

## Press Release

*This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.*

### **NOTICE OF 2019 ANNUAL GENERAL MEETING**

The Annual General Meeting of Indutrade Aktiebolag (publ) (reg. no. 556017-9367) will be held at 4 p.m. on Thursday, 9 May 2019, at IVA's Conference Center, Grev Turegatan 16, Stockholm, Sweden.

#### **A. RIGHT TO PARTICIPATE AND NOTIFICATION OF ATTENDANCE**

To be entitled to participate at the Annual General Meeting, shareholders must be listed in the shareholder register maintained by Euroclear Sweden AB on Friday, 3 May 2019, and notify the Company of their intention to participate at the Meeting no later than Friday, 3 May 2019. Notification of intention to participate at the Meeting can be made by filling out a form on Indutrade's website, [www.indutrade.se](http://www.indutrade.se), by post to Indutrade Aktiebolag, "AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden or by phone at +46 8 401 43 12. The notification must state the shareholder's name, national ID number/corporate registration number, address and phone number. Information provided in the notification will be data-processed and used only for the 2019 Annual General Meeting.

Shareholders are entitled to bring one or two assistants. Proxies, registration certificates and other authorisation documents must be on hand at the Annual General Meeting, and should, in order to facilitate entrance to the Meeting, be sent to the Company by no later than Monday, 6 May 2019. Proxies must be presented in original.

Shareholders whose shares are registered in the name of a nominee must request registration of their shares in their own names in the shareholder register as per Friday, 3 May 2019, in order to be entitled to participate in the Meeting. Such registration can be temporary.

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#### **B. ITEMS OF BUSINESS**

##### **B.1 Proposed agenda**

1. Opening of the Meeting;
2. Election of a Chair to preside over the Meeting;
3. Preparation and approval of the voting list;
4. Approval of the agenda;
5. Election of one or two persons to check the minutes;
6. Determination as to whether the Meeting has been duly convened;
7. Report on the work of the Board of Directors and its committees;
8. Presentation of the annual report and consolidated accounts, and in connection with that, the President's report on the operations for the year;

9. Presentation of the audit report and the audit report for the group, and of the auditor's statement regarding whether the Company has adhered to the guidelines for compensation of senior executives that have applied since the preceding Annual General Meeting;

10. Resolutions on:

(a) adoption of the income statement and balance sheet, and of the consolidated income statement and consolidated balance sheet;

(b) distribution of the Company's earnings in accordance with the adopted balance sheet;

(c) the record date, in the event the Meeting resolves to distribute profits;

(d) discharge from liability to the Company of directors and President for 2018;

11. Report on the work of the Nomination Committee;

12. Resolution on the number of directors and the number of auditors;

13. Resolution on directors' and auditors' fees;

14. Election of directors and the Chair of the Board;

15. Election of auditor;

16. Resolution on the Board's proposed guidelines for compensation and other terms of employment for senior executives;

17. Resolution on the Board's proposal regarding approval of transfer of shares in the subsidiary Rostfria VA-System i Storfors AB.

18. Closing of the Annual General Meeting.

## B.II Dividend

The Board proposes a dividend of SEK 4.50 per share.

Monday, 13 May 2019, is proposed as the record date for payment of the dividend. Provided that the Meeting resolves in accordance with the proposal, dividends are expected to be distributed by Euroclear Sweden AB on Thursday, 16 May 2019.

## B.III Election of a Chair to preside over the General Meeting, Board of Directors, etc.

The Nomination Committee has been composed of Claes Boustedt (L E Lundbergföretagen, committee chair), Katarina Martinson (Chair of the Board of Indutrade), Henrik Didner (Didner & Gerge Funds), Dick Bergqvist (AMF and AMF Funds), and Niklas Johansson (Handelsbanken Funds).

The Nomination Committee proposes the following:

### AGM Chair:

Katarina Martinson, Chair of the Board of Indutrade Aktiebolag.

### Number of directors and auditors:

The Board shall consist of eight directors and no deputies.

One registered accounting firm is proposed as auditor of the company.

### Directors' fees:

A fee of SEK 600,000 (550,000) is proposed for the Chair of the Board, SEK 450,000 (414,000) for the Deputy Chair of the Board, SEK 300,000 (277,000) for each of the other non-executive directors, SEK 80,000 (62,000) for the Audit Committee Chair, SEK 40,000 (0) for each of the other Audit Committee members and SEK 30,000 (28,000) for the Remuneration Committee Chair and members.

Auditors' fees:

Fees payable on current account (unchanged).

Board of Directors:

Re-election of Bo Annvik, Susanna Campbell, Anders Jernhall, Bengt Kjell, Ulf Lundahl, Katarina Martinson, Krister Mellvé and Lars Pettersson.

Katarina Martinson is proposed to be re-elected as Chair of the Board.

Auditor:

Re-election of PricewaterhouseCoopers AB as auditor of the company for the period until the end of the Annual General Meeting of 2020, in accordance with the recommendation from the Audit Committee.

B.IV The Board's proposed guidelines for compensation and other terms of employment for senior executives

The Board proposes that the Annual General Meeting adopt the following guidelines for compensation and other terms of employment for senior executives.

Indutrade shall apply compensation levels and terms of employment necessary to be able to recruit and retain management with high qualifications and the ability to achieve set objectives. The forms of compensation shall motivate members of the executive management to perform their utmost in order to safeguard the interests of the shareholders.

The forms of compensation shall therefore be in line with the going rate in the market and shall be straightforward, long-term and quantifiable. Compensation of members of executive management shall normally consist of a fixed and a variable portion. The fixed salary for members of the executive management shall be in line with the going rate in the market and shall be commensurate with the individual's expertise, responsibilities and performance. The variable portion shall reward achievement of clear goals to improve the Company's and the respective business areas' level of earnings and the Group's growth, in simple and transparent structures. The variable compensation component for members of the executive management shall normally not exceed 50 per cent of the annual base salary and may not exceed SEK 25 million.

Incentive programmes in the Company shall mainly be share price related and cover persons in senior positions in the Company who have a significant influence over the Company's results of operations and growth, and shall be based on the achievement of set targets. An incentive programme shall contribute to the long-term commitment to the Company's development and shall be implemented on market terms. The Company may pay out monetary compensation to key executives linked to investments in shares or share-related instruments. Such monetary compensation shall normally not exceed 15 per cent of the fixed salary.

Non-monetary benefits for members of the executive management shall facilitate the individuals in the execution of their duties and correspond to what can be considered to be reasonable in respect of practice in the market in which the respective executive is active.

Pension terms for members of the executive management shall be in line with the going rate in the market in respect of what applies for peer executives in the market in which the executive

works and should be based on a defined contribution pension solution or correspond to a public pension plan (in Sweden the ITP plan).

Severance pay for members of executive management shall in aggregate not exceed a total of 24 months' salary in the event the Company serves notice, and 6 months' salary in the event the member of the executive management gives notice.

By executive management is meant in this context the members of the Group Executives.

The Board's Remuneration Committee prepares and drafts proposals for decisions regarding the terms of employment for the President, and the Board evaluates the President's performance on a yearly basis. The Remuneration Committee also prepares and deals with guidelines for remuneration matters regarding members of the executive management, for decisions by the Board. The President consults with the Remuneration Committee regarding the terms of employment for other members of the executive management.

The Board shall have the right to depart from the aforementioned guidelines for compensation of the executive management if there are special reasons in a particular case.

**B.V** The Board's proposal regarding approval of transfer of shares in the subsidiary Rostfria VA-System i Storfors AB

The Board proposes that the Annual General Meeting approve the transfer of Indutrade Aktiebolag's indirectly held shares in Rostfria VA-system i Storfors AB (hereinafter "Rostfria VA") to GH&B Holding AB, a company owned by Jonas Björkström and Henrik Hansson. Jonas Björkström is chief executive officer and Henrik Hansson is marketing and product development manager of Rostfria VA.

Indutrade Aktiebolag's wholly-owned subsidiary Indutrade Flödesteknik AB has entered into an agreement on the transfer of all shares in Rostfria VA to GH&B Holding AB. Since Jonas Björkström is chief executive officer and Henrik Hansson is employed by Rostfria VA, the agreement is conditional upon approval at the General Meeting of Indutrade Aktiebolag, pursuant to Chapter 16 of the Swedish Companies Act (the "Leo-rules").

Rostfria VA develops, manufactures and delivers stainless steel pumping stations for waste water to municipalities, contractors and wholesalers. The company offers complete pumping stations where the pump, electricity, plumbing and superstructure are assembled in the company's production. Rostfria VA, acquired by Indutrade Aktiebolag in 2012, has had weak profitability and its operations are difficult to integrate with other operations.

The purchase price for all shares in Rostfria VA totals SEK 5.6 million, conditional upon the equity of Rostfria VA totalling SEK 3.1 million per 30 April 2019. Per 31 December 2018, the equity of Rostfria VA totalled SEK 4.9 million. A dividend of SEK 1.8 million corresponding to the equity surplus, adjusted for the profit or loss during the period 1 January 2019 to 30 April 2019, will be distributed prior to the closing, in order to ensure that the equity totals SEK 3.1 million per 30 April 2019. Any deviations from this amount will be adjusted SEK for SEK.

During three of the past seven years, Rostfria VA has reported losses. Earnings before interest, taxes and amortisation (EBITA) in 2018 totalled SEK 1.3 million and the turnover in 2018 was SEK 30.6 million. The divestment is not expected to generate any significant capital gains or losses for Indutrade Aktiebolag, and the Board of Directors consider the divestment to be of minor importance for the company and that it is made at market value. A fairness opinion has been retained from KPMG.

The transfer agreement includes customary representations and warranties as well as terms and conditions, considered to be market by the Board of Directors of Indutrade Aktiebolag.

The resolution is valid only if supported by shareholders holding at least nine-tenths of votes cast and shares represented at the Annual General Meeting.

### **C. SHARES AND VOTES**

The number of shares and votes in the Company at the time of this notice was 120,855,000.

### **D. DOCUMENTS**

Accounting records (including the Board's proposed distribution of profits and statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act), the audit report, as well as for compensation and other terms of employment for senior executives, the auditors' statement on whether the guidelines for compensation and other terms of employment for senior executives for the time since the preceding Annual General Meeting have been adhered to and proxy forms will be available at the Company for the shareholders and on the Company's website, [www.indutrade.se](http://www.indutrade.se), three weeks before the Annual General Meeting. These documents can also be ordered by post from Indutrade Aktiebolag, Box 6044, SE-164 06 Kista, Sweden, or by e-mail: [info@indutrade.se](mailto:info@indutrade.se), and will also be sent to shareholders who so request, provided they provide their postal address. The documents will also be on hand at the Annual General Meeting.

### **E. DISCLOSURES AT THE ANNUAL GENERAL MEETING**

The Board of Directors and President shall, if requested by any shareholder, and if the Board believes that it can be done without causing material harm to the Company, provide disclosures on conditions that could affect the assessment of a matter on the agenda, including conditions that could have an effect on the assessment of the Company's or a subsidiary's financial situation as well as of the Company's relations with another Group company. A shareholder who wishes to submit questions in advance can do so by post to Indutrade Aktiebolag, Box 6044, SE-164 06 Kista, Sweden, or by e-mail to [info@indutrade.se](mailto:info@indutrade.se).

### **F. PROCESSING OF PERSONAL DATA**

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

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Stockholm, April 2019  
Indutrade Aktiebolag (publ)  
*The Board of Directors*

#### **About Indutrade**

*Indutrade markets and sells components, systems and services with a high-tech content in selected niches. Indutrade's business is distinguished by high-tech products for recurring needs, growth through a structured and tried-and-tested acquisition strategy, and a decentralised organisation characterised by an entrepreneurial spirit. The Group is organised into eight Business Areas: Benelux, DACH, Finland, Flow Technology, Fluids & Mechanical Solutions, Industrial Components, Measurement & Sensor Technology and UK. Indutrade's sales totalled SEK 16,848 million in 2018, generating an operating profit of SEK 2,087 million before amortisation of intangible assets. Indutrade is listed on Nasdaq Stockholm. Please read more at [www.indutrade.com](http://www.indutrade.com)*