

PRESS RELEASE
23 March 2023 10:30:00 CET

Notice of the annual general meeting for Gränges AB

The Annual General Meeting of Gränges AB will be held at 17.00 CET on Thursday 27 April 2023 at IVA Konferenscenter (Wallenbergsalen), Grev Turegatan 16, Stockholm. Registration begins at 16.30 CET.

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

The Board of Directors has decided, pursuant to Chapter 7, section 4a of the Swedish Companies Act and the company's articles of association, that shareholders shall have the right to exercise their voting rights by postal voting prior to the General Meeting. Consequently, shareholders may choose to exercise their voting rights at the General Meeting by attending in person, through a proxy or by postal voting.

Right to attend and notification to the company

Shareholders wishing to attend the General Meeting must:

(i) be recorded as shareholders in the share register maintained by Euroclear Sweden AB, as of Wednesday 19 April 2023; and

(ii) notify the company of their intention to participate in the General Meeting no later than on Friday 21 April 2023.

Notice may be submitted in writing to the company at the address Gränges AB, "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden or by phone to +46 8 402 91 33 business days between 9.00 CET and 16.00 CET, on the company's website, www.granges.com, or by e-mail to GeneralMeetingService@euroclear.com. On giving notice of attendance, the shareholder should state the shareholder's name (company name), personal identity number (corporate identity number), address, telephone number and number of shares. The registration procedure described above also applies to registration for any advisors. A shareholder that exercises its voting rights through a postal voting form does not have to send in a separate notice of participation, see below under postal voting.

Nominee registered shares

In order to participate in the General 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 21 April 2023 and the bank or broker should therefore be notified in due time before said date. This registration may be made temporarily.

Postal voting

The shareholders may exercise their voting rights at the General Meeting by postal voting. A special form shall be used for postal voting. The form is available on the company's website, www.granges.com. The voting form can also be obtained from the company or by contacting Euroclear Sweden AB at the contact information above. For the items on the agenda where the Board of Directors or the Nomination Committee have submitted proposals, it is possible to vote Yes or No, which is clearly stated in the postal voting form. A shareholder can also abstain from voting on any item.

The completed voting form must be received by the company no later than on Friday 21 April 2023. The postal voting form is valid as a notification to the General Meeting. Shareholders can, through verification with BankID, cast their postal vote electronically via Euroclear Sweden AB's website <https://anmalan.vpc.se/euroclearproxy>. Such electronic votes must be submitted no later than Friday 21 April 2023.

The completed form, including any appendices, must be sent by e-mail to GeneralMeetingService@euroclear.com or alternatively by post in original to Gränges AB, "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden. If the shareholder is a legal entity, a registration certificate or an equivalent authority document, shall be enclosed to the form. The same applies if the shareholder votes in advance by proxy.

The shareholder may not provide special instructions or conditions in the voting form. If so, the postal vote is invalid in its entirety. Further instructions and conditions are included in the postal voting form.

Proxy and proxy form

Anyone who does not attend the General Meeting in person may exercise their right at the General Meeting via a proxy in possession of a signed and dated form of proxy. The same applies if a shareholder exercises its voting rights by postal voting. Forms of proxy are available on the company's website, www.granges.com. The form of proxy may also be obtained from the company or by contacting Euroclear Sweden AB at contact information above. If the proxy is issued by a legal person, a copy of their registration certificate or equivalent authority document must be attached. The proxy must have been issued within the past year unless a longer period of validity is specified on the form of proxy, subject to a maximum of five years. To facilitate entry to the General Meeting, forms of proxy, registration certificates and other documentary authority must be received by the company in good time before the General Meeting.

Proposed agenda

1. Opening of the General Meeting and election of the Chair for the General Meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of persons to check the minutes
5. Determination of whether the General Meeting was duly convened
6. CEO's report
7. Presentation of the annual report and auditor's report as well as the consolidated financial statements and auditor's report for the Group.
8. Resolutions on:
 - a) adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet,
 - b) appropriation of the company's earnings according to the adopted balance sheet and setting of the record date for the dividend,
 - c) discharging the members of the Board of Directors and the CEO from liability vis-à-vis the company
9. Resolution on the number of Board members
10. Resolution on fees payable to the Board members and the auditor
11. Election of Board members and the Chair of the Board
12. Election of auditor
13. Resolution on approval of the remuneration report
14. Resolution on guidelines for salary and other remuneration
15. Resolution on long term incentive programme 2023
 - a) Resolution on adopting a long-term incentive programme in the form of a combination of warrants (actual or synthetic) and synthetic shares for senior managers and other key individuals
 - b) Resolution on adopting a long-term incentive programme in the form of a combination of call options and synthetic shares for senior managers and other key individuals
16. Resolution on issue authorisation
17. Conclusion of the General Meeting

Nomination Committee's proposals

The Nomination Committee for the 2023 Annual General Meeting consisted of the following members: Jannis Kitsakis at Fjärde AP-fonden (Chair of the Nomination Committee); Anders Algotsson at AFA Försäkring; Jan Dworsky at Swedbank Robur; and Fredrik Arp (Chair of the Board).

The Nomination Committee proposes the following to the 2023 Annual General Meeting:

Election of the Chair for the General Meeting (item 1)

The Nomination Committee proposes that Fredrik Arp be elected as Chair of the General Meeting, or if Fredrik Arp is prevented from attending, the person the Nomination Committee proposes instead.

Resolution on the number of Board members (item 9)

The Nomination Committee proposes that for the period up to the close of the next Annual General Meeting, the Board of Directors should consist of eight members elected by the General Meeting with no alternates.

Resolution on fees payable to the Board members and the auditor (item 10)

The Nomination Committee has presented the following proposal on the fees to the Board members and the auditor.

A. Fees to the Board members for the period up to the close of the next Annual General Meeting, is proposed to be paid as follows. It is proposed that a fee of SEK 850,000 shall be paid to the Chair of the Board and SEK 360,000 for the other Board members elected by the General Meeting. Remuneration shall be paid with SEK 150,000 for the Chair of the Audit Committee and SEK 70,000 for the other members. Remuneration shall be paid with SEK 70,000 for the Chair of the Remuneration Committee and SEK 35,000 for the other members. Fees to all the employee representatives of the Board shall remain unchanged at SEK 40,000 each, for the same period.

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

Election of Board members and the Chair of the Board (item 11)

The Nomination Committee proposes re-election of the Board members specified below up to the close of the next Annual General Meeting.

- A. Fredrik Arp
- B. Mats Backman
- C. Martina Buchhauser
- D. Peter Carlsson
- E. Katarina Lindström
- F. Hans Porat
- G. Steven Armstrong

The Nomination Committee proposes election of the Board member specified below as a new member of the Board up to the close of the next Annual General Meeting.

- H. Gunilla Saltin

Further, the Nomination Committee proposes re-election of the Chair of the Board for the period up to the close of the next Annual General Meeting.

- I. Fredrik Arp

Information about the proposed Board members can be found on the company's website, www.granges.com.

Election of auditor (item 12)

The Nomination Committee proposes, according to the Audit Committee's recommendation, that the registered accounting firm Ernst & Young AB shall be re-elected as the company's auditor for the period up to the close of the next Annual General Meeting.

Ernst & Young AB has notified the company that in the event it will be elected as auditor, Andreas Troberg, authorised public accountant, will continue to be the auditor-in-charge of the company.

The Board of Directors' proposals

Resolutions on the appropriation of the company's earnings according to the adopted balance sheet and setting of the record date for the dividend (item 8b)

The Board of Directors proposes that the retained earnings of SEK 3,044,671,466 be appropriated as follows: Payment to the shareholders of a dividend of SEK 265,771,545 which is equivalent to SEK 2.50 per share, and the remaining amount of SEK 2,778,899,920 to be carried forward. The proposed record date for the dividend is 2 May 2023. If the General Meeting resolves in accordance with the proposal, the dividend is expected to be distributed through Euroclear Sweden AB on 5 May 2023.

Resolution on approval of the remuneration report (item 13)

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

Resolution on guidelines for salary and other remuneration (item 14)

The Board of Directors proposes that the General Meeting adopts the following guidelines for salary and other remuneration to Board members and senior managers. "Senior managers" refers to the CEO and the Deputy CEO of the Group, and senior managers included in Gränges' Group Management. These guidelines will be valid for agreements entered into after the General Meeting's resolution and for changes made to existing agreements thereafter. These guidelines do not apply to any remuneration resolved upon by the General Meeting.

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

In short, the company's business strategy is the following.

Gränges is continuously strengthening its core business by optimization and development of competitive, sustainable product offerings that meet customer needs. It also drives long-term sustainable growth by investing in recycling, new business, and partnerships.

For more information regarding the company's business strategy, please see the company's website, www.granges.com, as well as the latest annual report including the sustainability report.

Gränges shall offer remuneration levels and terms of employment which are necessary to recruit, develop, and retain individuals in Group Management. These individuals shall possess the expertise, motivation and capacity required to uphold, develop, and implement overall value-additive strategic targets for the Gränges Group and, moreover, to support its long-term interests. To obtain this, it is important to sustain fair and internally balanced terms that are at the same time competitive on the market with respect to structure, scope and remuneration levels. These guidelines ensure that individuals in Group Management, regardless of geographical market, may be offered competitive total remuneration, and are aimed at creating increased transparency on remuneration issues. Applicable laws and other relevant regulatory frameworks (both Swedish and foreign) in this area must be complied with at all times.

Remuneration and remuneration forms

The basic principle is that the remuneration must be competitive and consist of a balanced combination of fixed salary, variable remuneration, pension benefits, other benefits and terms for dismissal/severance payment. Furthermore, the Board of Directors may prepare, and the General Meeting resolve on, share and share-price related incentive programmes. Such a combination of remuneration fosters and supports management and achievement of objectives in both a short and long-term perspective. The various types of remuneration that may be paid out are described below.

Fixed salary

The fixed salary shall consist of customary base salary. The salary shall be based on responsibility, performance, expertise and the complexity and scope of the task. In the event of full payment of variable remuneration, the fixed annual base salary shall comprise 40 per cent of the total cash remuneration, with the exception of persons holding the position as Regional President, where the percentage can be at least 33.33 per cent.

Variable remuneration (STI and LTI)

The variable remuneration shall comprise both short-term and long-term incentives, without there being any guarantee of variable remuneration.

An annual short-term incentive programme (STI), which provides a cash variable remuneration, shall be offered to the Group Management. The outcome of STI shall be governed by financial and non-financial parameters for the Gränges Group. The financial objective must be related to value creation and the non-financial objective must be linked to the carbon footprint of the business, which is a long-term sustainability goal. The objectives must be designed so that they both promote the Group's business strategy and long-term sustainability goals. At the end of the measurement period for fulfillment of the predefined parameters for payment of STI, a comprehensive evaluation shall be conducted to assess the extent to which these parameters have been met. With regards to financial objectives, the evaluation will be based on the latest financial information made public by the company. With regard to the sustainability objectives, the assessment shall be based on what the company has stated in the sustainability report.

Maximum remuneration for STI is 60 per cent of the fixed annual base salary for each individual in Group Management, with exception for the persons holding the position as Regional President, for whom the maximum remuneration can be up to 100 per cent of the fixed annual base salary.

The Board shall annually evaluate whether a long-term incentive programme (LTI) is to be adopted or, if a share or share price related LTI programme, is to be proposed to the Annual General Meeting. These programmes can be cash-based or related to the share/share price. Share or share price related LTI programmes are resolved upon by the Annual General Meeting and are therefore not covered by these guidelines. All LTI programmes must have a clear connection to the Group's business strategy and long-term sustainability goals.

Please refer to www.granges.com for information on previously resolved LTI programmes that have not fallen due for payment.

The company does not have any potential deferral periods, but has since 2021, according to agreements, possibility to reclaim variable remuneration.

Pension

Pension shall be paid in accordance with the relevant national legislation of the country in which each person in Group Management operates and it shall be on market terms.

The pension shall be based on a defined contribution pension plan, except for cases where a defined benefit pension is required by law or collective bargaining agreement. The pensionable salary shall comprise the fixed annual base salary and, when required by law or collective bargaining agreement, variable remuneration.

For the CEO, the pension premiums shall amount to 35 per cent, calculated on fixed monthly remuneration, and are thus premium defined. The retirement age for the CEO is 65 years of age.

For other individuals in Group Management, the pension provision shall not amount to more than 30 per cent of the base salary, unless a higher percentage arises due to law or collective bargaining agreement. The retirement age for other individuals in Group management is 60–68 years, depending on the country of employment.

Other benefits

Benefits which are not directly related to fixed salary and variable remuneration, for example a company car and medical care benefits, shall promote the performance of the work and be consistent with standard practice on the market for this target group. The total costs as a consequence of such benefits may not exceed 20 per cent of the fixed annual base salary.

For employments governed by rules other than Swedish, other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Special remuneration

Additional cash variable remuneration may be paid out under extraordinary circumstances, provided that such extraordinary arrangements are limited in time, and may only be awarded on an individual basis either for the purpose of recruiting or retaining individuals in Group Management or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 20 per cent of the fixed annual base salary and may not be awarded more than once per year and per individual. Any resolution on such remuneration shall be adopted by the Board of Directors based on a proposal from the Remuneration Committee.

Remuneration to Board members

In certain cases, Board members elected by the General Meeting should be able to receive fees and other remuneration for work carried out on behalf of the company, alongside their work on the Board of Directors. Fees at market rates, approved by the Board of Directors, may be payable for such services.

Terms for termination etc.

There is a mutual notice of termination period of six months as between the CEO and the company. Upon termination by the company, severance remuneration without set-off is also paid for an additional twelve months. The mutual notice of termination period for the Deputy CEO and other individuals in Group Management shall correspond to six months. Upon termination by the company, severance remuneration for an additional twelve months is paid, without setting off the first six months.

Salary and terms of employment for other employees

In the preparation of this proposal on guidelines, salary and terms of employment for employees of the company have been taken into account by including information on the employees' total remuneration, the components of the remuneration, and increase and rate of increase of remuneration over time, in the Remuneration Committee's and the Board of Director's basis of decision when evaluating the reasonableness of the guidelines and appurtenant limitations.

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

The Board of Directors resolves, after preparation by the Remuneration Committee, on the structures of remuneration systems, as well as levels and forms of remuneration to individuals in Group Management. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting for adoption. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall monitor and evaluate programmes for variable remuneration for individuals in Group Management, the application of the guidelines, and the current remuneration structures and remuneration levels in the company.

The members of the Remuneration Committee are independent of the company and company management. The CEO and other members of Group Management do not participate in the Board of Director's and/or the Remuneration Committee's processing of, and resolutions regarding, remuneration-related matters insofar as they are affected by such matters. Conflicts of interest are counteracted in all resolutions and any potential conflicts of interest are handled in accordance with the company's framework for governance, consisting of a code of conduct, policies and guidelines.

Derogation from the guidelines

The Board of Directors 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 stated above, part of the work of the Remuneration Committee is to prepare the Board of Director's resolutions regarding remuneration issues, which includes resolutions on derogations from the guidelines.

Miscellaneous

The total remuneration and the other benefits paid to the CEO and the Deputy CEO during the year are stated in the remuneration report. In addition hereto, the total remuneration and the other benefits paid to the individuals in the Group management is stated in the annual report.

For further information regarding remuneration, please refer to Gränges annual report and website, www.granges.com.

Resolution on long term incentive programme 2023 (item 15)

The Board of Directors considers it important, and in the interest of all shareholders, that senior managers and other key individuals, who are deemed to be important for the company's continued development be able to take part of and work for a positive value development of the company's shares and thereby achieve increased community of interest with the company's shareholders. The Long Term Incentive program for 2023 ("LTI 2023") is also expected to create conditions for retaining and recruiting competent staff to Gränges, providing competitive remuneration and reconciling the interests of shareholders and management.

The Board of Directors is of the opinion that recurring long term incentives constitutes a fundamental part of Gränges' overall incentive package and it is the Board's ambition for the now suggested LTI 2023 to be recurring and to be presented on an annual basis to the Annual General Meeting. This proposal has been prepared by the Board of Directors in consultation with external advisors.

The Board of Directors proposes that the Annual General Meeting resolves to adopt a long term incentive programme in the form of a combination of warrants (actual or synthetic) and synthetic shares LTI 2023 through (i) an issue of warrants and approving transfer of the warrants and an issue of synthetic warrants (the “Warrant Part”), and (ii) an issue of synthetic shares (the “Synthetic Part”) to senior managers and other key individuals in Gränges AB (publ) and its subsidiaries in accordance with item 15a below. Should the majority requirement for item 15a below not be met, the Board of Directors proposes that the Annual General Meeting resolves on a long term incentive programme LTI 2023 in the form of a combination of call options and synthetic shares through (i) an issue of call options (the “Call Option Part”), and (ii) an issue of synthetic shares (the “Synthetic Part”) to senior managers and other key individuals in the company and its subsidiaries in accordance with item 15b below.

The Board of Directors’ proposal regarding adopting a long-term incentive programme in the form of a combination of warrants (actual or synthetic) and synthetic shares for senior managers and other key individuals (item 15a)

A. The Warrant Part

A1. Issue of warrants

As part of LTI 2023, not more than 1,060,000 warrants shall be issued, mainly in accordance with the following terms and conditions.

- 1) The right to subscribe for new warrants shall, with deviation from the shareholders’ preferential rights, be granted to the company itself. The intention is that the warrants shall be transferred to approximately 50 senior managers and other key individuals in the company and its subsidiaries in accordance with A2 below.
- 2) The reason for the deviation from the shareholders’ preferential rights is that the issue is part of the adaptation of LTI 2023, whereby senior managers and other key individuals are given the opportunity to take part in a positive development in the company. The existence of such a programme is expected to increase the ability to attract and retain qualified employees.
- 3) The warrants are issued free of charge. Upon transfer of the warrants a market-based premium shall be paid, in accordance with A2.4 below.
- 4) Subscription of the warrants shall be made on a subscription list no later than 30 June 2023. The Board of Directors shall have the right to extend the subscription period.
- 5) Each warrant shall entail a right to subscribe for one (1) new share in the company at a subscription price corresponding to 115 per cent of the volume-weighted average price of the company’s share on Nasdaq Stockholm during the period as of May 8, 2023 up to and including May 19, 2023. The subscription price shall be rounded to the nearest one-hundredth of a Swedish krona (SEK 0.01). SEK 0.005 will be rounded up. When subscribing for shares, the part of the subscription price that exceeds the quota value of the shares shall be added to the unrestricted premium reserve.
- 6) Subscription of shares upon exercise of the warrants shall be made in accordance with the terms and conditions of the warrants during a period of ten (10) trading days from the date of publication of each respective interim report below.
 - the interim report for the period April 1 – June 30, 2026;
 - the interim report for the period July 1 – September 30, 2026;
 - the interim report for the period October 1 – December 31, 2026; and
 - the interim report for the period January 1 – March 31, 2027.In the event that the company has not published an interim report for the period January 1 – March 31, 2027 before May 31, 2027, the warrant holders shall be entitled to subscribe for shares during a period as of June 1, 2027 up to and including June 12, 2027. Subscription of shares upon exercise of the warrants shall take place with regard to the insider legislation in force at any given time.
- 7) Shares that have been issued through exercise of warrants entail the right to dividends for the first time on the next record date for dividends that occurs after the new shares have been registered with the Swedish Companies Registration Office and the shares have been entered in the share register kept by Euroclear Sweden AB.
- 8) Special terms and conditions shall otherwise apply to the warrants. As stated in the warrant terms, the subscription price as well as the number of shares that each warrant entitles to may be recalculated in the event that the Board of Directors decides to apply the Net strike formula (Sw. Nettostrike-formeln). Furthermore, recalculation may take place in connection with a bonus issue, reverse split or split of shares, new issue, issue of warrants or convertibles and in certain other situations. Furthermore, the time for exercise of the warrants may be brought forward or postponed in certain situations.
- 9) If all warrants are exercised for subscription of shares, the company’s registered share capital will increase by SEK 1,420,162 (subject to the change that may be caused by any recalculation in accordance with the terms and conditions for the warrant).

10) The CEO, or any person appointed by the Board of Directors, shall be entitled to make any minor adjustments that may be required in connection with registration of the resolution with the Swedish Companies Registration Office and Euroclear Sweden AB.

A2. Transfer of warrants to senior managers and other key individuals in the company and its subsidiaries

As part of LTI 2023, the company shall transfer a maximum of 1,060,000 warrants as follows.

- 1) The warrants shall be transferred in accordance with the distribution set out under the heading “*Allocation of warrants and synthetic shares*” below.
- 2) Upon transfer of the warrants, the market-based premium calculated in accordance with the Black & Scholes warrant valuation model shall be paid for the warrants.^[1]
- 3) Transfer of warrants shall be conditional on the transfer being lawfully possible and that the acquirer enters into an option agreement with the company, according to which the acquirer is obliged to offer the company to acquire the warrants in certain situations. Such an agreement shall also include a right for the company to repurchase part of the warrants from the warrant holder for the market value in order to contribute to the holder’s financing at the time of the exercise of the warrants.
- 4) In order to encourage participation in the programme, a subsidy may be paid which, after deduction of tax and other applicable fees, amounts to 50 per cent of the premium paid for each warrant (the “Net Contribution”). If the participant has terminated its employment or been terminated within three years of the payment of the warrant premium, an amount corresponding to the Net Contribution shall be repaid to Gränges. The same applies if the participant has disposed of warrants acquired under LTI 2023 within a period of three years from the payment of the warrant premium. However, the repayment obligation shall be reduced in relation to how long the participant has worked in Gränges during the term of the warrants and in relation to the number of disposed warrants.
- 5) Transfer of warrants to employees outside Sweden is subject to any tax effects, that there are no legal obstacles and that the Board of Directors considers that such transfer can be made with reasonable administrative and financial resources. The Board of Directors shall have the right to make such minor adjustments of the Warrants part as are prompted by applicable foreign laws and regulations. The Board of Directors shall also have the right to resolve that participants should instead be offered the opportunity of a similar cash-based alternative (“Synthetic Warrants”), which to the extent applicable shall track the terms of the Warrant Part.
- 6) Furthermore, the Board of Directors shall be authorised to enter into one or more share swap agreements with third parties on one or more occasions on market terms. Share swap agreements aim to hedge the financial exposure in the event that employees outside of Sweden are offered to receive Synthetic Warrants and the other possible risks that arise from the Warrant Part.

B. The Synthetic Part

As part of LTI 2023, the company shall transfer a maximum of 420,000 synthetic shares in accordance with the following terms and conditions.

- 1) The synthetic shares shall be allotted in accordance with the distribution set out under the heading “*Allocation of warrants and synthetic shares*” below.
- 2) The vesting periods for the synthetic shares will run over the period May 2023 to April 2026 (the “Vesting period”) and payment is made proportionately on an annual basis over a period of three years provided that the individual remains in the Gränges Group’s employ.
- 3) Gränges’ finance department is responsible for maintaining a register of funds allocated within the framework of the Synthetic Part and for proposing payouts for approval by Gränges’ Board of Directors.
- 4) The value of the synthetic shares is calculated as follows:
 - a. Dividends: Dividends during the respective part of the Vesting period is reinvested in additional synthetic shares. The reinvestment amount is calculated as the dividend in SEK divided by the closing price on the dividend date.
 - b. Ending value: The volume-weighted average price of the company’s share on Nasdaq Stockholm during a period of ten (10) trading days from the date of publication of each respective interim report for the period January – March of the years 2024, 2025 and 2026.
- 5) Payments take place during 2024, 2025 and 2026 and will only be made to participants who, at the time of the payment, haven’t terminated or been terminated from their employment, provided that no local laws or regulations exist entitling participants to payouts. Deviations from this principle (so-called “good leaver” agreements) must be approved by Gränges’ Board of Directors.
- 6) In the event of death or retirement occurring during a Vesting period, the participant will be assigned a proportionate payout corresponding to actual working period in relation to the Vesting period, provided that no local laws or regulations exist entitling the participant to a different pay out. The value is then calculated based on the closing price on the last trading day of the month before the date of death or retirement. Assigned amount is paid through a cash payment no later than two months from the date of death or retirement.
- 7) If a participant is absent due to illness or any other reason for a period of more than three months in total during any

Vesting period, the participant will be allocated a proportional payout for the actual working period relative to the respective part of the Vesting period, provided that no local laws or regulations exist entitling the participant to a different payout.

- 8) Payouts will as a rule not be regarded as pensionable income. In cases where pension plans define payouts as pensionable income, the payout will be reduced as follows.
- a. Defined contribution pension plans: The payout is reduced by an amount equivalent to the premium in the defined contribution pension plan.
 - b. Defined benefit pension plans: The payout is reduced by a factor aimed at achieving a cost-neutral solution for Gränges.
- 9) The Board of Directors is entitled to adjust (i) the terms and conditions to comply with legal requirements, regulations et cetera and (ii) the payout in the event significant changes take place that affect the Gränges Group or its business environment, resulting in a situation where the terms and conditions are deemed inappropriate or to give an unreasonable result.
- 10) Furthermore, the Board of Directors shall be authorised to enter into one or more share swap agreements with third parties on one or more occasions on market terms. Share swap agreements aim to hedge the company's financial exposure and the other possible risks that arise from the Synthetic Part.

Allocation of warrants and synthetic shares

The maximum allocation of the total number of warrants and synthetic shares is set out below. If participants refrain from acquiring the offered warrants in whole or in part, such unacquired warrants shall be distributed pro rata among allotment holders, who have expressed a written interest in acquiring additional warrants, in accordance with the allocation basis set out below. Through this method, the person entitled to acquire warrants will not be able to acquire more than an additional 50 per cent of the originally offered number of warrants. Any unacquired synthetic shares will lapse and will not be distributed among allotment holders.

LTI 2023 shall cover approximately 50 senior managers and other key individuals. The number of warrants and synthetic shares offered to each employee shall vary depending on the responsibility and position of the respective employee. Some positions only qualify for synthetic shares.

	Maximum allocation per individual	
	Warrants (before over allotment)	Synthetic shares
CEO	180,000	30,000
Group management team	90,000	30,000
Other key individuals	30,000	10,000

The Board of Directors shall determine the final allocation in accordance with the principles set above.

Purpose of LTI 2023

The Board of Directors considers it important, and in the interest of all shareholders, that senior managers and other key individuals, who are deemed to be important for the company's continued development, should be able to take part of and work for a positive value development of the company's shares and thereby achieve increased community of interest with the company's shareholders. The Synthetic Part enables participants remuneration in line with market terms and at the same time stimulate a long-term commitment to Gränges by linking the participants' remuneration to the interests of the shareholders, through a remuneration structure that correspond to an ownership of synthetic shares in Gränges. Furthermore, the Warrant Part contributes to executives increasing their shareholding in the company in the long term. LTI 2023 is also expected to create conditions for retaining and recruiting competent staff to Gränges, providing competitive remuneration and reconciling the interests of shareholders and management.

In relation to the Warrant Part, the reason for the deviation from the shareholders' preferential rights is that the issue is part of the adaptation of LTI 2023, whereby senior managers and other key individuals are given the opportunity to take part in a positive development in the company. The existence of such a programme is expected to increase the ability to attract and retain qualified employees.

Costs for LTI 2023

LTI 2023 has been prepared in consultation with external advisors and the costs for this advice are estimated to amount to no more than SEK 0.5 million. In addition to the cost for this advice, certain administrative costs are expected to arise which are expected to have a marginal impact on the company's key figures.

The Warrant Part is not estimated to entail any net costs for the company as the subsidy paid by the company in the amount of SEK 17 million, including social contributions of 31 per cent, will correspond to the option premium paid by the participants.^[2]

Costs related to the Synthetic Part are estimated to amount to maximum SEK 26 million, excluding social contributions, accounted in accordance with IFRS 2 based on the following assumptions: (i) that 420,000 synthetic shares are allotted, (ii) that the share price, at the beginning of LTI 2023, is SEK 86.50 per share, (iii) an annual dividend of SEK 2.50 per share and (iv) an estimated annual turnover of personnel of 7 per cent. Based on the same assumptions as above, and subject to social contributions of 31 per cent, and a share price increase of 10 per cent until the ending point of 2024, 20 per cent until the ending point of 2025 and 30 per cent until the ending point of 2026, the costs for social contributions are estimated to amount to SEK 10 million. The total cost, including costs according to IFRS 2, is therefore estimated to a maximum of SEK 36 million per year. Should the Board of Directors however exercise its authorisation to enter into share swap agreements with third parties to hedge the company's financial exposure relating to the Synthetic Part, it is estimated that the swap arrangements would entail additional costs for the company in the amount of maximum SEK 3 million.

In total, the cost of LTI 2023 is estimated to amount to SEK 12 million per year.

Dilution

Based on the number of shares and votes in the company as of the date of the notice, the dilution as a result of the Warrant Part, assuming that all warrants are exercised for subscription of shares will be approximately 1 per cent of both the shares and the votes. The percentage dilution has been calculated according to the formula (number of new shares / total number of shares after exercise of warrants). The Synthetic Part will not result in any dilution.

Other outstanding share-related incentive programmes

In order to stimulate long-term involvement, senior managers were offered long-term incentive programmes (LTI 2020, LTI 2021 and LTI 2022) following the adoption of the resolutions by the Annual General Meetings for 2020, 2021 and 2022. The programmes are for a term of three years. An amount corresponding to the outcome of the STI for the corresponding year for each participant is reserved in a separate, so-called, LTI bank. Provided that employment with the Gränges Group has not terminated, the amount is paid out at a rate of one-third per year, adjusted to take into account the total return on the Gränges share. Senior managers and other members of the Group Management were in 2020 and 2022 offered to participate in a long-term investment programme ("IP 2020" and "IP 2022", respectively), which are investment programmes aimed at increasing exposure to the Gränges share. The participants in IP 2020 and IP 2022, respectively, invested an amount corresponding up to 50 per cent of an annual basic salary before tax in call options and shares (IP 2020) as well as warrants (IP 2022) and received in connection thereto a cash contribution which, after tax, amounts to 50 per cent of the annual basic salary, which in the programme is called the "Net Contribution". If the participant has resigned or the participant's employment has been terminated within three years from the date of payment of the Net Contribution, the contribution has to be refunded to Gränges.

The Board of Directors' proposal regarding adopting a long-term incentive programme in the form of a combination of call options and synthetic shares for senior managers and other key individuals (item 15b)

If the Annual General Meeting does not resolve in accordance with the Board of Directors' proposal regarding adopting a long term incentive programme in the form of a combination of call options and synthetic shares in accordance with item 15a above, the Board of Directors proposes that the Annual General Meeting resolves to approve that the company transfers a maximum of 1,060,000 call options and 420,000 synthetic shares in accordance with the following terms and conditions.

A. The Call Option Part

Terms and conditions for the call options

As part of LTI 2023, not more than 1,060,000 call options shall be issued, mainly in accordance with the following terms and conditions.

1) Not more than 1,060,000 call options shall be issued, which corresponds to approximately 1 per cent of the total number of shares and votes in the company as of the date of the notice. The Call Option Part does not entail any dilution

for existing shareholders as it is based on call options regarding already issued shares in the company.

2) The right to acquire the call options shall be granted to approximately 50 senior managers and other key individuals in the company and its subsidiaries in accordance with the distribution set out under the heading "Allocation of call options and synthetic shares" below.

3) The call options shall be acquired at a premium corresponding to the market value of the call options calculated in accordance with the Black & Scholes option valuation model.^[3]

4) Notification of acquisition of call options shall be made no later than 30 June 2023. The Board of Directors shall have the right to extend the subscription period.

5) Each call option entitles a right to acquire one (1) share in the company at an exercise price corresponding to 115 percent of the volume-weighted average price of the company's share on Nasdaq Stockholm during the period as of May 8, 2023 up to and including May 19, 2023. The exercise price shall be rounded to the nearest one-hundredth of a Swedish krona (SEK 0.01). SEK 0.005 will be rounded up.

6) Acquisitions of shares upon exercise of the call options shall be made during a period of ten (10) trading days from the date of publication of each respective interim report below.

- the interim report for the period April 1 – June 30, 2026;
- the interim report for the period July 1 – September 30, 2026;
- the interim report for the period October 1 – December 31, 2026; and
- the interim report for the period January 1 – March 31, 2027.

In the event that the company has not published an interim report for the period January 1 – March 31, 2027 before May 31, 2027, the option holders shall be entitled to acquire shares during a period as of June 1, 2027 up to and including June 12, 2027. Acquisitions of shares upon exercise of the call options shall take place with regard to the insider legislation in force at any given time.

7) The call options are freely transferable. The acquisition of call options shall be conditional on the participant entering into an option agreement with the company, according to which the participant is obliged to offer the company to acquire the call options in certain situations. Such an agreement shall also include a right for the company to repurchase part of the call options from the option holder for the market value in order to contribute to the holder's financing at the time of the exercise of the call options.

8) The exercise price as well as the number of shares in the company that each call option entitles to may be recalculated in accordance with stock market principles due to, among other things, bonus issue, reverse split or split of shares, new issues, extraordinary dividends, reduction of the share capital or similar measures so that the participant receives equivalent rights as before the event. The exercise price and the number of shares that each call option entitles to may also be recalculated in the event that the Board of Directors decides to apply a so-called Net strike formula, which means that the participant may subscribe for fewer shares at the quota value of the shares when exercising the call options. Furthermore, the time for exercise of the call options may be brought forward or postponed in certain cases. For example, the time of exercise of the call options may be brought forward in the event of a public takeover bid.

9) In order to encourage participation in the programme, a subsidy may be paid which, after deduction of tax and other applicable fees, amounts to 50 percent of the premium paid for each call option ("Net Contribution"). If the participant has terminated his employment or been terminated within three years of the payment of the option premium, an amount corresponding to the Net Contribution shall be repaid to Gränges. The same applies if the participant has disposed of call options acquired under LTI 2023 within a period of three years from the payment of the option premium. However, the repayment obligation shall be reduced in relation to how long the participant has worked in Gränges during the term of the call options and in relation to the number of disposed call options.

10) The issue of call options to employees outside Sweden is subject to any tax effects, that there are no legal obstacles and that the Board of Directors considers that such allocation can be made with reasonable administrative and financial resources. The Board of Directors shall have the right to make such minor adjustments of the Call Option Part as are prompted by applicable foreign laws and regulations. The Board of Directors shall also have the right to resolve that participants instead be offered the opportunity of a similar cash-based alternative.

No new shares will be issued by the company in respect of the shares that may be acquired by the participants through the exercise of issued call options. The shares will instead be delivered by authorising the Board of Directors to, on one or more occasions, enter into one or more share swap agreements with third parties on market terms, through which the third party in its own name acquires and transfers shares to the participants. Share swap agreements also aim to hedge the financial exposure in the event that employees outside of Sweden are offered a similar cash-based alternative to the programme, and the other possible risks that arise from the Call Option Part.

11) Within the framework of the above-mentioned terms and conditions and guidelines, the Board of Directors shall be responsible for the detailed establishment and management of the Call Option Part.

B. The Synthetic Part

As part of LTI 2023, the company shall transfer a maximum of 420,000 synthetic shares in accordance with the following terms and conditions.

- 1) The synthetic shares shall be allotted in accordance with the distribution set out under the heading “*Allocation of call options and synthetic shares*” below
- 2) The vesting periods for the synthetic shares will run over the period from May 2023 to April 2026 (the “Vesting period”) and payment is made proportionately on an annual basis over a period of three years provided that the individual remains in the Gränges Group’s employ.
- 3) Gränges’ finance department is responsible for maintaining a register of funds allocated within the framework of the Synthetic Part and for proposing payouts for approval by Gränges’ Board of Directors.
- 4) The value of the synthetic shares is calculated as follows:
 - a. Dividends: Dividends during the respective part of the Vesting period is reinvested in additional synthetic shares. The reinvested amount is calculated as the dividend in SEK divided by the closing price on the dividend date.
 - b. Ending value: The volume-weighted average price of the company’s share on Nasdaq Stockholm during a period of ten (10) trading days from the date of publication of each respective interim report for the period January – March of the years 2024, 2025 and 2026.
- 5) Payments take place during 2024, 2025 and 2026 and will only be made to participants who, at the time of the payment, haven’t terminated or been terminated from their employment, provided that no local laws or regulations exist entitling participants to payouts. Deviations from this principle (so-called “good leaver” agreements) must be approved by Gränges’ Board of Directors.
- 6) In the event of death or retirement occurring during a Vesting period, the participant will be assigned a proportionate payout corresponding to actual working period in relation to the Vesting period, provided that no local laws or regulations exist entitling the participant to a different payout. The value is then calculated based on the closing price on the last trading day of the month before the date of death or retirement. Assigned amount is paid through a cash payment no later than two months from the date of death or retirement.
- 7) If a participant is absent due to illness or any other reason for a period of more than three months in total during any Vesting period, the participant will be allocated a proportional payout for the actual working period relative to the respective part of the Vesting period, provided that no local laws or regulations exist entitling the participant to a different payout.
- 8) Payouts will as a rule not be regarded as pensionable income. In cases where pension plans define payouts as pensionable income, the payout will be reduced as follows.
 - a. Defined contribution pension plans: The payout is reduced by an amount equivalent to the premium in the defined contribution pension plan.
 - b. Defined benefit pension plans: The payout is reduced by a factor aimed at achieving a cost-neutral solution for Gränges.
- 9) The Board of Directors is entitled to adjust (i) the terms and conditions to comply with legal requirements, regulations et cetera and (ii) the payout in the event significant changes take place that affect the Gränges Group or its business environment, resulting in a situation where the terms and conditions are deemed inappropriate or to give an unreasonable result.
- 10) Furthermore, the Board of Directors shall be authorised to enter into one or more share swap agreements with third parties on one or more occasions on market terms. Share swap agreements aim to hedge the company’s financial exposure and the other possible risks that arise from the Synthetic Part.

Allocation of call options and synthetic shares

The maximum allocation of the total number of call options and synthetic shares is set out below. If participants refrain from acquiring the offered call options in whole or in part, such unacquired call options shall be distributed pro rata among allotment holders, who have expressed a written interest in acquiring additional call options, in accordance with the allocation basis set out below. Through this method, the person entitled to acquire call options will not be able to acquire more than an additional 50 per cent of the originally offered number of call options. Any unacquired synthetic shares will lapse and will not be distributed among allotment holders.

LTI 2023 shall cover approximately 50 senior managers and other key individuals. The number of call options and synthetic shares offered to each employee shall vary depending on the responsibility and position of the respective employee. Some positions only qualify for synthetic shares.

Maximum allocation per individual

	Call options (before over allotment)	Synthetic shares
CEO	180,000	30,000
Group management team	90,000	30,000
Other key individuals	30,000	10,000

The Board of Directors shall determine the final allocation in accordance with the principles set above.

Purpose of LTI 2023

The Board of Directors considers it important, and in the interest of all shareholders, that senior managers and other key individuals, who are deemed to be important for the company's continued development, should be able to take part of and work for a positive value development of the company's shares and thereby achieve increased community of interest with the company's shareholders. The Synthetic Part enables participants remuneration in line with market terms and at the same time stimulate a long-term commitment to Gränges by linking the participants' remuneration to the interests of the shareholders, through a remuneration structure that correspond to an ownership of synthetic shares in Gränges. Furthermore, the Call Option Part contributes to executives increasing their shareholding in the company in the long term. LTI 2023 is also expected to create conditions for retaining and recruiting competent staff to Gränges, providing competitive remuneration and reconciling the interests of shareholders and management.

Costs for LTI 2023

LTI 2023 has been prepared in consultation with external advisors and the costs for this advice are estimated to amount to no more than SEK 0.5 million. In addition to the cost for this advice, certain administrative costs are expected to arise which are expected to have a marginal impact on the company's key figures.

Costs related to the Call Option Part are estimated to amount to maximum SEK 13 million, mainly related to the costs for the Board of Directors for entering into share swap agreements with third parties to deliver shares. The subsidy in the amount of SEK 17 million is not estimated to entail any net costs for the company as the subsidy, including social contributions of 31 per cent, will correspond to the option premium paid by the participants.^[4]

Costs related to the Synthetic Part are estimated to amount to maximum SEK 26 million, excluding social contributions, accounted in accordance with IFRS 2 based on the following assumptions: (i) that 420,000 synthetic shares are allotted, (ii) that the share price, at the beginning of LTI 2023, is SEK 86.50 per share, (iii) an annual dividend of SEK 2.50 per share and (iv) an estimated annual turnover of personnel of 7 per cent. Based on the same assumptions as above, and subject to social contributions of 31 per cent, and a share price increase of 10 per cent until the ending point of 2024, 20 per cent until the ending point of 2025 and 30 per cent until the ending point of 2026, the costs for social contributions are estimated to amount to SEK 10 million. The total cost, including costs according to IFRS 2, is therefore estimated to a maximum of SEK 36 million per year. Should the Board of Directors however exercise its authorisation to enter into share swap agreements with third parties to hedge the company's financial exposure relating to the Synthetic Part, it is estimated that the swap arrangements would entail additional costs for the company in the amount of maximum SEK 3 million.

In total, the cost of LTI 2023 is estimated to amount to SEK 16 million per year.

Dilution

LTI 2023 will not result in any dilution.

Other outstanding share-related incentive programmes

For a description of other outstanding share-related incentive programmes in Gränges, please see "Other outstanding share-related incentive programmes" above under item 15a.

Resolution on issue authorisation (item 16)

The Board of Directors proposes that the General Meeting passes a resolution on issue authorisation mainly according to the following:

The Board of Directors is to be authorised to, on one or more occasions until the next Annual General Meeting, issue new shares and/or convertible bonds as follows.

An issue of new shares and/or convertible bonds can be decided with or without regard to shareholders' pre-emption rights. The number of shares issued, or which may be issued by conversion of convertible bonds issued pursuant to the authorisation, may correspond to a maximum of 10 percent of the total number of shares in the company after utilization of the authorisation.

This authorisation is to include the right to issue shares and/or convertible bonds with cash payment, payment by contribution in kind or payment by way of set-off, and otherwise subject to conditions as set out in Chapter 2, section 5, second paragraph 1–3 and 5 of the Swedish Companies Act. An issue of shares and/or convertible bonds without regard to pre-emption rights for the shareholders with cash payment or payment by way of set-off must take place on market conditions.

The reason for the proposal and the possibility to disapply the shareholders' pre-emption rights is to allow for flexibility in connection with any acquisitions or the raising of capital.

The Board of Directors, or a party designated by the Board, has the right to decide on minor changes to the General Meeting's resolution that may be necessary in connection with registration of the resolution with the Swedish Companies Registration Office or due to other formal requirements.

Special majority requirement

A resolution in accordance with item 15a on the agenda, on the adoption a long-term incentive programme in the form of a combination of warrants (actual or synthetic) and synthetic shares for senior managers and other key individuals, requires that the resolution is supported by shareholders with at least nine-tenths (9/10) of both the votes cast and the shares represented at the Annual General Meeting.

A resolution in accordance with item 15b on the agenda, on a long-term incentive programme in the form of a combination of call options and synthetic shares for senior managers and other key individuals, is conditional on the Annual General Meeting not resolving in accordance with the Board of Directors' proposal under item 15a on the agenda. For a resolution in accordance with the proposal under item 15b on the agenda, the resolution must be supported by shareholders with at least half of both the votes cast and the shares represented at the Annual General Meeting.

For a decision according to item 16 on issue authorisation, to be valid, the proposal must be supported by shareholders holding at least two thirds of both the votes cast and the shares represented at the Annual General Meeting.

Documents

All documents in accordance with the Swedish Company's Act (2005:551) will be available at the company and on the company's website, www.granges.com, no later than as from Thursday 6 April 2023 and will be sent, immediately and free of charge to the recipient, to those shareholders who so request and state their postal address.

Information

If so requested by any shareholder and if the Board of Directors deems it possible without significant detriment to the company, the Board of Directors and managing director must provide information at the General Meeting about circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation, the group accounts and the company's relation to other companies within the group. Shareholders who wish to submit questions in advance may send them to CFO Oskar Hellström, at the address Gränges AB, Box 5505, 114 85 Stockholm, Sweden.

Number of shares and votes

The total number of shares in the company as of the issue date for the notice of the General Meeting is 106,308,618 shares, which is equivalent to 106,308,618 votes. As of the same date, the company is holding no shares in treasury.

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>

Stockholm in March 2023
Gränges AB (publ)

[1] The market value of the warrants amounts to SEK 15.20 per warrant, in accordance with a preliminary valuation made based on a market value on the underlying share corresponding to SEK 86.50 per share and assuming an exercise price of SEK 99.50 per share. The Black & Scholes valuation model has been used for valuation of the warrants, assuming a risk-free interest of 3.14 per cent and a volatility of 33 per cent.

[2] After deduction of tax and other applicable fees that the participants are subject to, the subsidy will amount to 50 per cent of the option premium.

[3] The market value of the call options amounts to SEK 15.20 per call options, in accordance with a preliminary valuation made based on a market value on the underlying share corresponding to SEK 86.50 per share and assuming an exercise price of SEK 99.50 per share. The Black & Scholes valuation model has been used for valuation of the call options, assuming a risk-free interest of 3.14 per cent and a volatility of 33 per cent.

[4] After deduction of tax and other applicable fees that the participants are subject to, the subsidy will amount to 50 per cent of the option premium.

For further information, please contact:

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About Gränges

Gränges is an aluminium technology company who drives the development of lighter, smarter, and more sustainable aluminium products and solutions. The company offers advanced materials that enhance efficiency in the customers' manufacturing process and the performance of the final products. Gränges' innovative engineering has transformed the industry for more than 125 years, and the company holds leading positions in rolled products for thermal management systems, speciality packaging and selected niche applications. Gränges has production facilities and conducts sales in three regions: Asia, Europe, and Americas. The total annual production capacity amounts to 580 ktonnes. Gränges has 2,700 employees and the share is listed on Nasdaq Stockholm. More information is available at www.granges.com.

Attachments

[Notice of the annual general meeting for Gränges AB](#)