS to entitled participants in LTIP 2020. Hence, the Board proposes that the Annual General Meeting resolves upon a transfer of shares in MIPS already held by the Company, and that the Board shall be authorised to acquire shares in MIPS (see further under items 2-3 below). The Board also proposes that the Board shall be entitled to transfer shares in MIPS, held by the Company, on Nasdaq Stockholm, to cover the costs for the payment of cash compensation pursuant to the synthetic shares, and costs for social security contributions under the plan (see further under item 4 below). However, should the Annual General Meeting not approve of the Board's proposal, the Board may enter into a hedging arrangement with a bank to secure the obligation of the Company to deliver shares under the plan. Such a hedging arrangement with a bank may also be used for the purpose to cover costs that accrue under the LTIP 2020.

1.9 Estimated costs of the plan

Based on the assumption of a share price of SEK 212.50 at the time of investment (the closing price on 27 March 2020), an annual average increase of the share price of 10 per cent, participation in the plan by all persons invited to participate, that all participants make the maximum investment and that all participants remain in the plan up until the allocation and the payment, respectively, the total estimated cost of LTIP 2020 is approximately MSEK 1.5, including estimated social security contributions. The cost is equivalent to the value of approximately 0.03 per cent of MIPS' market capitalisation based on the closing price for MIPS on 27 March 2020.

The annual cost of LTIP 2020, including social security contributions, is estimated to amount to approximately SEK 530,000 in accordance with the conditions above, which corresponds to approximately 1.2 per cent of MIPS' total staff costs including social security contributions for 2019.

LTIP 2020 will be accounted for in accordance with IFRS 2, meaning that the share rights shall be charged as staff costs and recognised during the vesting period. Furthermore, this means that the synthetic shares' fair value at the time of allocation shall be charged as a staff cost and recognised during the vesting period and constantly be revalued at each reporting date.

1.10 Effects on important key ratios

The estimated annual cost for LTIP 2020 of SEK 530,000 (based on the assumptions above) corresponds on a pro-forma basis for 2019 with a negative effect on MIPS' operating margin of approximately 0.20 percentage and a decrease of earnings per share of approximately SEK 0.02. However, the Board considers that the positive effects on



Press Release

30 March 2020 18:00:00 CEST

MIPS' financial performance which are expected from an increased commitment and shareholding by the participants as well as the possibility to be allocated further shares under the plan, outweighs the minor costs related to LTIP 2020.

1.11 The preparation of the proposal etc.

LTIP 2020 has been prepared by the Board and processed at board meetings during 2019 and 2020. After the warrant plans adopted by the extraordinary general meeting on 1 February 2017 lapse during the spring 2020, there will be no outstanding share based incentive plans in MIPS. However, in addition to this plan, the Board has proposed the implementation of a new warrant plan (please see item 17 on the agenda).

1.12 Majority requirement

The resolution in accordance with the Board's proposal regarding LTIP 2020 is valid only if supported by shareholders representing more than half of the votes represented at the Annual General Meeting.

2. (B) AUTHORISATION FOR THE BOARD TO RESOLVE UPON ACQUISITION OF OWN SHARES

2.1 Background and proposal

MIPS does not hold any own shares at the time of the proposal. Consequently, the Board proposes that the Annual General Meeting resolves to authorise the Board to, up until the next Annual General Meeting, on one or several occasions, resolve on acquisitions of own shares. No more than 7,000 shares may be acquired pursuant to the authorisation. The shares shall be purchased on Nasdaq Stockholm at a price per share within the registered share price range interval on each occasion, by which is meant the difference between the highest buying price and the lowest selling price. Payment for the shares shall be made in cash.

The Board's proposal according to this item 2 is conditional upon the Board's proposal regarding LTIP 2020 according to item 1 above being adopted by the Annual General Meeting.

2.2 Majority requirement

The resolution in accordance with the Board's proposal regarding authorisation for the Board to resolve on acquisitions of own shares is valid only if supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Annual General Meeting.

3. (C) RESOLUTION ON TRANSFER OF ACQUIRED SHARES TO THE PARTICIPANTS

3.1 Transfer of acquired shares to the participants

To secure the delivery of shares to participants in LTIP 2020, the Board proposes that the Annual General Meeting resolves on the transfer of acquired shares in accordance with the terms set out below:

- Transfer can be made of a maximum of 7,000 MIPS shares to participants in LTIP 2020 which are entitled to allocation of shares according to the terms of LTIP 2020 (or the higher amount of shares due to recalculation as a result of bonus issues, reverse splits or splits of shares, rights issues or similar corporate actions).



Press Release

30 March 2020 18:00:00 CEST

- The transfer of shares shall be made free of charge at the time stipulated by, and in accordance with the terms of, LTIP 2020.

The reason for the deviation from shareholders' preferential rights is that the transfer of the shares is part of executing LTIP 2020. Therefore, and in light of the above, the Board considers it to be to the benefit of MIPS to transfer shares in accordance with the proposal.

The Board's proposal according to this item 3 is conditional upon the Board's proposal regarding LTIP 2020 according to item 1 above being adopted by the Annual General Meeting.

3.2 Majority requirement

The resolution in accordance with the Board's proposal in item 3.1 above is valid only if supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the Annual General Meeting.

4. (D) AUTHORISATION FOR THE BOARD TO RESOLVE UPON TRANSFER OF ACQUIRED SHARES ON NASDAQ STOCKHOLM

4.1 Transfers of acquired shares on Nasdaq Stockholm

The Board proposes that the Annual General Meeting resolves to authorise the Board to resolve on transfers of acquired shares on Nasdaq Stockholm. Transfers may be made up until the next Annual General Meeting, on one or several occasions, of a maximum of 7,000 MIPS shares on Nasdaq Stockholm to cover potential costs related to LTIP 2020, e. g. costs for the payment of cash compensation pursuant to the synthetic shares, and costs for social security contributions under the plan. Transfers shall be made within the registered share price interval on each occasion.

The Board's proposal according to this item 4 is conditional upon the Board's proposal regarding LTIP 2020 according to item 1 above being adopted by the Annual General Meeting.

4.2 Majority requirement

The resolution in accordance with the Board's proposal in item 4.1 above is valid only if supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Annual General Meeting.

Item 19 - Resolution on amendment of the articles of association

The Board proposes that the Annual General Meeting shall resolve to amend the articles of association's (i) § 1, replacing the word "firma" with "företagsnamn" (which does not affect the English translation of the articles of association), and (ii) § 9, so that the provision only sets forth the requirement of notification of attendance to a general meeting, in order to adapt the wording to expected upcoming changes in legislation. § 9 of the English version of the articles of association will read as follows:

§ 9 Notification of attendance and right to attend the general meeting

Shareholders wishing to participate at a general meeting must notify the company no later than the day stipulated in the notice convening the general meeting.



Press Release

30 March 2020 18:00:00 CEST

Majority rules

The resolution proposed by the Board in item 18 (B), 18 (D) and 19 of the agenda will only be validly adopted if shareholders holding no less than two thirds of both the votes cast and the shares represented at the meeting vote in favour of the resolution.

The resolutions proposed by the Board in items 17 and 18 (C) of the agenda will only be validly adopted if shareholders holding no less than nine tenths of both the votes cast and the shares represented at the meeting vote in favour of the resolutions.

Number of shares and votes

At the time of issuing this notice there were in the aggregate 26,124,870 shares outstanding in MIPS AB. The total number of votes amounts to 26,124,870. MIPS held, at the time of issuing this notice, no own shares in treasury.

Shareholder's right to request information

In accordance with the Swedish Companies Act Ch. 7 Sec. 32, the shareholders have the right to ask questions at the Annual General Meeting regarding the items on the agenda and about the financial situation of the company and the group. Shareholders who wish to submit questions in advance of the Annual General Meeting, shall send these to MIPS AB, "Annual General Meeting", Kemistvägen 1B, SE-183 79 Täby, Sweden, or per e-mail to elin.bonnedahl@mipsprotection.com.

Available documents

The annual report, the auditor's report and the auditor's statement regarding compliance with the previous guidelines for remuneration to the senior executives, complete terms and conditions for the warrants proposed to be issued in item 17 as well as any additional documentation regarding the Board's proposals such as the Board's motivated opinion pursuant to the Swedish Companies Act Ch. 18 Sec. 4 and Ch. 19 Sec 22 are available to the shareholders at the company's office and at the company's website <http://www.mipscorp.com>, at the latest from and including 16 April 2020 and will also be distributed to shareholders who have notified their wish to receive the documents and have informed of their postal address.

Processing of personal data

For information regarding processing of your personal data, please refer to: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Stockholm, March 2020

MIPS AB (publ)

The Board of Directors

This is an in-house translation. In case of any discrepancies between the Swedish original and this translation, the Swedish original shall prevail.



Press Release

30 March 2020 18:00:00 CEST

[1] Total Shareholder Return. TSR is defined as total return on the share, including reinvested dividends. To be able to fairly assess the performance, the TSR-development shall be measured based on the MIPS share's average closing price on Nasdaq Stockholm during March 2020 compared to March 2023.

For more information, please contact

Max Strandwitz, President and CEO
Max.Strandwitz@Mipsprotection.com
tel +46 709 61 17 54

About MIPS

MIPS is a world-leader in helmet-based safety and the protection of the human brain. Based on an ingredient brand business-model, MIPS Brain Protection System (BPS) is sold to the global helmet industry. The technology is based on over 20 years of research and development together with the Royal Institute of Technology and the Karolinska Institute, both located in Stockholm, Sweden. MIPS headquarter with 38 employees engaged in research and development, sales, marketing and administration is in Stockholm, where its product and technology test facility also is located. The MIPS share is listed on Nasdaq Stockholm. For more information: www.mipscorp.com

Attachments

[Notice of the Annual General Meeting of MIPS AB \(publ\)](#)