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## Annual general meeting in Concentric AB

The annual general meeting of Concentric AB will be held 10 a.m. CET on Thursday 30 March 2017, in Kreugersalen at Tändstickspalatset, Västra Trädgårdsgatan 15, Stockholm.

### NOTICE OF ATTENDANCE

Those wishing to attend the general meeting must:

- (i) be recorded in the share register maintained by Euroclear Sweden AB, as of Friday 24 March 2017; and
- (ii) notify the company of their intention to participate in the general meeting at the address Concentric AB, Strandgatan 2, 582 26 Linköping, Sweden, by telephone +46 722-26 90 80 or at the company's website, [www.concentricab.com](http://www.concentricab.com), no later than Friday 24 March 2017.

On giving notice of attendance, the shareholder should state the shareholder's name (company name), address, telephone number, personal identity number or equivalent (corporate identity number) and shareholdings. Proxies and representatives of a legal person are asked to submit documents of authorisation prior to the general meeting. A proxy form will be available on the company's website, [www.concentricab.com](http://www.concentricab.com), and will be sent, immediately and free of charge to the recipient, to those shareholders who so request and state their postal address.

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 24 March 2017 and the bank or broker should therefore be notified in due time before said date. This registration may be made temporarily.

### AGENDA

#### Proposal for agenda

1. Opening of the general meeting and election of chair of the general meeting
2. Drawing up and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to approve the minutes
5. Determination of whether the general meeting was duly convened
6. The CEO's report
7. Presentation of the annual report and the auditor's report and the consolidated financial statements and the consolidated auditor's report
8. Resolutions on:
  - (a) adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
  - (b) appropriation of the company's result according to the adopted balance sheet and on record date for dividend; and
  - (c) discharge of personal liability for the board members and the CEO for the financial year 2016
9. Resolution on the number of board members and auditors
10. Resolution on fees to the board members and the auditor
11. Election of the board members and the auditor
12. Resolution on approval of guidelines for remuneration to senior executives

13. Resolution on reduction of share capital with retirement of repurchased own shares and increase of the share capital through a bonus issue
14. Resolution on a performance based incentive programme (LTI 2017)
15. Resolution on a directed issue of warrants and approval of transfer of warrants
16. Resolution on:
  - (a) authorisation for the board of directors to resolve on acquisition of own shares;
  - (b) authorisation for the board of directors to resolve on transfer of own shares;
  - (c) transfer of own shares to participants in LTI 2017; and
  - (d) transfer of own shares to an employee stock option trust
17. Closing of the general meeting

#### **Proposal for election of chair of the general meeting (item 1 on the agenda)**

The Nomination Committee, which was appointed in accordance with what is set out below, proposes that the chair of the board, Stefan Charette, is to be elected chair of the general meeting.

#### **Proposal for resolution on appropriation of the company's result according to the adopted balance sheet and on record date for dividend (item 8 (b) on the agenda)**

The general meeting has at its disposal profits carried forward of SEK 996,739,090.18 added with the net profit for the year of SEK 132,915,286.32. Thus, the general meeting has in total a non-restricted equity of SEK 1,129,654,376.50 at its disposal.

The board of directors proposes a dividend for the financial year 2016 of SEK 3.50 per share, totalling SEK 141,686,944 and that the balance SEK 987,967,432.50 is carried forward.

As record date for the dividend the board of directors proposes Monday 3 April 2017. Subject to the resolution by the general meeting in accordance with this proposal, the cash dividend is expected to be distributed by Euroclear Sweden AB on Thursday 6 April 2017.

#### **Proposals for resolution on the number of board members and auditors, resolution on fees to the board members and the auditor, and election of the board members and auditor (items 9 – 11 on the agenda)**

In accordance with the resolution of the annual general meeting 2012, Göran Espelund, chair (Lannebo Fonder), Erik Durhan (Nordea), Marianne Nilsson (Swedbank Robur Fonder) and Johan Strandberg (SEB Fonder) were all appointed members of the Nomination Committee in October 2016, before the annual general meeting 2017. The Nomination Committee, which represents 36.18 per cent of the shares and votes in the company, proposes that the general meeting resolves in accordance with the following.

The number of directors is proposed to remain unchanged, which means that the general meeting shall elect seven directors, with no deputy directors.

The Nomination Committee proposes re-election of the directors Kenth Eriksson, Marianne Brismar, Martin Lundstedt, Susanna Schneeberger, Martin Sköld, Claes Magnus Åkesson and election of Anders Nielsen as new director. Stefan Charette has declined re-election. It is proposed that Kenth Eriksson be elected chair of the board.

Anders Nielsen was born in 1962 and has studied Industrial Economy at Linköping Institute of Technology.

Anders Nielsen has previously been, inter alia, Technical Director at Scania Latin America, Senior Vice President for Scania's chassis and cab production, Executive Vice President Production and Logistics Scania CV AB, and later CEO at MAN Truck & Bus AG. He was appointed to the board of Scania AB as Head of Production and Logistics in 2010.

Anders Nielsen is currently Chief Technology Officer of Volkswagen Truck & Bus, which is the holding company of the brands Scania, MAN and MAN Latin America, and is also responsible for R&D

activities across the Volkswagen Truck & Bus Group. He was appointed to the board of Haldex AB in 2015.

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

The Nomination Committee proposes that the company shall have one auditor with no deputy. The Nomination Committee proposes that the registered accounting firm KPMG AB shall be re-elected as the company's auditor until the end of the annual general meeting 2018. KPMG AB has informed the company that Anders Malmeby, authorised public accountant, will remain auditor-in-charge of the company. The Nomination Committee's proposal is in accordance with the Audit Committee's recommendation. The Nomination Committee and the Audit Committee have not been influenced by a third party and no clause of a contract entered into with a third party has been imposed which restricts the choice of certain auditors or audit firms.

Fees to the directors for the period up to and including the annual general meeting 2018 is proposed to be paid as follows. The chair of the board will receive SEK 540,000 (previously SEK 525,000) and each of the other directors will receive SEK 255,000 (previously SEK 250,000). In addition the chair of the Compensation Committee will receive unchanged SEK 50,000 and the chair of the Audit Committee will receive unchanged SEK 75,000. The above proposal means that the total remuneration to the board (remuneration for committee work included) will increase from SEK 2,150,000 to SEK 2,195,000.

The Nomination Committee has conducted an analysis of director fees and associated remuneration for committee work compared to similar companies based on several measures of size and complexity. The outcome of this analysis supports the Nomination Committee's proposal to increase the remuneration of fees and compensations.

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

#### **Proposal for resolution on approval of guidelines for remuneration to senior executives (item 12 on the agenda)**

The board proposes that the general meeting resolves on guidelines for remuneration to senior executives mainly in accordance with the following.

Concentric AB has established principles and forms for remuneration to senior executives. The board of directors and its Compensation Committee resolve on the structures of remuneration systems, as well as levels and forms of remuneration to senior executives. The board of directors proposes that the general meeting adopts the following guidelines for the establishment of remuneration to the Chief Executive Officer (CEO) and other senior executives. These guidelines will be valid for agreements entered into after the general meeting's resolution and for changes made to existing agreements thereafter.

The board of directors is entitled to deviate from the below guidelines if there are specific reasons or needs in an individual case.

#### *General*

It is of fundamental importance to the company and its shareholders that the guidelines for remuneration to senior executives, in both a short and long term perspective, enable the company to attract and retain senior executives and other employees with excellent competence. 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 compensation levels.

The terms of employment for senior executives shall consist of a balanced combination of fixed salary, annual bonus, long-term incentive programme, pension and other benefits and terms for dismissal/severance payment.

The total annual monetary remuneration, i.e. fixed salary, bonus and other long-term monetary remuneration, shall be in accordance with market practice on the geographical market where the senior executive operates. The total level of the compensation will be evaluated annually to ensure that it is in line with market practice for corresponding positions within the relevant geographical market.

The remuneration should be based on performance. It should therefore consist of a combination of fixed salary and bonus, where the variable remuneration forms a relatively substantial part of the total remuneration, but it is understood that the bonus is always capped to a pre-defined maximum amount.

The annual report 2016 sets out details of the total remuneration and other benefits awarded to the senior executives during 2016.

#### *Remuneration and remuneration forms*

The remuneration system of the company consists of various forms of remuneration in order to create a well-balanced compensation that fosters and supports management and achievement of goals in both a short and long-term perspective.

#### *Fixed remuneration*

The fixed remuneration shall be individually determined and shall be based on each individual's responsibility and role as well as the individual's competence and experience in the relevant position.

#### *Annual bonus*

Senior executives have an annual bonus that is payable on an annual basis. The annual bonus is structured as a variable part of the fixed salary. Bonus goals shall primarily be based on the outcomes of financial objectives for the entire company as well as clearly defined individual goals with respect to specific assignments. The latter is to ensure that the senior executive also focuses on non-financial targets of specific interest.

Bonus related financial objectives for the company shall be established by the board annually in order to ensure that they are in line with the company's business strategy and profit targets. On behalf of the board, the Compensation Committee establishes the financial objectives for individual units proposed by the CEO.

The part of the total remuneration consisting of the annual bonus varies depending on position and may be up to 50 percent of the fixed annual salary at full goal achievement. The bonus goals are constructed so that no bonus will be paid if a certain minimum performance level is not achieved. All bonus schemes within the organisation are discretionary and payable at the sole discretion of the management unless payment is guaranteed by an existing legal agreement or contract.

#### *Application of variable pay guidelines*

Under pre-existing employment contracts, there are ongoing deviations from the variable pay guidelines outlined above in respect of the CEO, whereby he may be entitled to an annual bonus of up to 80 percent of his fixed salary at full goal achievement.

#### *Long-Term Incentive Programme*

In order to foster a long-term perspective in the decision-making and to ensure long-term achievement of goals, the board may propose the general meeting to resolve on long-term incentive programmes.

The board uses long-term incentives in order to ensure that senior executives within the company have a long-term interest in a stable value increase of the Concentric share. By implementing an incentive programme that is connected to the company's profits and at the same time its increase in value, the long-term growth of the company is awarded and fostered. Further, long-term incentive programmes also aim to make the company a more attractive employer, which contributes to the company's ability to retain key employees within the group as well as to recruit new key employees.

Potential remuneration in the form of long-term incentive programmes shall be in accordance with market practice on each relevant market.

#### *Pension*

When entering into new pension agreements with senior executives who are entitled to pension, the pension shall be based on defined contribution plans. Senior executives retire in accordance with local regulations on pension. As a main principle, pension premiums are based solely on fixed salary. Certain adjustments may occur in individual cases in accordance with local market practice.

#### *Other benefits*

Other benefits, such as company car, compensation for healthcare and health and medical insurance shall form a minor part of the total compensation and shall correspond to what may be deemed common market practice in each geographical market.

#### *Special remuneration*

In addition to the above described remunerations, agreements on additional remunerations may be made in exceptional situations, for example when considered necessary to attract and retain key personnel or induce individuals to move to new places of service or accept new positions. Such special remunerations shall be limited in time and may not exceed 36 months. Further, the total remuneration must not exceed an amount equivalent to two times the remuneration the individual would have received in the absence of an agreement on special remunerations.

#### *Terms for dismissal and severance payment*

Terms for dismissal and severance pay shall correspond to what may be deemed common market practice for each geographical market. The CEO has a notice period of 12 months. Other senior executives have a notice period up to 6 months. In addition hereto, when entering into new employment contracts, agreement may be made with senior executives on severance pay upon termination of employment by the company, corresponding to a maximum of 12 months' fixed salary. Upon termination of employment, local practice in the geographical market where the senior executive operates shall be complied with.

### **Proposal for resolution on a reduction of share capital with retirement of repurchased own shares and increase of the share capital through a bonus issue (item 13 on the agenda)**

The board proposes that the general meeting resolves to reduce the share capital with a retirement of repurchased own shares and to increase the share capital through a bonus issue mainly as set out below. The resolutions are conditional upon each other, thus the board proposes that the general meeting makes one joint resolution with respect to the proposals.

#### *A. Reduction of share capital*

The company's share capital will be reduced as follows.

1. The company's share capital will be reduced by SEK 1,634,724.
2. The reduction will be made with retirement of 698,600 of the shares in the company repurchased and held by it.
3. The retirement of shares will be made without any repayment.
4. The purpose of the reduction is to allocate means to unrestricted equity. The means will, however, be restored to the share capital in accordance with item B below.

The board states the following as an account under Chapter 20 Section 13 Paragraph 4 of the Swedish Companies Act. The resolution to reduce the share capital in accordance with this item does not require the approval of neither the Swedish Companies Registration Office nor, in disputed cases, a court of general jurisdiction, since the company simultaneously will carry out a bonus issue meaning that neither the restricted equity nor the share capital will be reduced. The effect of the board's

proposal in item A means that the company's restricted equity and share capital will be reduced by SEK 1,634,724. The effect of the board's proposal in item B below means that the company's restricted equity and share capital will be increased by SEK 1,634,880 and thereby SEK 156 higher than the amount before the reduction. The proposed resolution to carry out a bonus issue is set out in item B below.

*B. Increase of share capital through a bonus issue*

To restore the share capital following the proposed reduction of share capital as set out above the share capital will be increased by a bonus issue of SEK 1,634,880 by a transfer of SEK 1,634,880 from the company's unrestricted equity.

The bonus issue will take place without the issuing of new shares.

Following the resolutions under items A and B the company's share capital will total SEK 97,275,360 and there will be 40,872,000 outstanding shares, each with a quota value of SEK 2.38.

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

The general meeting's resolution under this proposal is valid only if supported by shareholders holding at least two-thirds of both the votes cast and the shares represented at the general meeting.

**Proposal for resolution on performance based incentive programme (LTI 2017) (item 14 on the agenda)**

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

Considering the above, the board proposes a long-term performance based incentive programme ("**LTI 2017**") under which senior executives and key employees will be entitled to receive employee stock options that entitles the participants to acquire shares in the company under mainly the terms and conditions set out below. In order to ensure and maximise the management's engagement in the company, allocation of employee stock options under LTI 2017 will be conditional upon the participants becoming shareholders in the company by own investments in the company's share in the stock market. The board's intention is that the incentive programme will run over a long-term period, thus the board intends to propose the general meeting in the coming years to resolve upon similar incentive programmes.

To be able to implement LTI 2017 in a cost-efficient and flexible manner, the board of directors has considered various methods for transferring the company's shares under LTI 2017, such as a share swap agreement with a third party, repurchase and transfer of own shares to participants in LTI 2017 or an Employee Share Ownership Trust as well as transfer of warrants entitling to subscription of new shares. The board of directors has also taken into consideration that delivery of shares under LTI 2017 will be made no earlier than 2020. In order to retain full flexibility, the board proposes that shares can be delivered with any of the above four alternate methods (in accordance with the proposals below and the board's proposal on directed issue and transfer of warrants and the board's proposal on acquisition and transfer of own shares to participants in LTI 2017, or an Employee Share Ownership Trust), with the right for the board to combine or choose any of the methods.

The board proposes that the general meeting resolves on the implementation of a long-term incentive programme, LTI 2017, principally based on the following conditions and principles.

1. LTI 2017 shall comprise up nine senior executives, including the CEO, and other key employees within the Concentric group.

2. In order to participate in LTI 2017, the participants must make own investments in Concentric shares in the stock market no later than 31 May 2017, with right for the board to, in respect of participants joining LTI 2017 thereafter, postpone the last day of acquisition to no later than 6 December 2017.
3. Within LTI 2017, investments in Concentric shares may be made by the CEO up to a value of 50 per cent of his annual base salary effective from 1 January 2017, by the CFO up to a value of 30 per cent of his annual base salary effective from 1 January 2017 and by other participants up to a value of 20 per cent of their respective annual base salary effective from 1 January 2017. The maximum number of shares that each participant is entitled to acquire under the LTI 2017 shall be calculated using a share price of SEK 123.10, which equals to the average of each trading day's volume weighted average share price on Nasdaq Stockholm during the period from 1 February 2017 to 14 February 2017 (inclusive), rounded to the nearest ten öre.
4. Each Concentric share acquired under LTI 2017 will entitle the participants to two (2) free employee stock options, where each, after a three year lock-up period, will entitle the participant to acquire one (1) Concentric share at a price of SEK 98.50 and SEK 147.70 respectively. This exercise price equals 80 and 120 per cent respectively of the average of each trading day's volume weighted average share price on Nasdaq Stockholm during the period from 1 February 2017 to 14 February 2017 (inclusive), rounded to the nearest ten öre.
5. Each Concentric share acquired under LTI 2017 will also entitle the participants to two (2) free performance employee stock options ("**Performance Employee Stock Options**"), where each, if certain performance criteria specified below are met, will entitle the participant to acquire one (1) Concentric share at a price of SEK 98.50. This exercise price equals 80 per cent of the average of each trading day's volume weighted average share price on Nasdaq Stockholm during the period 1 February 2017 to 14 February 2017 (inclusive), rounded to the nearest ten öre.
6. Each participant may receive no more than four (4) employee stock options and Performance Employee Stock Options in total for each acquired Concentric share. In all, a maximum of 170,000 employee stock options, each entitling to one (1) Concentric share, may be allocated under LTI 2017. Allocation of the employee stock options is to be decided by the board.
7. The employee stock options shall have a 39 months term (but never past 31 October 2020) and can be exercised to acquire Concentric shares during a three month period from the date of publication of the company's report for the first quarter 2020.
8. Exercising the employee stock options is subject to the participant remaining employed in the Concentric group (with certain exceptions decided by the board) and retaining the Concentric shares acquired under LTI 2017 throughout the three year lock-up period, thus up to and including the date of exercising the employee stock options.
9. The board of directors shall be authorised to resolve on a premature exercise of the employee stock options (i) if a person, alone or together with related parties, acquires such number of shares in the company that it, in accordance with applicable rules, gives rise to an obligation to announce a mandatory offer to acquire all outstanding shares in the company or (ii) for individual participants based on individual circumstances, or (iii) if premature exercise is otherwise deemed to be suitable or appropriate, taking into account performance achieved to the date of premature exercise.
10. The number of Concentric shares that may be transferred to participants in LTI 2017 may be recalculated due to a bonus issue, share split, rights issue and/or any similar event, by applying the recalculation principles applicable on the warrants proposed to the general meeting under the board's proposal on directed issue of warrants.

11. The board of directors shall decide on the detailed terms and conditions of LTI 2017. The board shall be entitled to deviate from or adjust the terms and conditions as a result of local regulations and practice.

#### *Performance criteria*

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

The first Performance Employee Stock Option will entitle the participant to acquire one (1) Concentric share per Performance Employee Stock Option if the company's reported earnings per share of the financial year 2019 reach or exceed SEK 8.00.

The second Performance Employee Stock Option will entitle the participant to acquire one (1) Concentric share per Performance Employee Stock Option if the company's reported return on equity reaches or exceeds 25 per cent per year in average over the financial years 2017, 2018 and 2019.

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

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

The company's supply of shares to the participants under LTI 2017 may be made by instructing a third party to deliver Concentric shares under a swap agreement.

In accordance with this, the board proposes that the general meeting resolves to authorise the board to enter into a swap agreement regarding own shares. Thus, it is proposed that the financial exposure of LTI 2017 may be hedged by the company entering into a share swap agreement with a third party, whereby the third party in its own name shall acquire and transfer Concentric shares to participants in LTI 2017.

#### *Costs*

The LTI 2017 is expected to result in annual costs of approximately MSEK 1.6 for the company if participants invest to their individual limits under the incentive programme and the performance criteria are met, and an annual 15 per cent share price growth is assumed. In addition to this, social security charges will apply in the year of vesting, 2020. Social security charges are expected to amount to approximately MSEK 0.6 annually based on the same assumptions.

#### *Preparation of the matter*

The board's proposal on LTI 2017 has been prepared by the board of directors.

#### *Voting majority*

The general meeting's resolution on this proposal is valid only if it is supported by shareholders representing more than half of the votes cast.

#### **Proposal for resolution on a directed issue of warrants and approval of transfer of warrants (item 15 on the agenda)**

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

The board's proposal entails the general meeting shall decide on a directed issue of 170,000 warrants with the right to subscription of new shares in the company, principally in accordance with the following conditions.

1. The warrants are issued free of charge. Each warrant will give the right to subscribe for one new share in the company, thus the share capital of the company can increase with a maximum of SEK 404,600 if the warrants are fully utilised.
2. The right to subscribe for warrants shall, with a deviation from the shareholders' preferential rights, be granted the company's fully owned subsidiary Concentric Skånes Fagerhult AB.
3. Subscription to the warrants shall be made no later than 31 August 2017, with the board reserving the right to extend this time limit.
4. The warrants can be exercised to subscribe for shares in the company from the registration of the warrants with the Swedish Companies Registration Office and up to and including 31 December 2020.
5. The warrants shall have an exercise price corresponding the share's quota value, SEK 2.38.
6. The new shares issued under the warrants shall entitle to dividend as from the first record date for dividend to occur after the registration of the new shares with the Swedish Companies Registration Office.
7. The number of shares issued under each warrant may be recalculated in accordance with recalculation principles due to a bonus issue, share split or consolidation, rights issue and/or any similar event.

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

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

*Dilution*

At full utilisation of the warrants, the number of outstanding shares in the company will increase by 170,000. These shares constitute 0.4 per cent of the number of shares and votes after full dilution, calculated as the number of new shares in relation to the number of existing and new shares in the company. Together with outstanding warrants under previous incentive programmes, the warrants will result in a combined dilution of approximately 1.9 per cent of the outstanding shares and votes in the company.

If the proposed warrants had been fully utilised throughout 2016, the company's basic and diluted earnings per share for the financial year 2016 would have been SEK 5.99 and SEK 5.98 per share respectively on a pro forma basis, instead of SEK 6.01 and SEK 6.00 per share respectively as reported.

In the event that repurchased shares, or shares transferred by a third party under a swap agreement, (in accordance with the board's proposal for acquisition and transfer of own shares and the board's proposal of LTI 2017, respectively) are fully or partly transferred to the participants in LTI 2017 instead of warrants, the dilution will be reduced.

*Transfer of the warrants*

Furthermore, the board of directors proposes that the general meeting resolves to approve that Concentric Skånes Fagerhult AB, on one or more occasions, may transfer warrants to the participants in LTI 2017 in accordance with the terms and conditions of LTI 2017, and dispose of the warrants in order to cover costs related to, or fulfil obligations occurring under, LTI 2017.

*Preparation of the matter*

The board's proposal has been prepared by the board of directors.

*Special authorisation*

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

*Voting majority and condition for resolution*

The general meeting's resolution under this proposal is valid only if it is supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the general meeting.

The board proposes that a resolution under this proposal is to be subject to the general meeting having resolved to pass the board's proposal on LTI 2017 under item 14 on the agenda.

**Proposals for resolution on authorisation of acquisition and transfer of own shares, transfer of own shares to participants in LTI 2017 and transfer of own shares to an employee stock option trust (items 16 (a)-(d) on the agenda)**

Proposal for resolution on authorisation for the board of directors to resolve on acquisition of own shares (item 16 (a) on the agenda)

The board of directors proposes that the general meeting authorises the board to resolve on repurchase of own shares on one or several occasions during the period up to the annual general meeting 2018 mainly in accordance with the following.

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

The reasons for the proposed authorisation to repurchase own shares are to be able to improve the company's capital structure and to enable share transfers in accordance with the board's proposals for authorisation for the board to transfer own shares and for previous and proposed resolution on transfer of own shares to participants in LTI 2014-2017, to increase the flexibility for the board in connection to potential future corporate acquisitions, as well as to cover costs for LTI 2014-2017 and enable delivery of shares in accordance with LTI 2014-2017.

A resolution passed by the general meeting in accordance with this proposal is valid only when supported by shareholders holding at least two thirds of the votes cast as well as of the shares represented at the general meeting.

Proposal for resolution on authorisation for the board of directors to resolve on transfer of own shares (item 16 (b) on the agenda)

The board of directors proposes that the general meeting authorises the board to resolve on transfer of own shares on one or several occasions during the period up to the annual general meeting 2018 mainly in accordance with the following.

1. Transfer of own shares must be made either on Nasdaq Stockholm or in another manner.

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

The reasons for the proposed authorisation to transfer own shares and for the deviation from the shareholders' preferential rights are to be able to improve the company's capital structure, to cover costs relating to LTI 2014-2017 as well as to increase the flexibility of the board in connection to potential future corporate acquisitions, by facilitating a fast and cost-efficient financing by divesting holdings of own shares.

A resolution passed by the general meeting in accordance with this proposal is valid only when supported by shareholders holding at least two thirds of the votes cast as well as of the shares represented at the general meeting.

Proposal for resolution on transfer of own shares to participants in LTI 2017 (item 16 (c) on the agenda)

The board of directors proposes that the general meeting resolves on transfer of own shares mainly in accordance with the following.

1. The maximum number of shares that may be transferred is 170,000.
2. The participants in LTI 2017 are, with deviation from the shareholders' preferential rights, entitled to acquire the shares with right for each of the participants to acquire no more than the maximum number of shares allowed under the terms and conditions for LTI 2017.
3. The participants' right to acquire shares are conditional upon the fulfilment of all of the conditions set up in LTI 2017.
4. The shares must be transferred within the time period set out in the terms and conditions of LTI 2017.
5. The shares must be transferred at a price equivalent to the price established under the terms and conditions of LTI 2017.
6. Payment for the shares must be made in cash and within ten banking days from the participants' exercise of the employee stock options that entitle the participants to acquire the shares.
7. The number of shares that may be transferred to the participants in LTI 2017 may be recalculated due to bonus issue, share split, rights issue and similar events in accordance with the terms and conditions of LTI 2017.

The reason for the proposed transfer and for the deviation from the shareholders' preferential rights is to enable delivery of shares under LTI 2017.

The board proposes that a resolution under this proposal is to be subject to the general meeting having resolved to pass the board's proposal on LTI 2017 under item 14 on the agenda.

Resolution passed by the general meeting in accordance with the board's proposal for resolution on transfer of own shares to participants in LTI 2017 is valid only when supported by shareholders holding at least nine tenths of the votes cast as well as of the shares represented at the general meeting.

Proposal for resolution on transfer of own shares to an employee stock option trust (item 16 (d) on the agenda)

*The Joint Share Ownership Plan*

In order to enable a tax efficient delivery of shares under LTI 2017 to participants resident in the United Kingdom, Concentric wants to be able to invite them to take part in a Joint Share Ownership Plan ("**JSOP**"). Using the JSOP will not change any terms specified in LTI 2017, such that participants will receive the same pre-tax benefits for the same exercise proceeds subject to the same conditions regarding the lock-in period for holding savings shares, maintaining continuity of employment and achieving the relevant performance criteria. In addition, the total annual costs for Concentric using the JSOP are expected to be in line with those specified in the board's proposal on LTI 2017 under item 14 on the agenda.

Participants that accept this invitation will, instead of receiving an Employee Stock Option or a Performance Employee Stock Option under LTI 2017, receive (i) a Capped Employee Stock Option and (ii) Joint Ownership Rights together with an Employee Share Ownership Trust<sup>1</sup> ("**ESOT**") in a Concentric share (for which they will pay in cash).

The Capped Employee Stock Option will provide the participant with the value of the Concentric share that would have been realised under LTI 2017 up until the cap. The cap will be determined at the time the Capped Employee Stock Option is issued to the participant based upon the value of the Concentric share at that time. The Joint Ownership Right will provide the participant with any benefits that would have been realised under LTI 2017 if the share price on exercise of the Capped Employee Stock Option exceeds the level of the cap. Participants that join the JSOP will automatically surrender their entitlement to regular Employee Stock Options and Performance Employee Stock Options provided under LTI 2017. Through both the Capped Employee Stock Option and the Joint Ownership Right, the participant is given the same opportunity to take part of the growth of value of the Concentric share had the participant not surrendered the rights to the options provided under LTI 2017.

To facilitate the JSOP, Concentric will transfer a number of own shares repurchased to the ESOT equal to the maximum number of share options which may be awarded to participants who elect to join the JSOP. As specified within the terms of a joint ownership agreement, these shares will be jointly owned by the ESOT and the respective participant.

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

- the participant will be eligible to exercise the respective Capped Employee Stock Option;
- the total funds paid by the participant to Concentric will be the same as the exercise price of the Employee Stock Option or Performance Employee Stock Option; and
- the ESOT will surrender its ownership rights in a jointly owned Concentric share and transfer the Concentric share to the participant as full and final settlement of their entitlement under LTI 2017.

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<sup>1</sup> The Employee Share Ownership Trust is a separate legal entity governed by independent trustees, who act within the guidelines as stipulated under the trust deed. These guidelines specify that any monies or shares received by the trust must be used solely for the provision of share schemes or other variable remuneration on behalf of Concentric.

If all conditions set out in LTI 2017 for the exercise of an Employee Stock Option or a Performance Employee Stock Option is not met, any participant in JSOP must surrender all his ownership rights in a corresponding jointly owned Concentric share to the ESOT and the participant may not exercise the Capped Employee Stock Option. Such shares will be retained in the ESOT and used for future share schemes or other variable remuneration purposes in Concentric.

The JSOP will result in Concentric incurring some up-front costs for setting up the necessary practical arrangements. However, the use of Capped Employee Stock Options will also cap social security contributions, such that the total annual costs are expected to be in line with those specified in the board's proposal on LTI 2017 under item 14 on the agenda. In summary, the JSOP gives the company an opportunity to offer LTI 2017 to participants resident in the United Kingdom in a more tax efficient solution than if the shares had been delivered to them through any other method, whilst ensuring that the conditions for the participants remain the same.

### *Transfer of Own Shares*

In light of the foregoing, the board of directors proposes that the general meeting resolves on transfer of own shares to the Trust mainly in accordance with the following.

1. The maximum number of shares that may be transferred to an ESOT is 120,000.
2. The ESOT is, with deviation of the shareholders' preferential rights, entitled to acquire all shares.
3. The shares will be transferred to the ESOT free of charge.
4. The shares must be transferred to the ESOT before 31 December 2017.
5. The number of shares that may be transferred to the ESOT may be recalculated due to bonus issue, share split, rights issue and similar events in accordance with the terms and conditions of LTI 2017.

The reason for the proposed transfer and for the deviation from the shareholders' preferential rights is to enable a tax efficient delivery of shares under LTI 2017 to certain participants resident in the United Kingdom.

The board proposes that a resolution under this proposal is to be subject to the general meeting having resolved to pass the board's proposal on LTI 2017 under item 14 on the agenda.

Resolution passed by the general meeting in accordance with the board's proposal for resolution on transfer of own shares to the ESOT is valid only when supported by shareholders holding at least nine tenths of the votes cast as well as of the shares represented at the general meeting.

## **MISCELLANEOUS**

### **Documents**

Copies of the board's and the Nomination Committee's complete proposals including the board's and the auditor's statements, the accounts and the auditor's report regarding 2016 will be available at the company and on the company's website [www.concentricab.com](http://www.concentricab.com) no later than as from Thursday 9 March 2017 and will be sent, immediately and free of charge to the recipient, to those shareholders who so request and state their postal address. The documents will also be available at the general meeting.

### **Information at the general meeting**

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 Mia Segerberg, Concentric AB, Strandgatan 2, 582 26 Linköping, Sweden.

### **Shares and votes**

As per the day of this notice, the number of shares and votes in the company totals 41,570,600 respectively of which the company holds 1,088,616 own shares.

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Stockholm in February 2017  
**Concentric AB (publ)**  
*The board of directors*