



# Welcome to ÅF Pöyry's Annual General Meeting 2019

**Shareholders of ÅF Pöyry AB (publ) are invited to the annual general meeting to be held on Wednesday, May 15 2019 at 4 pm (CET) at the company headquarters at Frösundaleden 2A, Solna, Sweden. Registration starts at 3:30 pm (CET).**

## Registration and participation

Shareholders who wish to participate in the Annual General Meeting shall

- be included in the shareholders' register maintained by Euroclear Sweden AB on Thursday, May 9 2019, and
- give notice of attendance no later than Thursday, May 9 2019 via the website [www.afconsult.com](http://www.afconsult.com), or by e-mail [agm@afconsult.com](mailto:agm@afconsult.com) or by telephone +46 (0)10 505 00 00 weekdays 9 am – 4 pm (CET), or by regular mail to:

ÅF Pöyry AB  
Annual General Meeting  
SE-169 99 Stockholm, Sweden

Please state name, personal ID, address, telephone and any attending assistants.

Please see below for information on processing of personal data.

The Annual General Meeting will be conducted in Swedish.

## Nominee-registered shares

Shareholders whose shares are registered in the name of a bank or other nominee shall, to be eligible to participate in the Annual General Meeting, register their shares in the shareholders' register in their own name per Thursday, May 9, 2019. Shareholders who wish to exercise their right should therefore inform their nominee well before the aforementioned day.

## Proxies

Shareholders who are represented through proxy shall issue a power of attorney, duly signed and dated. If the power of attorney has been issued by a legal entity, a certified copy of the certificate of registration or its equivalent confirming the right to issue the power of attorney shall also be provided. It is desirable that the power of attorney in original and, where appropriate, other documentation, is submitted well before the Annual General Meeting to ÅF Pöyry AB, Årsstämman, SE-169 99 Stockholm, Sweden.

The documents and any other correspondence concerning the Annual General Meeting may also be sent via e-mail to [agm@afconsult.com](mailto:agm@afconsult.com).

A proxy template is available on the website: [www.afconsult.com](http://www.afconsult.com).



## Annual Report

The Annual Report for 2018 is available on [www.afconsult.com](http://www.afconsult.com). Printed copies may be ordered through [www.afconsult.com](http://www.afconsult.com) or the ÅF switchboard, +46 (0)10 505 00 00.

## Proposed agenda

- 1 Election of Chairman of the Meeting.
- 2 Preparation and approval of the voting list.
- 3 Approval of the agenda.
- 4 Election of persons to approve the minutes.
- 5 Determination whether the meeting has been duly convened.
- 6 The CEO's address.
- 7 Report of the work of the Board, the Remuneration- and Audit Committees.
- 8 Presentation of the Annual Report and the Auditors' Report together with the consolidated accounts and the auditors' report for the same.
- 9 Adoption of the Income Statement and Balance Sheet of ÅF AB and the Income Statement and Balance Sheet of the ÅF Group.
- 10 Resolution regarding discharge from liability of the Board and the CEO.
- 11 Appropriations and allocations of the profit or loss made by the Company according to the approved Balance Sheet, and the record day for the right to receive a shareholders' dividend.
- 12 The Nomination Committee's proposals, election of board members etc.
  - 12a Decision concerning the number of board members and deputy members to be elected by the meeting.
  - 12b Election of Chairman of the Board, other members of the Board and any deputies.
  - 12c Election of Auditors and any Deputy Auditors.
  - 12d Resolution regarding the remuneration to the Board and the Auditors.
- 13 Resolution regarding the principles relating to salary and other remuneration for the CEO and other members of the senior management team.
- 14 Resolution regarding long-term incentive programme (Convertible Debenture 2019), authority for the Board to repurchase the Company's own shares and decision to reduce the Company's share capital.
- 15 Resolution authorising the Board to decide on new issue of shares.
- 16 Close of the Annual General Meeting.

### Item 1 – Election of Chairman of the Meeting

The Nomination Committee proposes that the Chairman of the Board, Anders Narvinger, chairs the meeting.

### Item 11 – Shareholders' dividend

The Board proposes a shareholders' dividend of SEK 5 per share. It is proposed that May 17, 2019 be made the record day for the right to receive the dividend. It is anticipated that payment will be made via Euroclear Sweden AB on May 22, 2019.



## Item 12 – The Nomination Committee’s proposals, election of the Board etc.

The Nomination Committee, which was elected in accordance with the Principles for the Nomination Committee adopted by the Annual General Meeting 2018, consists of the Chairman of the Nomination Committee Magnus Olofsson (ÅForsk Foundation), Anders Narvinger (Chairman of the Board), Lilian Fossum Biner (Handelsbanken Asset Management), Johan Strandberg (SEB Investment Management), Monica Åsmyr (Swedbank Robur Fonder) and Niklas Ringby (EQT Public Value Fund). Items 12a-12d are separate decision items.

### Item 12a – Number of members of the Board and deputies

The Nomination Committee proposes that the Board of the Company shall consist of nine (9) members elected by the Annual General Meeting with no deputies.

### Item 12b – Election of the Board

The Nomination Committee proposes re-election of the board members: Jonas Abrahamsson, Gunilla Berg, Henrik Ehrnrooth, Anders Narvinger, Joakim Rubin, Kristina Schauman, Anders Snell and Ulf Södergren.

Salla Pöyry is proposed as new member of the Board.

#### **Salla Pöyry**

Salla Pöyry is born in 1984. She has a doctorate in Financial Economics and a M.Sc. Economics from Hanken School of Economics in Helsinki. Salla Pöyry is managing director of Procurator-Holding Oy. She has after her doctorate done post doctoral research at the Stockholm School Of Economics on corporate board practices in the Nordics . She has earlier worked as a financial analyst at Vicus Capital Advisors. Salla Pöyry is today a member of the Board of Directors in Aspo Plc, Procurator-Holding Oy, Jaakko Pöyry Holding Oy and the Finnish Foundation for Technology Promotion and Combined Asset Management of Technological Foundations of Funds.

Salla Pöyry owns 939 900 shares issued by ÅF Pöyry AB.\*

*\*Shareholdings per 31 mars 2019 including shares owned by closely related persons (including legal entities).*

Maud Olofsson has declined re-election.

The Nomination Committee proposes that Anders Narvinger is elected as Chairman of the board.

### Item 12c – Election of Auditors

The Nomination Committee proposes, in accordance with the recommendation of the Audit Committee, that the auditing company KPMG AB shall be appointed as the auditor of the Company to serve until the end of the 2020 annual general meeting.

### Item 12d – Remuneration to the Board and the Auditors

The Nomination Committee proposes that remuneration to the Board, including its committees, until the time of the next annual general meeting shall total SEK 4 675 000.



For the work of the Board, a fee of SEK 1 000 000 (an increase of SEK 190 000) is proposed for the Chairman of the Board and SEK 400 000 (an increase of SEK 50 000 each) for each of the eight other directors. This brings the total fees paid for board work to SEK 4 200 000. This is an increase of SEK 940 000 compared to the resolution of the annual general meeting of 2018. The reason for the increase is that the Extraordinary General Meeting in January 2019 resolved that the Board shall have 9 members, that the growth of the company brings an increase in the workload of the directors and that competitive remunerations are deemed important.

For the members of the Audit Committee, it is proposed a remuneration of SEK 175 000 (an increase of SEK 25 000) to be paid to the Chair and SEK 75 000 (an increase of SEK 15 000 each) for each of the other two members of the committee. For the members of the Remuneration Committee, it is proposed that remuneration of SEK 50 000 is paid to the Chair (a decrease of SEK 25 000) and SEK 50 000 (an increase of SEK 5 000) for each of the other two members of the committee. This brings the total of fees paid out for committee work to SEK 475 000.

It is proposed that remuneration to the auditors be paid in accordance with approved invoices.

## Item 13 – Resolutions regarding the principles for salary and other remuneration for the CEO and other members of the senior management team

The Board proposes that the Annual General Meeting adopts the following principles relating to remuneration to the senior management team up until the time of the 2020 Annual General Meeting.

### *The Remuneration Committee*

The Board appoints a Remuneration Committee to prepare proposals relating to the CEO's employment conditions, pension benefits and bonuses and to make decisions on corresponding conditions for the other senior executives. The Remuneration Committee shall also consider principles relating to terms of employment and other remuneration for all employees in the ÅF Group.

### *Senior executives*

Senior executives include the CEO, the senior management team and other executives reporting directly to the CEO.

### *Remunerations*

The remunerations are based on the principle that they shall be adjusted to conditions on the market facilitating that the Group can recruit and retain senior executives. ÅF employs the "grandfather principle", meaning that the immediate superior of the manager who has negotiated the terms shall approve all employment terms.

The remuneration of senior executives consists of the components basic salary, variable remuneration, pensions and long-term incentive programmes. Other remuneration may also be provided, usually in the form of car benefit.

The Board shall safeguard an appropriate balance between fixed and variable remuneration.



The Board may deviate from these principles if deemed necessary due to special circumstances.

### *Basic salary and variable remuneration*

The individual annual variable remuneration can represent maximum 40-60% of the annual fixed remuneration depending on role and position.

The size of the variable remuneration depends on the level of achievement of predetermined financial goals. The outcome of the individual variable remuneration is reported after the result for the current year is determined.

### *Long term incentive programmes*

The Board has proposed to implement a convertible debenture programme 2019, making it possible for key staff to take part of the growth in value of the company's share. The set up and size (max 200 MSEK) is similar to the years 2015-2018 and is planned to be offered to some 320 key employees in the Company's major countries.

In addition to the convertible debenture programme 2019, the Board intends to implement a long-term cash incentive programme for 2019. This long-term cash incentive programme shall be seen as a complement to the individual annual variable remuneration. It is directed to the company's executive management team and other senior executives and key employees. The Board considers long term incentive programmes important in order to attract, retain and motivate talents needed to build the success of the Company. The long-term incentive programmes shall be formed to strongly contribute to a long-term value creation for the shareholders.

The aim is that the long-term cash incentive programme relates to the financial goals the Board has decided, which also have been externally communicated. The programme for 2019 will therefore be based on adjusted EBITA margin and growth over three years, weighted 50/50. The outcome of the programme is calculated as an average of the three years EBITA margin as well as growth. The outcome range is linear between 6-10% for growth and 8-10% for EBITA margin.

The remuneration from the long-term cash incentive programme for the CEO is maximum 50% of annual fixed remuneration. For the senior executives in the management team the maximum outcome is 40% of annual fixed remuneration and for other senior executives and key employees the maximum outcome is 30% of annual fixed remuneration depending on role and position. The maximum cost for the long-term cash incentive programme is calculated to MSEK 40.

The payment of the long-term cash incentive programme is done after the programme period has ended (i.e. after 3-years). The payment is done on the condition that the participant is still employed and not under notice at the time of the payment. The outcome of the long-term cash incentive programme 2019-2021 is thus calculated in the beginning of year 2022.

### *Pensions*

Senior executives shall have defined contribution pension plans with premiums that reflect current market terms and conditions. All pension benefits shall be vested and thus not be dependent on future employment. The retirement age for both CEO and senior executives shall be 65 years. Remuneration resulting from the short term and long-term incentive programmes shall not constitute pensionable salary.



ÅF Pöyry offers other market based benefits to senior executives, adjusted for the market conditions in the country of employment. Examples of such benefits are company car and health insurance.

### *Termination of employment and severance pay*

The notice period for the CEO is 12 months when notice of termination is given by the Company and 6 months if given by the CEO. In the event that the company gives notice the CEO shall receive a severance payment corresponding to up to 12 month's salary.

For other senior executives, the notice period is normally 12 months for the company and 6 months for the employee.

### **Item 14 – Resolution regarding long-term incentive programme (Convertible Debenture 2019), authority for the Board to repurchase the Company's own shares and decision to reduce the Company's share capital**

The Board proposes that the meeting decides on a convertible debenture programme for ÅF employees on substantially the following terms, which in all material respects conform to those of the convertible programmes adopted by the annual general meetings of 2015-2018.

The main purpose of the program is to award performance, increase and diversify the ownership of shares among key staff and to incentivize them to stay in the company. A personal long-term ownership among key staff is expected to increase the interest in the business and the financial results, increase motivation and identification with the company, thus attracting and retaining talent.

Under the program, ÅF Pöyry AB takes up a debenture loan at a nominal amount not exceeding SEK 200 000 000 by emitting 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 ÅF Pöyry Group who have not at the end of the subscription period given or been given notice of termination of their employment. The board shall along the following guidelines determine the allocation of debentures. The CEO shall be entitled to subscribe to debentures to a nominal amount of SEK 2 000 000 and may as a maximum subscribe to SEK 6 000 000. Senior executives (approximately 10 persons) shall be guaranteed a subscription of SEK 1 000 000 each and may as a maximum subscribe to an amount of SEK 3 000 000 each. Key staff (approximately 300 persons) shall all be guaranteed a subscription of a nominal amount of SEK 300 000 each and may subscribe up to SEK 900 000 each. If the final total amount of the debenture loan is adjusted to avoid exceeding the maximum dilution, the allocated subscribed amounts shall be adjusted in proportion to this. In case of oversubscription employees shall in the first instance be granted the guaranteed allotment and then be allotted additional debentures with the same percentage regardless of category and in relation to their subscriptions in addition to the guaranteed amount (within the specified maximum amount for each category). When determining the number of convertibles in addition to the guaranteed allotment, only the desired subscription up to the specified maximum subscribed amount for each category shall be considered. The convertibles shall be subscribed for in multiples of SEK 100 000, rounded off to the closest whole number of convertible debentures. The lowest



nominal amount to be subscribed for shall be SEK 100 000, rounded off to the closest whole number of convertible debentures.

Trading of the convertibles shall not be subject to restrictions.

Between 15 June 2022 and 15 March 2023 (inclusive), each convertible may be converted by the owner into a class B share at a conversion rate calculated at 120 percent of the average latest price paid for the Company's class B share on the Nasdaq Stockholm exchange each day during the period [dates to be inserted] (inclusive), but not lower than SEK 10. Days without a noted price paid shall not be included in the calculation. The thus calculated conversion price shall be rounded off to the closest whole number of 10 öre (SEK 1/10), where 5 öre (SEK 1/20) shall be rounded off upwards. The conversion price shall be determined by the board immediately after the specified measurement period.

The convertibles are due for payment on 10 April 2023 if conversion has not taken place by then. The convertibles shall carry an interest to be determined considering inter alia the conversion price and the estimated market value of the convertibles when issued. The interest is paid in arrears on February 10 each year and on the maturity of the loan. Assuming an average share price of SEK 170 during the measurement period and a conversion price of SEK 204 and the current interest rate situation the interest will be approximately 1 percent per annum.

The debentures shall in case of the winding up or liquidation of the Company entitle to payment only after non-subordinated debt and along (pari passu) with other subordinated debt not expressly subordinated to this loan.

Subscription for the convertible debentures shall take place from May 29 2019 until and including June 17 2019 and shall be paid in cash no later than August 16 2019. The convertibles shall be issued at a price of 100 percent of the nominal value. Subscription is made at market price in accordance with valuation by EY, requested by the Board of the Company. For the evaluation, EY has applied methods considered by market professionals as established for comparable securities.

As stated in the terms and conditions for the convertible debentures, the conversion price may be adjusted for bonus issues, rights issues and other certain situations.

The reason for deviating from the shareholders right to subscription is that the convertible debenture program constitutes a personal long-term ownership among the employees, which is expected to promote the interest for the business and its results. It is therefore advantageous for the Company to be able to offer employees an opportunity to share in the development of the Group in a way that is also beneficial for the shareholders.

### *Dilution and influence on important key figures*

If all convertibles are assigned and the conversion rate is assumed to be SEK 204, which corresponds to 120 percent of SEK 170, on full conversion the share capital will increase by SEK 2 450 980 based on a quota value of SEK 2.50 per share. This corresponds to a dilution effect of approximately 1,16 percent on share capital and 0,87 percent of voting rights after full conversion.

In case the conversion rate at the time of issue should be set at a value that would bring a dilution after full conversion of more than 2 percent of the share capital and the votes, the maximum amount of the loan shall be reduced through a lower subscription, bringing



the maximum dilution to 2 percent (provided however that the maximum dilution may be larger than 2 percent due to a later recalculation of the conversion price).

The proposed convertible debentures cause the earnings per share to change in direct opposite proportion to the change in the number of shares a full conversion results in (the dilution). Since the dilution of the share capital under the terms and conditions shall not exceed 2 percent, the earnings per share can never decrease by more than 2 percent at full conversion.

### *Authorisation for the Board to acquire shares in the company and resolution to reduce the share capital by redemption of own shares*

The purpose of the Board's proposal to acquire the Company's own shares, as well as the proposal to reduce the Company's share capital, is that the Company shall be able to reduce the share capital corresponding to the number of shares which the debentures subscribed for in 2019 can be converted to.

The Board proposes that the Annual General Meeting grant the board a mandate to make decisions before the next annual general meeting about purchases of the Company's class B shares corresponding to a maximum of 2 percent of the total of shares in the Company. Buy-backs may be made only on the Nasdaq Stockholm exchange and only at a price within the current registered price range on the purchase date.

The Board also proposes that the Annual General Meeting resolve that the Company's share capital be reduced by redemption of the number of treasury shares that corresponds to the number of shares that is repurchased by the Company under the authorisation above, maximum 2 244 170 shares (assuming that the Company's rights issue resolved upon by the Board of Directors on March 20, 2019 is fully subscribed for). The amount by which the registered share capital is thus reduced, maximum SEK 5 610 425 shall be converted to unrestricted equity.

According to the Swedish Companies Act, the decision on reduction may only be executed after registration with and the approval of the Swedish Companies Registration Office (*Swe: Bolagsverket*).

### *Preparation of the proposal*

The remuneration committee has prepared the convertible debenture program in consultation with external experts and the Board. The Board has adopted the proposal. The CEO has not participated in the preparation of the proposal or the Board's decision.

### *Ongoing share related incentive programmes*

The Company's ongoing share related programmes are described in the Company's Annual Report for 2018, note 6.

### *Costs for the convertible debenture programme*

The programme costs pertaining to fees to external advisors and banks are estimated to amount to less than SEK 1 000 000 during the course of the programme. In addition to Company's own cost implementing and administering the programme.

In the Board's opinion, the proposed convertible debentures will not entail any future costs except for employer's contributions at the time of conversion to shares in certain countries (not Sweden).





### *Authority for the Board*

The Board shall be authorised to make such minor changes to the decisions as may be deemed necessary for registration at the Swedish Companies Registration Office (*Swe: Bolagsverket*) and Euroclear Sweden AB.

### *Majority rules*

A resolution by the Annual General Meeting about issuing convertible debentures as proposed by the Board requires a majority of at least 9/10 of the votes cast as well as of the shares represented at the meeting. For a decision by the annual general meeting to authorise the Board to repurchase the Company's own shares and for the decision to reduce the share capital of the Company it is necessary that the decision is supported by at least 2/3 of the votes cast as well as of the shares represented at the meeting.

### *Financing*

One or two Swedish commercial banks will offer financing to the employees who subscribe to the convertible debenture programme. The financing will be on market terms.

## Item 15 – Resolution authorising the Board to make new issue of shares

The Board proposes that the Annual General Meeting grants the Board a mandate to issue new class B shares on one or more occasions before the 2020 annual general meeting. Payment for new shares may be in capital contributed in kind or, with preferential rights for shareholders, in cash. Through such an issue, the share capital may be increased by issuing shares on market terms. However, the maximum number of new shares issued shall not exceed 10% of the total number of shares.

## Item 16 – Close of the Annual General Meeting

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## Shares and votes

ÅF's share capital totals SEK 210 390 967,50 and comprises a total of 84 156 387 shares, of which 3 217 752 are class A shares and 80 938 635 are class B shares, corresponding to a total of 113 116 155 votes. Class A shares entitle the holder to 10 votes per share. Class B shares entitle the holder to one vote per share. At the time when this invitation to the Annual General Meeting was issued, ÅF AB held no own shares.

## Information at the Annual General Meeting

The Board of the Company and the CEO shall, if requested to do so by a shareholder and on condition that the Board considers that such a request can be met without any significant adverse effects on the Company, provide information about circumstances that may affect the assessment of an item on the agenda, or of the financial situation of the Company or one of the Company's subsidiaries, and/or of the Company's relationship to another Group company. Shareholders who wish to do so may submit



their questions in advance to ÅF Pöry AB, Annual General Meeting, SE-169 99 Stockholm, Sweden.

## Further information

The Board's complete proposal under item 14, the Board's statement with regard to the proposals concerning shareholders' dividend and reduction of numbers of shares in the company, the Board's evaluation of remuneration to members of the senior management team and the Auditor's report in accordance with Chapter 8, Section 54 of the Swedish Companies Act (2005:551) on whether the guidelines adopted by the annual general meeting regarding remuneration to senior management team have been complied with, will all be available at the Company's headquarters (visiting address: Frösundaleden 2A, Stockholm, Sweden) no later than April 24, 2019. They will also be posted to the Company's website [www.afconsult.com](http://www.afconsult.com). Shareholders who wish to avail themselves of these documents may apply to the Company to have the material sent to them by post or e-mail.

## Processing of personal data

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Stockholm, April 2019  
ÅF Pöry AB (publ)  
Board of Directors

*This English version is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.*