

Notice of annual general meeting in VBG Group AB (publ)

The shareholders of VBG Group AB (publ), reg. no 556069-0751, are hereby invited to participate in the annual general meeting to be held on 2 May 2024 at 17.00 CEST, at the company's premises at Herman Kreftings gata 4, Vänersborg, Sweden. Admission and registration to the meeting will begin at 16.30 CEST. The board of directors has resolved, in accordance with the provisions of the company's articles of association, that shareholders may also exercise their voting rights in advance by postal voting.

Right to participate and notification

A) Participation at the meeting venue

Shareholders who wish to participate in the annual general meeting at the meeting venue in person or by proxy must be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on 23 April 2024, and give notice of participation no later than on 25 April 2024.

Notice may be given in any of the following manners:

- electronically, <https://anmalan.vpc.se/euroclearproxy>
- by phone, +46 (0)8-402 91 33, weekdays 09.00–16.00 CEST
- by post to VBG Group AB, "AGM", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden
- by e-mail to GeneralMeetingService@euroclear.com

The notification shall include name/business name, personal or corporate identity number, address, telephone number and number of any assistants (not more than two).

If the shareholder is represented by proxy and participate at the general meeting physically, a written and dated power of attorney signed by the shareholder must be issued for the representative. A form of proxy is available on the company's website, <https://vbgroup.com/en/corporate-governance/annual-meetings/>. If the shareholder is a legal entity, the proxy shall provide a copy of the power of attorney as well as a certificate of incorporation, or corresponding authorisation document. In order to facilitate the registration at the meeting, the power of attorney together with any registration certificate and other authorisation documents should be sent to the company at the address set out above in connection with the notice of participation.

B) Participation by postal voting

The shareholders may exercise their voting rights at the annual general meeting by postal voting. A shareholder who wishes to participate at the annual general meeting by postal voting must be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on 23 April 2024, and give notice of participation no later than on 25 April 2024 by submitting its postal vote in accordance with the instructions below, so that the postal vote is received by Euroclear Sweden AB no later than that day.

A shareholder who wishes to attend the meeting venue in person or by proxy, must give notice of this in accordance with A) above. Hence, a notice of participation only through postal voting is not sufficient for a person who wishes to attend the meeting venue.

A special form shall be used for the postal voting, which is available on the company's website, <https://vbggroup.com/en/corporate-governance/annual-meetings/>. The shareholder may not provide the postal vote with any special instructions or conditions. If so, the postal vote in its entirety is invalid. Further instructions and conditions are set forth in the postal voting form.

The completed form shall be received by Euroclear Sweden AB no later than on 25 April 2024.

The postal vote may be submitted in one of the following ways:

- electronically by verification with BankID via Euroclear Sweden AB's website, <https://anmalan.vpc.se/euroclearproxy>
- by post to VBG Group AB, "AGM", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden
- by e-mail to GeneralMeetingService@euroclear.com

If the shareholder submits its postal vote by proxy, a written and dated power of attorney signed by the shareholder must be attached to the postal voting form. A form of proxy is available on the company's website, <https://vbggroup.com/en/corporate-governance/annual-meetings/>. If the shareholder is a legal entity, a certificate of incorporation, or corresponding authorisation document, must be attached to the form.

Nominee registered shares

Shareholders whose shares are registered in the name of a nominee must, in addition to giving notice of its participation in the meeting, register their shares in their own name so that the shareholder is listed in the share register as of 23 April 2024. Such registration may be temporary (so-called voting rights registration) and requests for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than on 25 April 2024 will be taken into account in the presentation of the share register.

Agenda

1. Opening of the Meeting
2. Election of chairperson of the general meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes of the meeting
6. Determination of whether the meeting has been duly convened
7. Presentation of the annual report and the auditor's report as well as the group accounts and the auditor's report for the group, and the auditor's statement regarding compliance with the guidelines for remuneration to senior executives
8. Presentation by the president & CEO and the auditor's report
9. Resolutions regarding
 - a) the adoption of the income statement and the balance sheet as well as the group's consolidated income statement and the group's consolidated balance sheet
 - b) the allocation of the company's profits according to the adopted balance sheet
 - c) the discharge from liability for the board members and the CEO
10. Determination of
 - a) the number of board members, and
 - b) the number of auditors
11. Determination of
 - a) fees to the board members
 - b) fees to the auditor
12. Election of board members and the chairperson of the board
13. Election of registered audit firm

14. Resolution on approval of the remuneration report

15. Resolution on guidelines for remuneration and other terms of employment to senior executives

16. Authorisation for the board of directors to transfer own shares

17. Closing of the meeting

Election of chairperson of the general meeting (item 2)

The nomination committee ahead of the annual general meeting has consisted of Göran Bengtsson (appointed by Herman Kreftings Stiftelse för Allergi- och Astmaforskning), Johan Lannebo (appointed by Lannebo Fonder), Richard Torgerson (appointed by Nordea Funds Ltd), and Johnny Alvarsson (chairperson of the board of directors of VBG Group AB).

The nomination committee proposes that the chairperson of the board of directors Johnny Alvarsson is elected as chairperson of the annual general meeting 2024.

Preparation and approval of the voting list (item 3)

The voting list proposed for approval is the voting list prepared by Euroclear Sweden AB on behalf of the company based on the share register for the annual general meeting, postal votes received, and shareholders having given notice of participation and being present at the meeting venue.

Determination regarding the allocation of the company's profits according to the adopted balance sheet (item 9b)

The board of directors proposes a payment of an ordinary dividend of SEK 7.00 (5.50), with record date on 6 May 2024. If the general meeting resolves in accordance with the proposal, payment of the dividend by Euroclear Sweden AB is expected to be initiated on 10 May 2024.

Determination of the number of board members and the number of auditors (items 10a and 10b)

The nomination committee proposes that the board of directors shall consist of six ordinary board members without deputies. The nomination committee further proposes a registered audit firm as auditor of the company.

Determination of fees to the board members and fees to the auditor (item 11a and 11b)

The nomination committee proposes that the fees to the board members shall amount to a total of SEK 2,140,000 (2,305,000). The fees are proposed to be divided as follows: SEK 700,000 (680,000) to the chairperson of the board, and SEK 300,000 (285,000) to each of the other ordinary members of the board. Of the total fees, SEK 180,000 (150,000) shall be awarded to the audit committee, and SEK 60,000 (50,000) shall be awarded to the remuneration committee. No fees shall be awarded to employees of the group.

The nomination committee proposes that fees to the auditor shall be paid in accordance with approved invoice.

Election of board members and chairperson of the board (item 12)

The nomination committee proposes that Anders Birgersson, Peter Augustsson, Louise Nicolin, Mats R Karlsson, Anna Stålenbring and Anders Erkén (CEO) are re-elected as ordinary members of the board. The nomination committee proposes that Anders Birgersson is elected as chairperson of the board of directors.

Election of registered audit firm (item 13)

The nomination committee proposes, in accordance with the audit committee's recommendation, re-election of the registered audit firm Ernst & Young AB as the company's auditor for the time until the next annual general meeting. Ernst & Young AB has informed that, should the registered audit firm be elected, the authorised public accountant Andreas Mast will be auditor in charge.

Resolution on guidelines for remuneration and other terms of employment to senior executives (item 15)

The board of directors proposes that the annual general meeting 2024 resolves on the following revised guidelines for remuneration to senior executives. In comparison with the current guidelines, adopted by the annual general meeting 2020, the proposal mainly entails that the criteria for variable remuneration are changed, a possibility of conditional cash remuneration when acquiring shares of series B in the company is introduced and, as regards pension benefits, an additional 5% can be offered in direct pension. In addition, some editorial changes have been made.

Scope and application of the guidelines

The guidelines pertain to remuneration and other terms of employment for the Group Management of VBG Group and other senior executives. The board's proposal conforms to the remuneration policies of previous years and is based on agreements already signed between the company and the respective executives.

The preparation of remuneration issues is managed by the remuneration committee, which performs the tasks of the committee under the Swedish Corporate Governance Code.

The guidelines are to be applied to contracted remuneration, and to changes in previously contracted remuneration after adoption by the 2024 annual general meeting. The guidelines do not cover remuneration resolved by the general meeting such as board fees and share-based incentive programs.

How the guidelines promote VBG Group's business strategy, long-term interests and sustainability

Briefly put, VBG Group's business strategy within selected product and market segments entails acquiring, owning and developing industrial companies in business-to-business commerce with strong brands and good growth potential. VBG Group strives to be the number one or number two player in these niches. Based on a long-term commitment and with a focus on sustainable growth and profitability, the VBG Group's shareholders will be offered attractive value growth. The business concept is a tried and tested one, having proved very successful over time.

To successfully implement VBG Group's business and sustainability strategy and safeguard VBG Group's long term interests, it will be necessary for VBG Group to recruit and retain management with strong competence and the capacity to reach the goals it has set. This requires VBG Group's ability to offer competitive remuneration. These guidelines promote VBG Group's business strategy, long-term interests and sustainability by providing the company with the possibility of offering senior executives competitive remuneration.

Forms of remuneration

VBG Group's remuneration system must be on market terms and competitive. Remuneration can be paid as fixed cash salary, variable remuneration, pension and other customary benefits.

Fixed remuneration shall be individual to each senior executive and based on the executive's areas of responsibility and performance.

Variable remuneration is to be limited and based on the financial performance of the group or respective division compared with established goals. For senior executives, the annual variable portion will depend on position and contract. Variable remuneration may range from 33% to a maximum of 50% of the senior executive's fixed annual salary. In addition, senior executives may be offered an additional cash bonus to the effect that if the senior executive invests an amount up to half of the paid variable remuneration after tax for the previous year in the company by acquiring shares of series B, the senior executive will receive a gross cash bonus before tax corresponding to the amount invested.

Pension benefits in general will correspond to pension benefits as provided by law and collective agreement (the ITP plan). It is, however, possible for the executive to opt for other pension arrangements at the same cost to VBG Group. Pension benefits can amount to a maximum of 35% of the senior executive's fixed annual salary, in addition to which a further 5% in direct pension may be offered to senior executives.

Other benefits could entail a company car, health care and other similar benefits. Other benefits will comprise a smaller share of total remuneration, and can correspond to a maximum of 12% of the senior executive's fixed annual salary.

For employments covered by laws and regulations in a country other than Sweden, reasonable adjustments as far as pension and other benefits can be made to comply with compulsory laws or local practices, whereupon the overall purposes of these guidelines must be satisfied to the greatest extent possible.

Criteria for disbursement of variable remuneration

The criteria forming the basis for disbursement of variable remuneration are to be adopted yearly by the board for the purpose of ensuring the criteria are in line with VBG Group's current business strategy and earnings targets. The criteria may be individual or shared, financial or otherwise and must be designed in a way that they promote VBG Group's business strategy, sustainability strategy and long-term interests, which means the criteria must be clearly linked to the company's business strategy and objectives.

The financial criteria that form the basis of any variable remuneration must be based on improvements of operating profit before tax (EBT) and operating margin targets (EBITA margin, or alternately EBIT margin).

The non-financial criteria forming the basis of any variable remuneration must be linked to clear and measurable operations-related targets, such as ones that benefit the general financial criteria and operating profit. The targets can also be at the level of specific divisions, and linked to the division's business development, business plan or other significant activities decided by the board or group management. The criteria can also be linked to the employee themselves, for example personal goals to be fulfilled under a performance plan.

The period forming the basis for assessing whether or not the criteria have been met (the measurement period) must be at least one year. The extent to which the criteria have been met will be determined by the remuneration committee after the conclusion of the measurement period. The assessment of whether or not criteria have been met must be based on the latest financial information released by VBG Group. The board of directors decides on disbursement of variable remuneration in accordance with preparations by the remuneration committee.

The board of directors 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.

Salaries and conditions of employment for employees

For the purpose of assessing the reasonability of the guidelines, the board took salaries and conditions of employment for VBG Group's employees into account when preparing these guidelines. In this regard, the board has reviewed information on the total remuneration of employees, the forms of remuneration and how and at what pace the level of remuneration has changed over time.

Period of notice and severance pay

Senior executives are permanently employed. The period of notice from the company is 6–12 months, and from the senior executive 3–6 months.

Severance pay in addition to salary during the period of notice may not exceed the senior executive's fixed annual salary. The total sum of fixed salary during the period of notice and severance pay may not exceed an amount corresponding to the senior executive's fixed salary for 24 months.

Remuneration may be paid for a non-competition obligation. Such remuneration must compensate for any loss of income, and will only be paid to the extent the former senior executive lacks the right to severance pay. Remuneration can total a maximum of 60% of the senior executive's fixed salary at the time notice is given, if not otherwise stipulated by law, the mandatory provisions of a collective bargaining agreement or established practice. Such remuneration may be paid during the period the non-competition obligation is in force, which may be a maximum of twelve months after the termination of employment.

For employments covered by laws and regulations in a country other than Sweden, reasonable adjustments as far as periods of notice, severance pay and remuneration for non-competition obligations can be made to comply with compulsory laws or local practices, whereupon the overall purposes of these guidelines must be satisfied to the greatest extent possible.

Decision-making procedure for establishing, reviewing and implementing the guidelines

The board of directors has established a remuneration committee tasked with preparing the board's decisions on issues of remuneration policy, remuneration and other conditions of employment for senior executives; monitoring and evaluating programs for variable remuneration to senior executives, both ongoing and concluded during the year; and monitoring and evaluating the application of the guidelines for remuneration to senior executives that the general meeting is to resolve on as well as remuneration structures and levels in VBG Group.

The board of directors will prepare proposals for new guidelines when substantial changes to the guidelines are required, but at least once every four years. The board of directors will present the proposal for resolution at the annual general meeting. The guidelines will be in force until new guidelines are adopted by the general meeting.

For the purpose of avoiding conflicts of interest, senior executives will not be present while the board of directors addresses and decides on issues related to remuneration, to the extent such issues concern them.

Deviation from the guidelines

The board of directors may decide to temporarily deviate from the guidelines if, in an individual case, there are particular reasons for doing so and a deviation is necessary to provide for VBG Group's long-term interests and sustainability, or to ensure VBG Group's financial strength.

Particular reasons may, for example, consist of a deviation being deemed necessary to recruit or maintain key persons, or under extraordinary circumstances such as VBG Group achieving a given desired result in less time than planned, VBG Group signing a given agreement in less time and under better conditions than anticipated, or VBG Group increasing in value or increasing its sales or profits to a greater extent than forecast.

Authorisation for the board of directors to transfer own shares (item 16)

The board of directors proposes that the annual general meeting authorise the board to resolve, on one or more occasions up until the next annual general meeting in 2025, on the transfer of acquired Series B shares with deviation from the shareholders' preferential right. Transfers may be made of no more than the number of Series B shares held by VBG Group at the time of the board's resolution on the transfer. Payment for transferred shares may be made in a form other than in cash (in kind) or by way of set-off. The transfer of shares shall be on market terms and the board of directors may decide on the other terms for the transfer.

The purpose of the proposal, and the reason for the deviation from the shareholders' preferential right, is to enable the board of directors to facilitate acquisition financing by utilising own shares.

The board of directors, or the person appointed by the board of directors, is authorised to make such minor adjustments to the above proposal as may prove necessary in connection with the execution of the board of directors' resolution on transfer of own shares.

A valid resolution requires that the proposal is supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting.

Shares and votes

At the time of this notice, the total number of registered shares in the company amounts to 26,196,024, of which there are 2,440,000 shares of series A with ten (10) votes each and 23,756,024 shares of series B with one (1) vote each. The company holds 1,191,976 own shares of series B, corresponding to 1,191,976 votes, which are thus not represented at the meeting.

Documentation

The nomination committee's reasoned statement, form of proxy and postal voting form are available at the company and on the company's website, <https://vbgroup.com/en/corporate-governance/annual-meetings/>.

The annual report and the auditor's report, along with all other documents relating to the proposals will be held available at the company's premises and on the company's website at least three weeks prior to the annual general meeting and will be sent free of charge to shareholders who so request and inform the company of their postal address.

Information to the shareholders at the meeting

The board of directors and the CEO shall, if any shareholder so requests, and the board of directors considers that this can be done without significant harm for the company, at the meeting provide information on circumstances that may affect the assessment of an item on the agenda, circumstances that may affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group.

Processing of personal data

For information on how your personal data is processed, please refer to the privacy notice available at Euroclear Sweden AB's website <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Trollhättan, March 2024

The board of directors of VBG Group AB (publ)

Contact**Anders Erkén**

President & CEO VBG Group

Telephone: +46 521 27 77 88

E-mail: anders.erken@vbgroup.com

About Us

VBG Group AB (publ), domiciled in Vänersborg, is the Parent company of an international engineering Group with wholly owned companies in Europe, North America, Brazil, South Africa, India, Australia and China. The Group's operations are divided into three divisions – Truck & Trailer Equipment, Mobile Thermal Solutions and Ringfeder Power Transmission – with products that are marketed under strong, well-known brands. VBG Group AB's Series B share was introduced on the stock exchange in 1987 and is listed today on the Nasdaq Stockholm Mid Cap list.

Attachments

Notice of annual general meeting in VBG Group AB (publ)