

## **Notice of the Annual General Meeting of Björn Borg AB (publ)**

The shareholders of Björn Borg AB (publ) are hereby invited to attend the annual general meeting, to be held on Thursday, 11 May 2017 at 5.30 p.m., at the company's premises, at Tulegatan 11, Stockholm, Sweden. Registration starts at 4.45 p.m.

### **Notification of attendance**

Shareholders who wish to attend the meeting must, firstly, be listed in the shareholders' register maintained by Euroclear Sweden AB on Friday, 5 May 2017, and secondly, give notice of their intention to attend the meeting no later than said day (Friday, 5 May 2017), on the corporate website (<http://corporate.bjornborg.com/arsstamma2017>), by e-mail to [stamma@bjornborg.com](mailto:stamma@bjornborg.com), by regular mail to Björn Borg AB, Tulegatan 11, 113 53 Stockholm or by telephone to +46 (0)8 506 33 700. Name, civic registration number/corporate registration number, address, telephone number and any accompanying persons, should be stated when notice is given.

Proxy holders and corporate representatives are asked to submit authorization documents to Björn Borg well in advance of the annual general meeting. Proxy forms are available on the company website [corporate.bjornborg.com](http://corporate.bjornborg.com).

In order to attend the meeting, shareholders with custodian registered shares must have such shares temporarily registered in their own names, in the shareholders' register maintained by Euroclear Sweden AB. In order for such registration to have been effected on Friday, 5 May 2017, the shareholder must request the custodian well in advance of this date to have its shares re-registered (so-called voting rights registration).

### **Proposed agenda**

1. Opening of the meeting
2. Election of the chairman of the meeting
3. Preparation and approval of the voting list
4. Election of one or two persons to check the minutes
5. Determination of whether the meeting has been duly convened
6. Approval of the agenda
7. Presentation of the annual report and the auditor's report, and the consolidated financial statements and the consolidated audit report
8. Presentation by the managing director
9. Resolution on
  - a) adoption of the income statement and balance sheet, and of the consolidated income statement and the consolidated balance sheet
  - b) disposition of the company's profits in accordance with the approved balance sheet and record date for dividends, in case the annual general meeting decides a dividend
  - c) discharge from personal liability of the directors and the managing director
10. Report on the work of the nomination committee
11. Resolution on the number of directors
12. Resolution on the remuneration to be paid to the chairman of the board of directors and to other directors
13. Election of directors and chairman of the board of directors
14. Election of auditor and resolution on the remuneration to be paid to the auditor
15. The proposal by the board of directors regarding a share split and automatic share redemption program, including
  - a) share split 2:1,
  - b) reduction of the share capital through redemption of shares, and
  - c) increase of the share capital through a bonus issue without issuance of new shares
16. The proposal by the board of directors to authorize the board of directors to resolve on new issues of shares, warrants and/or convertibles
17. The proposal by the board of directors regarding guidelines for remuneration to the executive management
18. Proposal regarding the nomination committee
19. Closing of the meeting

## **Proposals**

### *Item 2 - Election of the chairman of the meeting*

The nomination committee has proposed Fredrik Lövstedt, the chairman of the board of directors, as chairman of the annual general meeting.

### *Item 9 b – Resolution on disposition of the company's profits in accordance with the approved balance sheet and record date for dividends, in case the annual general meeting resolves on a dividend*

The board of directors proposes that no dividend be paid for the financial year 2016. The total unappropriated earnings at the disposal of the annual general meeting amount to SEK 96,012,000. The board of directors has proposed a share redemption program instead of dividend, whereby the shareholders will receive a total amount of SEK 50,296,768 in accordance with item 15 on the agenda, which will result in SEK 45,715,232 being carried forward.

### *Item 11-13 – Resolution on the number of directors; resolution on the remuneration to be paid to the chairman of the board of directors and other directors; and election of directors and chairman of the board*

The nomination committee has proposed that the number of directors shall be six. The nomination committee proposes to re-elect Fredrik Lövstedt, Martin Bjäringer, Lotta de Champs, Christel Kinning, Heiner Olbrich, and Mats Nilsson. Petra Stenqvist has declined re-election. The nomination committee has proposed that Heiner Olbrich shall be elected as chairman of the board. The nomination committee has further proposed that the remuneration to the board of directors shall be unchanged. The proposal is that the chairman of the board of directors shall receive SEK 375,000 and the other directors SEK 150,000 each. Remuneration to board members for work on board committees shall be paid unchanged with SEK 16,000 to each of the members of the remuneration committee, and SEK 27,000 to the chairman of the remuneration committee, and with SEK 55,000 to each of the members of the audit committee and SEK 80,000 to the chairman of the audit committee. The total remuneration to the board of directors according to the proposal, including for committee work and assuming unchanged committee representation, amounts to SEK 1,358,000 (previous year the total remuneration amounted to SEK 1,508,000, based on seven directors). The nomination committee's reasoned statement regarding the proposed board of directors, and information about the proposed directors, can be found on the company's website ([corporate.bjornborg.com](http://corporate.bjornborg.com)).

### *Item 14 – Election of auditor and resolution on the remuneration to be paid to the auditor*

The nomination committee has proposed, in accordance to the recommendation from the audit committee, re-election of the registered public accounting firm Deloitte AB for the period until the end of the next annual general meeting. Deloitte AB will, if elected, appoint Didrik Roos to be auditor in charge. The nomination committee has further proposed that fair remuneration to the auditors shall be paid on approved accounts.

### *Item 15 – The proposal by the board of directors regarding share split and automatic share redemption program, including (a) share split 2:1, (b) reduction of the share capital through redemption of shares, and (c) increase of the share capital through a bonus issue without issuance of new shares*

The board of directors proposes that the annual general meeting resolves on a so-called automatic share redemption program encompassing a distribution to the shareholders of a total of SEK 2.00 per existing share according to item 15(a) - 15(c) below. The resolutions of the annual general meeting according to item 15(a) - 15(c) shall be taken together as one resolution.

(a) Resolution on share split 2:1: The board of directors proposes that the annual general meeting resolves on a share split, whereby one (1) existing share in the company is split into two (2) shares, of which one will be a so-called redemption share. The board of directors proposes that the board of directors is authorized to set the record date for the share split, which at the time of the notice is estimated to be 22 May 2017. Based on the estimated record date for the share split, the last trading day for the Björn Borg share including the right to receive redemption shares will be 18 May 2017 and the first trading day for the Björn Borg share excluding the right to receive redemption shares will be 19 May 2017.

(b) Resolution on reduction of the share capital through redemption of shares: The board of directors proposes that the annual general meeting resolves that the share capital shall be reduced for repayment to the shareholders by SEK 3,929,435 through the redemption of 25,148,384 shares. The shares so redeemed shall be those shares which are referred to as redemption shares after the share split described above. A payment of SEK 2.00 shall be made for each redemption share (of which approximately SEK 1.84 exceeds the quota value of the share). The total redemption amount will be SEK 50,296,768. The board of directors proposes that trading in redemption shares shall take place as from 24 May 2017 up to and including 8 June 2017, based on the above-mentioned estimated record date for the share split. The board of directors further proposes that the board of directors is authorized to set the record date for the right to receive the redemption amount, which at the time of the notice is estimated to be 12 June 2017. Payment of the redemption amount is estimated to be made by Euroclear Sweden AB on 15 June 2017. The company's share capital will, after the execution of the reduction of the share capital, amount to SEK 3,929,435, divided into 25,148,384 shares, each with a quota value of SEK 0.15625. Except for

the reduction of the share capital, the company's restricted equity will not be affected. Statements and reports from the board of directors and the auditor will form part of, or be attached to, the complete proposal for decision.

(c) Resolution on increase of the share capital through a bonus issue without issuance of new shares: In order to achieve a time-efficient redemption procedure, without having to obtain permission from the Swedish Companies Registration Office (Sw. Bolagsverket) or a court, the board of directors proposes that the annual general meeting resolves to, through a bonus issue, restore the company's share capital to its original level, SEK 7,858,870, by increasing the company's share capital with SEK 3,929,435 through a transfer from the company's unrestricted equity to the company's share capital. No new shares will be issued in connection with the share capital increase. The quota value of the share will, after the bonus issue, amount to its original level, SEK 0.3125.

*Item 16 - The proposal by the board of directors to authorize the board of directors to resolve on new issues of shares, warrants and/or convertibles*

The board of directors proposes that the annual general meeting authorizes the board of directors, until the next annual general meeting, on one or several occasions, with or without deviation from the shareholders' preferential rights, to resolve on new issues of shares, warrants and/or convertibles. Resolutions that are passed under the authorization may not, in the aggregate, involve an increase of the share capital by more than SEK 390,625 (distributed on not more than 1,250,000 new shares). The authorization shall also include the right to resolve on new issues where the shares are to be paid for with non-cash consideration or through set-off of a claim, or otherwise with terms and conditions pursuant to the Swedish Companies Act Ch. 13 Sec. 7, Ch. 14 Sec. 9, or Ch. 15 Sec. 9.

The reasons for deviating from the shareholders' preferential rights shall be to enable directed share issues for the purpose of acquisitions of companies or businesses, in whole or in part, alternatively for raising capital to be used for such acquisitions. The basis for the subscription price shall be the market price of the share. The authorization may not be used to resolve on cash issues, which are directed, in whole or in part, to one or more existing shareholders – instead, in connection with cash issues where shareholders shall be entitled to subscribe, the Swedish Company Act's rules on preemption rights shall apply.

*Item 17 – The proposal by the board of directors regarding guidelines for remuneration to the executive management*

The board of directors proposes that the annual general meeting shall adopt the following guidelines for remuneration to the executive management. The term executive management refers to the managing director and the other members of the group management team. Björn Borg shall apply competitive remuneration levels and employment terms in order to attract and retain a highly competent management, able to achieve the company's targets. The forms of remuneration shall incentivize the executive management to do their utmost to safeguard a positive financial development. Remuneration to the managing director and the other individuals in the executive management may consist of fixed salary, a variable remuneration, share related long-term incentive plans and additional benefits and pensions. The total remuneration shall correspond to market practice and be competitive, and be related to responsibility and authority. The variable remuneration shall be based on the result, measured in relation to defined and measurable targets, tailored to contribute to build long-term value in the company, and be limited in relation to the fixed salary that has been determined. The variable remuneration shall not exceed the fixed salary. The board of directors shall, when determining the variable remuneration to the executive management, also consider to introduce restrictions which (i) makes it a condition for part of the variable remuneration that the performance on which the remuneration is based proves to be sustainable over time, and (ii) entitles the company to recover remuneration which has been paid out due to information that later proves to be obviously incorrect. In the event of termination of employment initiated by the company, the notice period shall not be longer than 12 months. Severance pay shall not be applied. Pension benefits are to be determined by charge and entitle the executive management to pension from the age of 65 years. Any incentive program shall safeguard a long-term commitment to the company's development, an increased alignment of interests between the participant of the incentive program and the shareholders of the company, and shall be implemented on market terms. The board of directors may deviate from these guidelines only in case special circumstances so warrant in an individual case.

*Item 18 - Proposal regarding the nomination committee*

The nomination committee of the company proposes that the representatives of the nomination committee shall be appointed through a procedure where the chairman of the board of directors contacts the four largest shareholders in terms of votes based on shareholders statistics from Euroclear Sweden AB as per 31 August 2017, and that such shareholders each appoints a person to, together with the chairman of the board of directors, constitute the nomination committee up until the next annual general meeting, or, if applicable, up until a new nomination committee has been appointed. If the chairman of the board, directly or through companies, would be one of the four aforementioned largest shareholders, the nomination committee shall be composed of four

members only (the chairman and the three representatives appointed by the other three largest shareholders). If any of these shareholders decides to renounce its right to appoint a member, the right shall pass to the largest shareholder in turn. Should a representative resign from the nomination committee before its work is completed and provided that the nomination committee considers it necessary, a substitute shall be appointed by the same shareholder that has appointed the resigning representative, or, if this shareholder is no longer one of the four largest shareholders in terms of votes, by the new shareholder that has such shareholding. The nomination committee shall appoint one of its members as chairman. The composition of the nomination committee shall be made public on the company's website as soon as the nomination committee has been formed and no later than six months before the annual general meeting. In the event that the ownership structure is changed after the nomination committee has been composed such that one or several shareholders that have appointed a representative to the nomination committee is no longer in the group of the four largest shareholders in terms of votes, the composition of the nomination committee may be changed in accordance therewith if the nomination committee considers that so is necessary. The tasks of the nomination committee shall be to prepare, for the next shareholders' meeting, proposals in respect of number of directors of the board, remuneration to the chairman of the board of directors, the other directors of the board and the auditors respectively, remuneration, if any, for committee work, the composition of the board of directors, the chairman of the board of directors, resolution regarding the nomination committee, chairman at the annual general meeting and election of auditors. The company shall pay for reasonable costs that the nomination committee has considered to be necessary in order for the nomination committee to be able to complete its assignment.

#### **Specific majority requirements**

The proposals under item 15 and 16 are subject to the resolutions by the annual general meeting being supported by shareholders representing at least 2/3 of the votes cast as well as the number of shares represented at the meeting.

#### **Other information**

There are in total 25,148,384 shares outstanding in Björn Borg carrying one vote each; accordingly there are 25,148,384 votes. The company owns no own shares. In accordance with the Swedish Companies Act Ch. 7 Sec. 32, the shareholders have the right to ask questions at the annual general meeting regarding the items on the agenda and about the financial situation of the company and the group. Shareholders who wish to submit questions in advance of the annual general meeting, shall send these per e-mail to [stamma@bjornborg.com](mailto:stamma@bjornborg.com) or per regular mail to Björn Borg AB, Tulegatan 11, 113 53 Stockholm.

#### **Available documents**

The accounts, the auditor's report, the board of director's reasoned statement regarding the reduction of the share capital, an information brochure regarding the proposal on the share split and the automatic share redemption procedure, the auditor's report regarding whether the previous guidelines for remuneration to the executive management have been complied with and the complete proposals for decisions with respect to items 15 and 16, including the auditor's reports with respect to item 15, will be available to the shareholders at the company and at the company's website ([corporate.bjornborg.com](http://corporate.bjornborg.com)) no later than as from 20 April 2017, and will also be distributed to shareholders that so request and provide their postal or e-mail address.

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Stockholm, April 2017  
Björn Borg AB (publ)

*The Board of Directors*