

## Annual General Meeting of Serneke Group AB (publ)

**Shareholders of Serneke Group AB (publ) ("Serneke"), corporate identity number 556669-4153, are hereby invited to the Annual General Meeting on Wednesday, May 3, 2017 at 6:30 p.m. (CET) at the company's premises at Kvarnbergsgatan 2 in Gothenburg, Sweden.**

### REGISTRATION - RIGHT TO PARTICIPATE

Shareholders wishing to take part in Serneke Group AB's Annual General Meeting must be registered in the shareholders' register maintained by Euroclear Sweden AB as of April 27, 2017, and have notified the company of their attendance no later than April 27, 2017, preferably before 4:00 p.m. (CET). Registration is done by mail to Serneke Group AB, Attention: Inger Svanholm, Kvarnbergsgatan 2, SE-411 05 Gothenburg, Sweden, by telephone: +46 31 712 97 00 or by e-mail: [agm@serneke.se](mailto:agm@serneke.se). Upon notification, shareholders must state their name, Swedish personal identity number/corporate identity number, address, telephone number, shareholding and the names of any accompanying assistant/s (maximum of two).

In order to attend the General Meeting, shareholders with nominee-registered shares must temporarily re-register their shares in their own name with Euroclear Sweden AB. Accordingly, shareholders must inform the trustee of this request in ample time prior to April 27, 2017.

Shareholders represented by proxy shall issue a written and dated power of attorney. If the proxy is issued by a legal person, a certified copy of the registration certificate or similar papers of authorization are also required. Power of attorney, registration certificates and other authorization documents must be available for the General Meeting and, in order to facilitate entry to the General Meeting, sent to the company at the above address no later than April 28, 2017. The power of attorney may not be older than one year unless indicated that it is valid for a longer period, not exceeding five years. Proxy forms for shareholders wishing to attend the General Meeting by proxy will be made available on the company's website [www.serneke.group](http://www.serneke.group).

### Number of shares and votes

As of April 4, 2017, there are a total of 23,241,952 shares in Serneke Group AB (publ), of which 5,360,000 are series A shares and 17,881,952 series B shares. The total number of votes in Serneke amounts to 7,148,195.2.

### Shareholders' right to request information

The shareholders are reminded of their right to, in accordance with Chapter 7, Section 32 of the Companies Act, request information from the Board and the CEO at the Annual General Meeting.

### PROPOSED AGENDA

1. Opening of the General Meeting
2. Election of the Chairman at the General Meeting
3. Preparation and approval of voting list
4. Adoption of the agenda
5. Election of one or two persons to verify the minutes of the General Meeting
6. Examination of whether the General Meeting was duly convened
7. Presentation of the Annual Report and audit report, the consolidated accounts and audit report on the consolidated accounts
8. Address by the CEO

9. Resolution on the adoption of the income statement and balance sheet and consolidated income statement and consolidated balance sheet
10. Decision regarding the appropriation of the company's profit or loss according to the adopted balance sheet
11. Resolution on whether to discharge the Board Members and the CEO from liability
12. Changing the bylaws
13. Determination of the number of directors and auditors
14. Determination of fees for the Board and auditors
15. Election of Board Members and Chairman
16. Election of auditor
17. Resolution on a long-term incentive in the form of convertible debentures for the employees of Serneke Group
18. Decisions concerning the adoption of guidelines for remuneration to senior executives
19. Resolution on principles for appointing the Nomination Committee and instruction for the Nomination Committee
20. Closing of the General Meeting

#### **NOMINATION COMMITTEE'S RESOLUTION PROPOSAL**

The Nomination Committee has consisted of Carl Sandberg (Committee Chair), appointed by Ola Serneke Invest AB, Ludwig Mattsson, appointed by Lommen Holding AB, Christer Larsson, appointed by Christer Larsson in Trollhättan AB and Ulf Ivarsson, Chairman of the Board of Serneke.

##### **Election of Chairman of the Board at Annual General Meeting (item 2)**

The Nomination Committee proposes that Ulf Ivarsson be elected Chairman at the Annual General Meeting.

##### **Establishment of number of Board Members and auditors (item 13)**

The Nomination Committee proposes that the Board shall consist of six elected members. The Nomination Committee further proposes that the company shall have a registered accounting firm as auditor.

##### **Determination of fees to Board Members and auditors (item 14)**

The Nomination Committee proposes that fees to the Board Members shall amount to a total of SEK 1,625,000 of which SEK 750,000 shall go to the Chairman of the Board and SEK 200,000 to each of the other Board Members not employed by the Group. For work in the Audit Committee, the Nomination Committee proposes that fees of SEK 75,000 go to the Chairman.

The Nomination Committee proposes that fees to the auditors be paid according to approved invoices.

##### **Election of Board Member and Chairman of the Board (item 15)**

For the period until the next Annual General Meeting, the Nomination Committee proposes re-election of Mari Broman, Ludwig Mattsson, Ola Serneke, Anders Wennergren and Kristina Willgård and the new election of Kent Sander. Ulf Ivarsson has declined reappointment. The Nomination Committee proposes the election of Kent Sander as Chairman.

A report on the nomination committee's proposals and further information regarding the proposed Board members is available on the company's website, [www.serneke.group](http://www.serneke.group).

##### **Election of an auditor (item 16)**

The Nomination Committee proposes that the registered auditing company Deloitte AB be re-elected as auditor for the period until the Annual General Meeting 2018. Deloitte AB has informed

the company that authorized public accountant Harald Jagner will be appointed as chief auditor, provided Deloitte AB is re-elected as auditor.

## **THE BOARD'S RESOLUTION PROPOSAL**

### **Amendments to bylaws (item 12)**

The Board proposes an amendment to paragraph 8, fourth sentence, of the bylaws entailing that the auditor remain in office until the close of the next Annual General Meeting, instead of the current regulation that involves a term until the close of the Annual General Meeting held during the fourth financial year after the election. The proposed amendment to paragraph 8, fourth sentence, should read as follows: "For review by the Board and the CEO, and for the company's financial records, one or two auditors with or without deputy auditors, alternatively a registered accounting firm, will be appointed at the Annual General Meeting, for the period extending until the close of the next Annual General Meeting."

### **Resolution on a long-term incentive program in the form of convertible debentures for the employees of Serneke Group (item 17)**

The Board proposes that a resolution is made at the Annual General Meeting regarding a long-term incentive program in the form of convertible debentures for the employees of Serneke Group. The proposal aims to create conditions to retain and recruit competent employees to the Group and to increase motivation among employees. The incentive program is also intended to increase interest in the business and profitability. The Board therefore believes that the introduction of a convertible debentures program, as referred to below, will benefit the Group and its shareholders.

The Board proposes that the company raise a convertible loan totaling SEK 20,000,000 by an issue of convertible debentures. The subscription price for each debenture shall correspond to its nominal amount.

Participants shall, with exception from the shareholders' rights, be employees of the Serneke Group who have not, at the end of the subscription period, given or been given notice of termination of employment. The distribution of the convertible debentures shall be determined by the Board in accordance with the following guidelines. The CEO or similar position (about 7 individuals) may be assigned convertible debentures corresponding to a nominal amount not exceeding SEK 390,000, construction managers (*Sw. arbetschefer*) or similar positions (about 60 individuals) can each be assigned convertible debentures corresponding to a nominal value not exceeding SEK 260,000, site managers (*Sw. platschefer*), project managers or similar positions (about 150 individuals) can each be assigned convertible debentures corresponding to a nominal value not exceeding SEK 130,000, supervisors, construction engineers, coordinators, controllers, accountants and similar positions can each be assigned convertible debentures corresponding to a nominal value not exceeding SEK 91,000 and blue collar employees, assistants or similar positions can each be guaranteed allotment corresponding to a nominal amount of SEK 65,000. The minimum nominal amount that may be subscribed will be SEK 10,000.

Each debenture shall be able to be converted to shares of series B on the following dates: (i) ten business days following the publication of the company's financial statement for the fiscal year 2017, 2018 and 2019, respectively, and (ii) during the period from August 3, 2020 to, and including, August 25, 2020. The conversion price will be set at 125 percent of the average volume-weighted price paid for series B shares in the company on Nasdaq Stockholm during the period August 8, 2017 to, and including, August 22, 2017, but not less than SEK 100. The conversion price will be determined by the Board promptly after the expiration of the aforementioned period.

The convertible debentures fall due September 8, 2020, provided conversion has not taken place before this date. The debentures will carry an annual interest rate of 2.60 percent. The interest falls due on December 30 each year, starting on December 30, 2017, and on the maturity date.

The convertible debentures will be subscribed during the period from August 8, 2017 to, and including, August 22, 2017 and be payable in cash by August 25, 2017. The debentures will be issued at a subscription price of 100 percent of the nominal amount. Subscription for the debentures is carried at estimated market price in accordance with an independent valuation from EY as requested by the Board. The valuation EY has applied such valuation methods deemed generally accepted among market professionals in the valuation of comparable financial instruments.

The complete terms of the convertible debentures are presented in "Terms of convertible debentures in Serneke Group AB 2017/2020", which are available on the company's website [www.serneke.group](http://www.serneke.group) as of April 4, 2017. The conditions of the debentures include customary adjustment provisions triggered by corporate events (such extraordinary dividends, bonus and rights issues).

The Board is authorized to make minor adjustments to the resolution as may be necessary in connection with registration of the convertible debentures with the Swedish Companies Registration Office and Euroclear Sweden AB.

The aforementioned issue is covered by the provisions in the Chapter 16 Companies Act. A valid resolution on the convertible debentures program requires approval of shareholders representing at least nine-tenths of both the votes cast and of the shares represented.

#### *Other information*

If all convertible debentures are allotted and the conversion rate is assumed to be determined at SEK 130, equivalent to 125 percent of SEK 104, share capital will increase by SEK 19,531.20 at full conversion, corresponding to a dilution of approximately 0.83 percent of share capital and approximately 0.27 percent of votes after full conversion.

The proposed convertible debentures means that earnings per share will change in principle inversely proportional to the change in number of shares as a result by a full conversion (dilution). Based on an assumed conversion price of SEK 130, the ration earnings per share will thus decline by 0.83 percent at full conversion.

The proposed incentive program has been prepared by the Remuneration Committee in consultation with external advisors. The proposal has been approved by the full Board. The CEO has not participated in the preparation of the matter.

The company's current share incentive programs are described in the Annual Report for 2016, Note 27.

The cost of the program in the form of fees paid to external advisors is estimated to not exceed SEK 300,000 accrued over the term of the convertibles. In addition, we have the company's administration expenses for the convertible debentures program. The Board believes that the proposed program will not result in any future expenses in the form of social security payments for the Group.

**Decisions concerning the adoption of guidelines for remuneration to senior executives (item 18)**

The Board proposes that the Annual General Meeting approve the following guidelines for remuneration and other employment terms for senior executives. In this context, “senior executives” refers to the CEO and other senior managers in the Serneke Group. These remuneration guidelines also apply to Board Members to the extent these receive compensation for services rendered to the Serneke Group beyond their roles as Board Member.

Serneke shall apply remuneration levels and other terms of employment necessary to be able to recruit and retain senior executives with the expertise and capacity to achieve the established targets, and that are designed to promote long-term generation of value by the company. Remuneration shall be paid in the form of fixed salary, other benefits and pension. No variable remuneration shall be paid. Pension benefits shall be contribution-based, with retirement age set individually, albeit not lower than at 60 years of age.

The period of notice shall normally be six months if the executive resigns. On termination by the company, the notice period and the period during which severance pay applies should not exceed 12 months.

In special cases, it shall be possible for Board Members elected by the General Meeting to receive fees for services rendered in their respective areas of expertise that do not constitute Board work. For these services, a market-based fee shall be paid, which must be approved by the Board.

The Board of Directors is entitled to deviate from these guidelines in individual cases should special reasons prevail. In the event of such a deviation, the information thereon and the reasons for the deviation will be reported in the proposal regarding guidelines for remuneration to senior executives presented at the next Annual General Meeting.

The Compensation Committee appointed by the Board of Directors prepares and submits proposals to the Board for a decision of the Board regarding remuneration to the CEO. On the proposal of the CEO, the Remuneration Committee sets the remuneration of other members of Group Management. The Board is informed of the Remuneration Committee’s decision.

**Resolution on principles for appointing the Nomination and instruction for the Nomination Committee (item 19)**

The Annual General Meeting proposes to resolve regarding the following principles for appointing the Nomination Committee and the instruction for the Nomination Committee.

According to these principles, the Nomination Committee shall be formed no later than the last banking day of September, after the Chairman of the Board has identified the four shareholders with the largest number of votes, which will then be entitled to appoint one member each to the Nomination Committee. If one of the four-largest shareholders, in terms of votes, declines to exercise the right to appoint a member to the Nomination Committee, the next largest shareholder is then given the opportunity to appoint a member. Together with the Chairman of the Board, these four owner representatives shall constitute the company’s Nomination Committee. For major changes in the ownership group after the Nomination Committee has been composed, adjustments can be made in the composition of the Committee.

The Nomination Committee submits proposals to the Annual General Meeting regarding the Chairman of the Annual General Meeting, the number of Board Members to be elected at the

General Meeting, the Chairman of the Board and the other Board Members to be elected at the General Meeting, and fees and other remuneration to each of the Board Members elected at the General Meeting and to the members of the Board's committees.

The Nomination Committee makes further proposals for the election of auditors, fees to the auditors, principles for appointing the Nomination Committee and the instruction for the Nomination Committee.

The full proposal for principles for appointing the Nomination Committee and instruction for the Nomination Committee will be made available under the section "Documents" below.

## **DOCUMENTS**

The Annual Report, the audit report and the complete proposals regarding items 17 and 19 above, as well as other documents under the Companies Act will be available to shareholders at the company's headquarters at Kvarnbergsgatan 2 in Gothenburg, Sweden, and on the company's website [www.serneke.group](http://www.serneke.group) at least three weeks before the Annual General Meeting. The documents are sent free of charge to shareholders who request and state their address.

Gothenburg in April 2017

Serneke Group AB (publ)  
*Board of Directors*

### **For additional information, please contact:**

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*Serneke is a rapidly growing corporate group active in construction, civil engineering, project development and property management. The Group was founded in 2002 and today has income of nearly SEK 4 billion and some 890 employees. Through novel thinking, the Company drives development and creates more effective and more innovative solutions for responsible construction. The Company builds and develops housing, commercial buildings, industrial facilities, public buildings, roads and civil engineering projects, and other infrastructure. The Company's customers are public and commercial clients, and operations are focused on the three metropolitan regions in Sweden, Gothenburg (Region West), Stockholm (Region East) and Malmö (Region South). Serneke's headquarters are located in Gothenburg and the Company also has offices in Stockholm, Malmö, Helsingborg, Borås, Halmstad, Strömstad, Trollhättan, Varberg and Alingsås. The Company's Series B shares (SRNKE) have been listed on the Nasdaq Stockholm exchange since November 2016.*

*Further information about Serneke is available at [www.serneke.group](http://www.serneke.group)*