



*N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.*

## Notice to annual general meeting in Azelio AB (publ)

The shareholders in Azelio AB (publ), reg.no. 556714-7607, with its registered office in Gothenburg, are hereby summoned to an annual general meeting to be held on 11 May 2021.

In order to mitigate the spread of Covid-19, the board of directors has decided that the annual general meeting will be conducted by advance voting only, without physical presence of shareholders, proxies and third parties.

Azelio welcomes all shareholders to exercise their voting rights at this annual general meeting through advance voting on the basis of temporary statutory rules, according to the procedure set out below. Information on the resolutions passed at the annual general meeting will be published on 11 May 2021, as soon as the result of the voting has been finally confirmed.

In the advance voting form, the shareholders may request that a resolution on one or several of the matters on the proposed agenda below should be deferred to a so-called continued general meeting, which cannot be conducted solely by way of advance voting. Such continued general meeting shall take place if the annual general meeting so resolves or if shareholders with at least one tenth of all shares in the company so request. The shareholders are reminded of their right to request information according to Chapter 7, Section 32 of the Swedish Companies Act. A request for such information shall be made in writing to Azelio AB, Forsbrogatan 4, SE-662 34 Åmål, Sweden, or via e-mail to [info@azelio.com](mailto:info@azelio.com), no later than on 1 May 2021. The information will be made available at Azelio AB, Forsbrogatan 4, SE-662 34 Åmål, Sweden and on [www.azelio.com](http://www.azelio.com), on 6 May 2021 at the latest. The information will also be sent, within the same period of time, to the shareholder who has requested it and stated its address.

### **Notification, etc.**

Shareholders who wish to participate, through advance voting, in the general meeting must:

- firstly* be included in the shareholders' register maintained by Euroclear Sweden AB as of 3 May 2021; and
- secondly* notify the company of their participation in the general meeting by casting their advance vote in accordance with the instructions under the heading "Advance voting" below, so that the advance voting form is received by Azelio no later than on 10 May 2021.

Shareholders whose shares are registered in the name of a nominee through a bank or a securities institution must re-register their shares in their own names to be entitled to participate in the annual general meeting. Such registration may be temporary (so-called



voting right registration) and is requested from the nominee in accordance with the nominee's procedures and such time in advance as the nominee determines. Voting right registration completed not later than the second banking day after 3 May 2021 are taken into account when preparing the shareholders' register.

### ***Advance voting***

The shareholders may only exercise their voting rights at the annual general meeting by voting in advance, so-called postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on Azelio's website, [www.azelio.com](http://www.azelio.com). The advance voting form is considered as the notification of participation.

The completed voting form must be received by Azelio AB no later than Monday 10 May 2021. The form may be submitted via e-mail to [info@azelio.com](mailto:info@azelio.com) or by post to Azelio AB, "Annual general meeting", Forsbrogatan 4, SE-662 34 Åmål, Sweden. If the shareholder votes in advance by proxy, a power of attorney shall be enclosed to the form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and conditions are included in the form for advance voting.

For questions regarding the annual general meeting or to have the advance voting form sent by post, please contact Azelio AB on [info@azelio.com](mailto:info@azelio.com).

### ***Number of shares and votes***

There is a total of 115,018,521 shares, with one vote per share, in the company as of the date of this notice.

### ***Proposed agenda***

1. Election of a chairman at the meeting;
2. Election of one or two persons who shall approve the minutes of the meeting;
3. Preparation and approval of the voting list;
4. Approval of the agenda;
5. Determination of whether the meeting was duly convened;
6. Submission of the annual report and the auditors' report and, when applicable, the consolidated financial statements and the auditors' report for the group;
7. Resolutions regarding the adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
8. Resolutions regarding allocation of the company's profits or losses in accordance with the adopted balance sheet;
9. Resolutions regarding discharge of the members of the board of directors and the managing director from liability;
10. Determination of the number of members and deputy members of the board of directors and the number of auditors and deputy auditors;
11. Determination of fees for members of the board of directors and auditors;
12. Election of the members of the board of directors;
  - 12a. Bo Dankis (re-election)
  - 12b. Bertil Villard (re-election)



- 12c. Kent Janér (re-election)
- 12d. Pär Nuder (re-election)
- 12e. Hicham Bouzekri (re-election)
- 12f. Carol M. Browner (election)
- 12g. Elaine Weidman-Grunewald (election)
- 12h. Hans Ola Meyer (election)
13. Election of the chairman of the board of directors;  
Bo Dankis (re-election)
14. Election of auditors and deputy auditors;
15. The nomination committee's proposal on principles for appointment of a nomination committee;
16. The board of directors' proposal on authorisation for the board of directors to resolve upon issue of shares;
17. The board of directors' proposal on amendments to the articles of association;
18. The board of directors' proposal to resolve on a long-term incentive program for the executive management in the form of warrants;
19. The principal shareholders' proposal to resolve on a long-term incentive program for the board of directors in the form of warrants.

The nomination committee's resolution proposals

**Proposal regarding the chairman of the annual general meeting, the number of members of the board of directors, the number of auditors and deputy auditors, fees to the board of directors and auditors, and election of members of the board of directors and chairman of the board of directors, as well as election of auditors and deputy auditors (items 1 and 10-14)**

The company's nomination committee has submitted the following proposals:

- that Bo Dankis, or the person proposed by the nomination committee if he has an impediment to attend, is elected chairman of the annual general meeting (item 1).
- that the board of directors shall consist of eight board members, as appointed by the annual general meeting, with no deputy members and that the company shall have one auditor, with no deputy auditors (item 10).
- that the chairman of the board shall receive SEK 650,000 and the other board members not employed by the company shall receive SEK 250,000 each in board fees, that the members of the finance committee not employed by the company shall receive SEK 50,000 each and that the members of the remuneration committee not employed by the company shall receive SEK 50,000 each, for the period until the end of the next annual general meeting. If the chairman of the board is part of the finance committee or remuneration committee, the chairman of the board shall not receive any fees in excess of customary board fees. The principal owner Kent Janér has informed that he will decline remuneration for his work as a board and committee member. Thus, the proposed board fees amount to a maximum of SEK 2,300,000. It is proposed that auditor fees shall be paid against approved accounts (item 11).
- that Bo Dankis, Bertil Villard, Kent Janér, Pär Nuder and Hicham Bouzekri are re-elected and that Carol M. Browner, Elaine Weidman-Grunewald and Hans Ola Meyer are elected as members of the board of directors, for the period up until the end of the next annual general meeting. It is noted that Mattias Bergman and Sigrun



Hjelmquist declined re-election as board members (item 12). Information about the proposed board members is available below and on the company's website.

**Carol M. Browner**

Carol M. Browner, a recognized environmental and climate leader, has served two US presidents and one governor. Today she serves as a Senior Counselor in the Sustainability practice at ASG, where she advises clients on environmental impact, sustainable strategies, and partnership development. Ms. Browner served as Assistant to President Obama and Director of the White House Office of Energy and Climate Change Policy, where she oversaw the coordination of environmental, energy, climate, transport, and related policy across the U.S. federal government. Her director role in the Obama administration was sometimes informally referred to as the "Energy Czar" or "Climate Czar". During her tenure, the White House secured the largest investment ever in clean energy and established the national car policy that included both new automobile fuel efficiency standards and first ever greenhouse gas reductions.

From 1993 through 2001, Ms. Browner served as the Administrator of the Environmental Protection Agency. As Administrator, she adopted the most stringent air pollution standards in U.S. history. She was known for working with both environmentalists and industry to set science-based public health protections while providing businesses important flexibilities in how to meet those standards. From 1991 to 1993 she served as Secretary for the Florida Department of environmental Regulation. She serves as Chair of the Board of the League of Conservation Voters.

Ms. Browner, born 1955, earned her B.A. and J.D. from the University of Florida in Gainesville.

**Elaine Weidman-Grunewald**

Elaine Weidman-Grunewald is a global sustainability and development expert and has worked in the private sector for over two decades as a corporate executive, an investor, and a tech founder. This includes a long-held position at Ericsson as Chief Sustainability & Public Affairs Officer and member of the Executive Team. Ms. Weidman-Grunewald is also an adviser to numerous start-ups, companies, and CEOs, with a focus on sustainability/ESG, digitalization, public affairs and corporate development.

Ms. Weidman-Grunewald has been actively engaged in the World Economic Forum, the Broadband Commission for Sustainable Development, the UN Sustainable Development Solutions Network, and the Business and Sustainable Development Commission. She is also on the Advisory Board of the Boards Impact Forum, the Nordic chapter of the World Economic Forum's Climate Governance Initiative designed to help non-executive directors engage with risks and opportunities of climate change, in the boardroom.

Ms. Weidman-Grunewald has just completed her first book: Sustainability Leadership, a Swedish Approach to Changing Your Company, Your Industry and the World, co-authored with the CEO of Scania.



Ms. Weidman-Grunewald's Public board positions include the European Sustainable Growth Acquisition Corp. and Sweco AB, and non-profit boards include the Whitaker Peace & Development Initiative & the International Women's Forum Sweden. Her vision is to help create a world where sustainability centric business strategies are the norm not the exception.

Ms. Weidman-Grunewald, born 1967, holds a double Masters degree from Boston University, in International Relations and Resource & Environmental Management.

#### **Hans Ola Meyer**

Hans Ola Meyer is the current Chief Financial Officer and member of Group Management of Atlas Copco, a Swedish industrial company with 40,000 employees and customers in more than 180 countries.

Mr. Meyer was employed by Atlas Copco in 1978 to work with Group accounting and controlling. He later moved to Ecuador as Financial Manager. Between 1984 and 1991, he held various positions at the broker Penningmarknadsmäklarna.

He returned to Atlas Copco in 1991 as Financial Manager in Spain and in 1993 he became Senior Vice President, Finance, for Atlas Copco AB and a member of Group Management. He has held his current position as Chief Financial Officer since 1999. Mr. Meyer is retiring from Atlas Copco in summer 2021. He is a Board member of Upplands Motor Holding AB and Electrolux Professional AB.

Mr. Meyer, born 1955, has a B.Sc. in Economics and Business Administration from Stockholm School of Economics.

- that Bo Dankis is re-elected as chairman of the board, for the period up until the end of the next annual general meeting (item 13).
- that the accounting firm KPMG AB is re-elected as auditor for the time until the end of the next annual general meeting (item 14).

#### **The nomination committee's proposal on principles for appointment of a nomination committee (item 15)**

The nomination committee proposes that the annual general meeting shall resolve on principles for appointment of a nomination committee for the annual general meeting 2022 in accordance with the below.

The nomination committee shall be composed of the chairman of the board of directors together with one representative of each of the three largest shareholders, based on ownership in the company as of the expiry of the third quarter of the financial year. Should any of the three largest shareholders renounce its right to appoint one representative to the nomination committee, such right shall transfer to the shareholder who then in turn, after these three, is the largest shareholder in the company. The chairman of the board of directors shall convene the nomination committee. The member representing the largest



shareholder shall be appointed chairman of the nomination committee, unless the nomination committee unanimously appoints someone else.

Should a shareholder having appointed a representative to the nomination committee no longer be among the three largest shareholders, three months before the annual general meeting at the latest, the representative appointed by such shareholder shall resign and the shareholder who is then among the three largest shareholders shall have the right to appoint one representative to the nomination committee. However, unless there are special reasons otherwise, the already established composition of the nomination committee shall remain unchanged in case such change in the ownership is only marginal or occurs during the three-month period prior to the annual general meeting. Where a shareholder has become one of the three largest shareholders due to a material change in the ownership at a point in time falling later than three months before the annual general meeting, such shareholder shall in any event have the right to take part of the work of the nomination committee and participate in its meetings. Should a member resign from the nomination committee before his or her work is completed, the shareholder who has appointed such member shall appoint a new member, unless that shareholder is no longer one of the three largest shareholders, in which case the largest shareholder in turn shall appoint the substitute member. A shareholder who has appointed a representative to the nomination committee shall have the right to discharge such representative and appoint a new representative.

Changes to the composition of the nomination committee shall be announced immediately. The term of office for the nomination committee ends when the next nomination committee has been appointed. On the nomination committee's meetings, it shall carry out the nomination committee's duties as set out in the Swedish Code of Corporate Governance.

The board of directors' resolution proposals

### **Election of one or two persons who shall approve the minutes of the meeting (item 2)**

Bertil Villard, or the person appointed by the board of directors if he has an impediment to attend, is proposed to be elected to approve the minutes together with the chairman. The task of approving the minutes also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the annual general meeting.

### **Preparation and approval of the voting list (item 3)**

The voting list proposed for approval under item 3 of the agenda is the voting list drawn up by the company, based on the annual general meeting's share register and advance votes received, as verified and recommended by the person approving the minutes.

### **Proposal regarding allocation of the company's profits or losses in accordance with the adopted balance sheet (item 8)**

The board of directors proposes that no dividends shall be paid for the financial year 2020 and that the company's results shall be carried forward.



### **The board of directors' proposal on authorisation for the board of directors to resolve upon issue of shares (item 16)**

The board of directors proposes that the annual general meeting authorises the board to resolve - at one or several occasions and for the time period until the next annual general meeting - to increase the company's share capital by new share issues, to the extent that it corresponds to a dilution of not more than 20 percent of the number of shares outstanding at the time of the notice of the annual general meeting, after full exercise of the hereby proposed authorisation.

New share issues may be made with or without deviation from the shareholders' preferential rights and with or without provisions for contribution in kind, set-off or other conditions. Pursuant to Chapter 16 of the Swedish Companies Act, the board of directors may not by virtue of this authorisation resolve on issues to board members in group companies, employees, etc. The purpose of the authorisation is to increase the financial flexibility of the company and the acting scope of the board. Should the board of directors resolve on an issue with deviation from the shareholder's preferential rights, the reason shall be to enable the company to finance the operations in a fast and efficient way, acquire companies, businesses or parts thereof and to enable a broadening of the ownership of the company. Upon such deviation from the shareholders' preferential rights, the new issue shall be made at market terms and conditions.

The board of directors or the CEO shall have the right to make such minor adjustments in this resolution that may be necessary in connection with the registration of the authorisation with the Swedish Companies Registration Office.

### **The board of directors' proposal on amendments to the articles of association (item 17)**

The board of directors proposes that the annual general meeting resolves that the in the law removed term "name" (Sw. *firma*) is removed from 1 § of the articles of association and is replaced with "business name" (Sw. *företagsnamn*) and that 9 § regarding participation in general meetings is rephrased due to statutory amendments.

#### *1 § Business name*

*The company's name is Azelio AB. The company is a public limited liability company (publ).*

#### *9 § Participation in general meetings*

*Shareholders who wish to participate at a general meeting shall provide notification of their intention to attend the meeting no later than on the date stipulated in the notice convening the general meeting. The latter mentioned day must not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the fifth weekday prior to the meeting.*

*A shareholder may be accompanied by advisers (not more than two) when attending a general meeting under the condition that the shareholder notifies the company in accordance with what has been stated in the preceding paragraph.*





### **The board of directors' proposal to resolve on a long-term incentive program for the executive management in the form of warrants (item 18)**

The board of directors proposes that the annual general meeting resolves to issue not more than 1,000,000 warrants within the scope of a long-term incentive program to the CEO and the other members of the executive management in Azelio, in total seven persons.

The incentive program entails that the CEO is offered to subscribe for not more than 250,000 warrants, the Executive VP and the CFO are each offered to subscribe for not more than 175,000 warrants and the other participants are each offered to subscribe for not more than 100,000 warrants, at market value calculated according to the Black & Scholes valuation formula.

Subscription of the warrants shall be made within four weeks from the date of the resolution to issue warrants. Payment for the subscribed warrants shall be made within four weeks after subscription. The board of directors is entitled to extend the subscription period and time of payment.

Each warrant entitles the holder to subscribe for one new ordinary share in Azelio for an exercise price of SEK 150.

Subscription of shares can be done during two periods, both during two weeks from the day of publication of the interim report for the period 1 January - 31 March 2024 as well as during two weeks from the day of publication of the interim report for the period 1 January - 30 June 2024.

The price per warrant upon transfer to the participants shall be established by the company, or by an independent appraiser or auditor firm retained by the company, and correspond to the market value of the warrant calculated in accordance with the Black & Scholes valuation formula. The complete terms and conditions for the warrants have been resolved by the board of directors and are available to the shareholders in accordance with the below.

#### *Scope and costs for the program, including subsidy by the company and effect on important key ratios and dilution*

Azelio shall partly subsidize the option premium to be paid by the participants for the subscription of warrants, in order to facilitate and promote a personal long-term interest in Azelio for senior executives. The subsidy shall, for the majority of participants, correspond to 50 percent of the option premium, post tax in the form of an additional cash payment. For two participants, the CFO and another participant, the subsidy correspond to 75 percent of the option premium, post tax in the form of an additional cash payment. The company's cost for the subsidy (including social security contributions in relation hereto) is estimated to amount to approximately SEK 5.5 million, in total, based on a price of the company's shares of SEK 55.

Other than the above, the costs for the program include certain limited costs for administration of the program. The total cost, including the cost for the subsidy, for Azelio for the warrant program is estimated to amount to approximately SEK 5.6 million during the term of the incentive program.





According to a preliminary valuation, the market value of the warrants will correspond to approximately SEK 3.00 per warrant (assuming a price of the company's shares of SEK 55 per share) based on the Black & Scholes valuation formulae. In addition to this, the costs for the program have been estimated on the basis that all participants subscribe for their maximum allotment as set out above.

The costs are expected to have a limited effect on Azelio's key ratios. Upon maximum allotment of warrants, not more than 1,000,000 shares will be allotted to participants under the incentive program, meaning a dilution effect of approximately 0.86 percent of the number of shares and votes in the company (based on the total number of shares in the company at the date of this notice).

The board of directors considers the positive effects expected to result from the incentive program to outweigh the costs attributable to the program.

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#### *The rationale for the incentive program*

The rationale for the incentive program is to retain a competent executive management team in the company by offering the members a long-term ownership commitment in the company and thereby the opportunity to participate in and promote a positive value development of the company's shares and to increase the member's sense of association with the company and its other shareholders. The board of directors considers that the implementation of the incentive program as described above is in the favour of the group and the shareholders in the company.

#### *Preparation of the proposal*

The incentive program has been prepared by the board of directors together with advisors.

#### *Other incentive programs*

For a description of Azelio's other share-related incentive programs, reference is made to the annual report 2020, note 25.

The shareholders' resolution proposal

### **The principal shareholder's proposal to resolve on a long-term incentive program for the board of directors in the form of warrants (item 19)**

The principal shareholder, Blue Marlin AB (the "Principal Shareholder"), proposes that the annual general meeting resolves to issue not more than 340,000 warrants within the scope of a long-term incentive program to all members of the board of directors in Azelio, save for Kent Janér, in total a maximum of seven persons.

The incentive program entails that the chairman of the board of directors is offered to subscribe for not more than 100,000 warrants and the other participating members of the board of directors are each offered to subscribe for not more than 40,000 warrants, at market value calculated according to the Black & Scholes valuation formula.



Subscription of the warrants shall be made within four weeks from the date of the resolution to issue warrants. Payment for the subscribed warrants shall be made within four weeks after subscription.

Each warrant entitles the holder to subscribe for one new ordinary share in Azelio for an exercise price of SEK 150.

Subscription of shares can be done during two periods, both during two weeks from the day of publication of the interim report for the period 1 January - 31 March 2024 as well as during two weeks from the day of publication of the interim report for the period 1 January - 30 June 2024.

The price per warrant upon transfer to the participants shall be established by the Principal Shareholder, or by an independent appraiser or auditor firm retained by the Principal Shareholder, and correspond to the market value of the warrant calculated in accordance with the Black & Scholes valuation formula. The complete terms and conditions for the warrants are available to the shareholders in accordance with the below.

*Scope and costs for the program, including subsidy by the company and effect on important key ratios and dilution*

As the offering of warrants to the members of the board of directors is based on market value the costs for the program are limited to costs for administration of the program. The total cost for Azelio for the warrant program is estimated not to exceed SEK 50,000 during the term of the incentive program.

The costs are expected to have a limited effect on Azelio's key ratios. Upon maximum allotment of warrants, not more than 340,000 shares will be allotted to participants under the incentive program, meaning a dilution effect of approximately 0.29 percent of the number of shares and votes in the company (based on the total number of shares in the company at the date of this notice).

The Principal Shareholder considers the positive effects expected to result from the incentive program to outweigh the costs attributable to the program.

*The rationale for the incentive program*

The rationale for the incentive program is to retain a competent board of directors in the company by offering the board members a long-term ownership commitment in the company and thereby the opportunity to participate in and promote a positive value development of the company's shares and to increase the board members' sense of association with the company. The Principal Shareholder considers that the implementation of the incentive program as described above is in the favour of the group and the shareholders in the company.

*Preparation of the proposal*

The incentive program has been prepared by the Principal Shareholder.



#### *Other incentive programs*

For a description of Azelio's other share-related incentive programs, reference is made to the annual report 2020, note 25.

#### Majority requirements

Resolution in accordance with item 16 and 17 above require approval of at least two thirds (2/3) of the shares represented and votes cast at the general meeting. Resolution in accordance with item 18 and 19 above requires approval of at least nine tenths (9/10) of the shares represented and votes cast at the general meeting.

#### Miscellaneous

The annual report and the auditor's report as well as documents related to the shareholders' meeting will be available at the address of the company and on the company webpage [www.azelio.com](http://www.azelio.com), no later than three weeks prior to the annual general meeting. Copies of the documents will be sent to the shareholders who so request and who inform the company of their postal address.

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For information on how your personal data is processed, see the integrity policy that is available at Euroclear's webpage [www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

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Gothenburg in April 2021  
**Azelio AB (publ)**  
*The board of directors*