

## Notification of Annual General Meeting of Clas Ohlson AB (publ)

The shareholders of Clas Ohlson AB (publ) Reg. No. 556035-8672 are hereby notified of the Annual General Meeting (“AGM” or the “Meeting”) to be held on Friday, 10 September 2021. Due to the prevailing situation, the AGM is to be held only through advance voting (postal voting) in accordance with the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198). This means that shareholders will be unable to physically attend the Meeting venue and that shareholders can only exercise voting rights by post in advance of the Meeting in the manner described below.

### Registration and notification

A person who intends to participate in the AGM through advance voting must:

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Thursday, 2 September 2021, and
- give notice of participation no later than Thursday, 9 September 2021, by casting its advance vote (postal vote) in accordance with the instructions under the heading *Advance voting* below so that the advance voting form is received by Euroclear Sweden AB no later than that day.

Registration must include the shareholder’s (or shareholder proxy’s) name, civil registration number/corporate registration number, address, telephone number and the number of shares represented. Information submitted in connection with registration will be computerised and used exclusively to conduct and document the AGM. See below for additional information on the processing of personal data.

### Shareholders’ right to request information

Upon request by any shareholder and where the Board believes that such may take place without significant harm to the company, the Board of Directors and CEO shall provide information on any circumstances which may affect assessment of a matter on the agenda, or any circumstances which may affect the assessment of the financial situation of the company (or subsidiaries) or the company’s relationship to other Group companies (meaning, the right to request information pursuant to Chapter 7, Section 32 of the Swedish Companies Act). Requests for such information are to be made in writing to Clas Ohlson AB (publ), Annual General Meeting, SE-793 85 Insjön, Sweden, or via e-mail to [agm2021@clasohlson.se](mailto:agm2021@clasohlson.se), no later than 31 August 2021. The information will be provided by being made available from Clas Ohlson, SE-793 85 Insjön, Sweden, and at <https://about.clasohlson.com>, no later than 5 September 2021. At the same time, the information will be sent to the address provided by the shareholder who requested it.

In addition to the statutory right to request information described above, Clas Ohlson knows that many shareholders want to ask questions about the Group. Since no Meeting will be held with the option of participating in person or via a proxy, there will not be any opportunities to ask questions at the AGM. Clas Ohlson therefore encourages questions to be submitted in advance in writing to Clas Ohlson AB (publ), Annual General Meeting, SE-793 85 Insjön, Sweden, or via e-mail to [agm2021@clasohlson.se](mailto:agm2021@clasohlson.se), no later than 31 August 2021. The Chairman of the Board and the CEO will address questions from the shareholders in a speech that will be available on Clas Ohlson's website, <https://about.clasohlson.com>, on 10 September 2021 at around 11:00 a.m. CEST. Questions will also be addressed in writing on the website if necessary.

### **Advance voting**

The Board has resolved that shareholders may only exercise their voting rights at the AGM through advance voting (postal voting) in accordance with Section 22 of the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198).

A specific form is used for advance voting. This form is available on Clas Ohlson's website <https://about.clasohlson.com>. The advance voting form is considered a registration for the AGM.

The completed form must be received by Euroclear Sweden AB not later than Thursday, 9 September 2021. The form can be submitted via e-mail to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com) or by post to Clas Ohlson AB (publ), AGM, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. Shareholders who are natural persons can also cast their advance votes electronically using verification with BankID on Clas Ohlson's website. If the shareholder votes in advance by proxy, power of attorney must be attached to the form. If the shareholder is a legal entity, a registration certificate or other authorisation document must be submitted with the form. The shareholder may not include any specific instructions or terms on the advance voting ballot. In this case, the vote (in its entirety) is invalid. Further instructions and terms are given on the advance voting form.

For questions about the AGM or to receive the advance voting form sent via mail, please contact Clas Ohlson by telephone at +46 247 444 00, Monday-Friday from 8:00 a.m. to 5:00 p.m. CEST.

### **Trustee-registered shares**

For the right to participate in the AGM, any shareholder who has their shares registered in trust through a bank or other trustee must, in addition to giving notice of participation in the Meeting by submitting their advance voting form, re-register the shares in their own name so that the shareholder is listed in the presentation of the share register prepared by Euroclear Sweden AB's by the record date, Thursday, 2 September 2021. Such re-registration may be temporary (voting rights registration). Shareholders who wish to register their shares in their own name must, in accordance with each trustee's procedures, request that the trustee carry out such a registration. Voting rights registration that the shareholder has requested in time for the registration to be carried out by relevant trustees no later than Monday, 6 September 2021, will be listed in the shareholder register.

## **Number of shares and voting**

The number of series A shares in the company totals 5,760,000, carrying 10 votes per share, corresponding to 57,600,000 votes, and the number of series B shares in the company totals 59,840,000, carrying one vote per share, corresponding to 59,840,000 votes. Accordingly, there are a total of 65,600,000 shares and 117,440,000 voting rights in the company. The company holds 2,248,667 series B treasury shares, which may not be represented at the AGM.

## **Proposed agenda**

1. Election of Chairman of the AGM
2. Election of one or two minutes checkers
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Determination of whether the AGM has been duly convened
6. Presentation of the Annual Report and Auditor's Report and the Consolidated Financial Statements and the Auditors' Report on the Consolidated Financial Statements for 2020/21
7. Resolution concerning the adoption of the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet for 2020/21
8. Resolution concerning the disposition of the company's profits in accordance with the balance sheet adopted for 2020/21 and determination of the record dates for payment of the dividend
9. Resolution concerning the discharge of Board Members and the CEOs from liability for the 2020/21 financial year
10. Determination of:
  - a. the number of Board Members to be elected by the AGM (see below)
  - b. the auditors and deputy auditors to be elected by the AGM (see below)
11. Adoption of:
  - a. remuneration of the Board and remuneration for committee work
  - b. fees to the auditor
12. Election of directors
  - a. Kenneth Bengtsson (re-election)
  - b. Mengmeng Du (re-election)

- c. Mathias Haid (re-election)
- d. Patrik Hofbauer (re-election)
- e. Håkan Lundstedt (re-election)
- f. Charlotte Strömberg (re-election)
- g. Göran Sundström (re-election)
- h. Anne Thorstvedt Sjöberg (re-election)

13. Election of Chairman of the Board

- a. Kenneth Bengtsson (re-election)

14. Election of auditor and any deputy auditors

- a. Deloitte AB (re-election)

15. Resolution regarding the approval of the remuneration report

16. Resolution regarding the introduction of a new incentive programme (“LTI 2021”) in accordance with A. and hedging arrangements in respect thereof, in accordance with B. or C.

17. Resolution regarding transfer of treasury shares

18. Amendment of the Articles of Association

**Item 1, Election of Chairman of the AGM**

The Nomination Committee proposes that Kenneth Bengtsson be elected Chairman of the AGM.

**Item 2, Election of one or two minutes checkers**

Fredrik Ahlin, proxy for IF Skadeförsäkring AB, and Erik Durhan, proxy for Nordea Fonder, are proposed to approve the minutes, or in the event of one or both of them are prevented from doing so, the individual(s) the Nomination Committee appoints instead. Their task also includes approving the voting list and that advance voting ballots received are correctly reported in the AGM minutes.

**Item 3, Preparation and approval of the voting list**

The voting list that is proposed for approval under Item 3 of the agenda is the voting list prepared by Euroclear Sweden AB on behalf of the company, based on the shareholder register for the Meeting and advance voting ballots received, and is approved by those elected to approve the minutes.

**Item 8, Resolution concerning the disposition of the company’s profits in accordance with the balance sheet adopted for 2020/2021 and determination of**

## **the record dates for payment of the dividend**

The Board of Directors proposes that the retained earnings at the disposal of the AGM, in an amount of SEK 1,011,912,000, be allocated so that SEK 410,000,000 be paid as a dividend (SEK 6.25 per share) and that SEK 601,912,000 be carried forward. The Board proposes to the AGM that the dividend of SEK 6.25 per share be split into two payments. Due to technical limitations entailing that in this case payment cannot be made in equal amounts for each payment date, it is proposed that the first payment amount to SEK 3.13 per share and the second payment to SEK 3.12 per share. The proposed record date for the first payment is 14 September 2021 and the proposed record date for the second payment is 11 January 2022. If the AGM votes in accordance with this motion, it is estimated that the first portion of the dividend will be distributed by Euroclear Sweden AB on 17 September 2021 and the second portion will be distributed on 14 January 2022.

## **Items 10-14, Resolutions concerning the number of Board Members, auditors and deputy auditors to be elected by the AGM, the fees to be paid to Board Members and the auditors, and remuneration for committee work and election of Board Members, Chairman of the Board, auditors and any deputy auditors**

The company's Nomination Committee, which was formed in accordance with a resolution on the nomination procedure passed at the AGM of 11 September 2010 and which comprises Malin Persson, Erik Durhan, Göran Sundström, Ricard Wennerklint and Kenneth Bengtsson, proposes the following resolutions concerning Items 10-14.

The Nomination Committee proposes that the number of Board Members be eight (Item 10.a) and that one auditor and no deputy auditor be appointed (Item 10.b).

Accordingly, the Nomination Committee proposes to the AGM that total director fees, including fees for committee work but without establishing a digitalisation committee, be paid in an amount of SEK 4,015,000 (3,670,000), distributed as follows: SEK 800,000 per year to the Chairman of the Board (700,000) and SEK 375,000 per year to each of the other AGM-elected Board members (340,000). The Nomination Committee also proposes that remuneration of members of the Audit Committee be paid in an amount of 160,000 SEK to the Chairman of the Audit Committee (160,000) and 85,000 SEK to each of the other members of the Committee (currently two (2) members) (85,000), and that remuneration of the People Committee be paid in an amount of 130,000 SEK to the Chairman of the People Committee (130,000) and 65,000 SEK to each of the two (2) other members of the Committee (65,000).

If the Board, at its statutory meeting after the AGM, resolves to establish a digitalisation committee consisting of one Chairman and two (2) members, the Nomination Committee proposes to the AGM that the director fees total SEK 4,275,000 (3,670,000), according to the allocation in the previous paragraph but entailing an additional SEK 130,000 to the Chairman of the digitalisation committee and SEK 65,000 to each of the other two (2) committee members.

The Nomination Committee supports the principle of minor continuous increases in director fees. At the previous AGM, it was resolved that fees would remain unchanged (at the 2019 AGM the fees were raised by approximately seven (7) per cent). The Nomination Committee recommended moderation, despite the principle of continuous small increases,

due to macroeconomic trends and their impact on the retail sector resulting from COVID-19. It is the Nomination Committee's assessment this year that the situation is more stable and that an increase of director fees is warranted. An increase totalling 9.4 per cent is thus proposed if a digitalisation committee is not established, or of 16.5 per cent if a digitalisation committee is established. This proposed increase in fees should also be seen in light of the increased work load for the Board.

Any decisions by the Board to adjust the number of committee members will also affect the total director fees above. Fees are paid as salary.

It is proposed that audit fees during the auditors' period in office be paid on a current-account basis in return for company-approved invoices (Item 11.b).

The Nomination Committee proposes the re-election of Board members Kenneth Bengtsson (Item 12.a), Mengmeng Du (Item 12.b), Mathias Haid (Item 12.c), Patrik Hofbauer (Item 12.d) Håkan Lundstedt (Item 12.e), Charlotte Strömberg (Item 12.f), Göran Sundström (Item 12.g) and Anne Thorstvedt Sjöberg (Item 12.h).

The Nomination Committee proposes that Kenneth Bengtsson be re-elected as Chairman of the Board (Item 13.a).

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, the re-election of Deloitte as the company's auditor for the period until the close of the 2022 AGM (Item 14.a).

### **Item 15, Resolution regarding the approval of the remuneration report**

The Board proposes that the AGM approve the Board's remuneration report, prepared pursuant to Chapter 8, Section 53a of the Swedish Companies Act.

### **Item 16, Resolution regarding the adoption of a long-term incentive programme ("LTI 2021") in accordance with A. and hedging arrangements in respect thereof, in accordance with B. or C.**

The Board of Directors proposes that the Annual General Meeting 2021 resolves on the implementation of a long-term incentive programme ("**LTI 2021**"), giving members of the group management and key employees the opportunity of becoming shareholders in Clas Ohlson.

The overall purpose of LTI 2021 is to closely align the participants' interests with those of the shareholders and to create a long-term commitment as well as value creation for Clas Ohlson. LTI 2021 also provides Clas Ohlson with a crucial component of a competitive total remuneration package with which to attract and retain executives and key employees who are critical to Clas Ohlson's long-term success.

The Board of Directors considers that having recurring long-term incentive programmes is vital and an important part of Clas Ohlson's total remuneration package, and the Board of Directors, therefore, intends to annually propose incentive programmes for approval by the Annual General Meeting.

## A. Implementation of LTI 2021

The Board of Directors proposes that the Annual General Meeting 2021 resolves on implementation of LTI 2021 in accordance with the principal terms and conditions set out below:

- (a) It is proposed that LTI 2021 be open to no more than 50 employees of group management and other key employees of the Clas Ohlson Group.
- (b) Each participant will free of charge receive a performance share award under LTI 2021 ("**LTIP Award**") entitling the participant to receive an allocation of a number of Clas Ohlson B-shares free of charge from Clas Ohlson or from a designated third party, subject to the satisfaction of the performance conditions set out in section (e) below as well as the condition in section (i) below ("**Performance Shares**").
- (c) Any Performance Shares will be allocated after the expiration of the three-year vesting period, which begins on the date decided by Clas Ohlson and notified to the participant in LTI 2021 and continues until the day of publication of the interim report for Q1 the financial year 2023/2024 (the "**Vesting Period**"). Offer of participation in LTI 2021 can be offered up to and including 31 December 2021.
- (d) The value of the underlying shares at the time of grant in respect of each LTIP Award will amount to 45 per cent of the gross annual fixed salary in 2021 (as per 1 May 2021) for each participant, on an individual basis. The share price used to calculate the value of the underlying shares in respect of each LTIP Award, and hence the number of shares to which each LTIP Award entitles, shall be the volume-weighted average price paid for the Clas Ohlson B-share on Nasdaq Stockholm during the period between 3 June 2021 and 16 June 2021 (ten trading days immediately after the publication of the interim report for Q4 the financial year 2020/2021), i.e. SEK 94.70 (the "**Input Value**").
- (e) The portion (if any) of an LTIP Award that will vest at the end of the Vesting Period is based on and subject to the satisfaction of the performance conditions set out below during the financial years 2021/2022, 2022/2023, and 2023/2024, i.e. during the period 1 May 2021 up to and including 30 April 2024 ("**Performance Period**"). The percentage weighting between the different performance conditions is stated below and the outcome for each performance condition will be determined individually. This means, inter alia, that all performance conditions do not have to be fulfilled for allocation of Performance Shares to take place.

### *Net sales*

30 per cent of the allocation under an LTIP Award will depend on the average net sales ("**Net Sales**") during the Performance Period. The Board of Directors will determine a minimum and maximum level, which will be disclosed after expiry of LTI 2021. If the minimum level is reached, an allocation of 30 per cent related to Net Sales will occur. If the maximum level is reached or exceeded, a full allocation related to Net Sales will occur. If the outcome is between the minimum level and the maximum level, a linear allocation related to Net Sales will occur. If the minimum level is not reached, no allocation related to the Net Sales will occur.

### *Earnings per share*

40 per cent of the allocation under an LTIP Award will depend on the average earnings per Clas Ohlson share (“**EPS**”) during the Performance Period. The Board of Directors will determine a minimum and maximum level, which will be disclosed after expiry of LTI 2021. If the minimum level is reached, an allocation of 30 per cent related to EPS will occur. If the maximum level is reached or exceeded, a full allocation related to EPS will occur. If the outcome is between the minimum level and the maximum level, a linear allocation related to EPS will occur. If the minimum level is not reached, no allocation related to the EPS will occur.

### *Sustainability / ESG targets*

30 per cent of the allocation under an LTIP Award will be subject to whether the Clas Ohlson Group has achieved certain ESG targets according to the Group’s sustainability strategy during the last financial year of the Performance Period. The ESG targets consist of three sub-targets: (i) the portion of the Group’s suppliers that comply with Clas Ohlson’s code of conduct without any material deviations, (ii) gender equality among Clas Ohlson’s managers with direct reporting employees, and (iii) perceived inclusion among Clas Ohlson’s employees (the “**ESG Targets**”). For each sub-target, a minimum and maximum level have been determined in accordance with the table below. Each sub-target is weighted by one third (i.e. corresponding to 10 per cent of the total possible allocation according to LTI 2021). If the outcome of a sub-target is less than the minimum level, no allocation is made related to that sub-target. If the outcome of a sub-target is between the minimum and the maximum level, a linear allocation is made related to that sub-target. If the outcome of a sub-target reaches or exceeds the maximum level, a 100 per cent allocation is made related to that sub-target.

<b>Sub-targets</b>	<b>Minimum level (30% allocation)</b>	<b>Maximum level (100% allocation)</b>
The portion of the Group’s suppliers that comply with Clas Ohlson’s code of conduct without any material deviations	98%	99.5%
Gender equality among Clas Ohlson’s managers with direct reporting employees	40% of the underrepresented gender	48% of the underrepresented gender
Perceived inclusion among Clas Ohlson’s employees	85% of the employees are of the opinion that everyone has equal opportunities for career and development within Clas Ohlson	87% of the employees are of the opinion that everyone has equal opportunities for career and development within Clas Ohlson



- (f) The number of Performance Shares that can be allocated per each LTIP Award shall be adjusted for any dividend payments during the period from the determination of the Input Value and up to and including the date of allocation of Performance Shares after the expiry of the Vesting Period (“**Dividend Compensation Shares**”).
- (g) The value of each Performance Share at allocation (inclusive compensation for dividend according to section (f) above) shall be capped to three times the Input Value. If so, the number of Performance Shares allocated will be reduced.
- (h) Performance Shares may be allocated only after the expiration of the Vesting Period, unless the Board of Directors of Clas Ohlson in an individual case resolves otherwise in case of any special reasons.
- (i) In order for an LTI 2021 participant to be allocated Performance Shares it is a condition that, with certain specific exemptions, the participant has been permanently employed within the Clas Ohlson Group for the duration of the whole Vesting Period.
- (j) If significant changes in the Clas Ohlson Group or in the market occur which, in the opinion of the Board of Directors, would result in a situation where the conditions for allocation of Performance Shares become unreasonable, the Board of Directors shall be entitled to make adjustments to LTI 2021, including, among other things, be entitled to resolve on a reduced allocation of Performance Shares or that no Performance Shares shall be allocated at all.
- (k) The Board of Directors shall be authorised to establish the detailed terms and conditions for LTI 2021. The Board of Directors may, in that regard, make necessary adjustments to satisfy certain regulations or market conditions outside Sweden, including, inter alia, offering cash remuneration instead of Performance Shares to employees in countries where Performance Shares may not be allocated in accordance with applicable rules or where this cannot be done at reasonable costs or administrative efforts.
- (l) Participation in LTI 2021 presupposes that such participation is legally possible in the various jurisdictions concerned and that the administrative costs and financial efforts are reasonable in the opinion of the Board of Directors.
- (m) LTI 2021 shall comprise a maximum of 490,000 Clas Ohlson B-shares, of which 385,000 constitute Performance Shares and Dividend Compensation Shares. The remaining 105,000 Clas Ohlson B-shares are such shares that may be transferred by Clas Ohlson or a third party in order to cover the cash flow effects associated with LTI 2021, primarily social security charges.
- (n) The number of Performance Shares, will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.

#### *Costs*

The costs for LTI 2021, which are charged in the profit and loss account, are calculated according to the accounting standard IFRS 2 and UFR 7 and distributed over the Vesting Period. The calculation has been made based on the following assumptions: (i) a market price of the Clas Ohlson B-shares of SEK 90.00, (ii) an unchanged annual dividend of SEK

6.25, (iii) an assessment of future volatility in respect of the Clas Ohlson B-share, (iv) the assumed allocation of Performance Shares stated in the following paragraph, and (v) that LTI 2021 comprises 50 participants.

In total, this can lead to, at an assumed average target fulfilment of 50 per cent and based on an employee turnover of 10 per cent, a cost for LTI 2021 of approximately SEK 11.7 million, excluding social security costs. The costs for social security charges are calculated to approximately SEK 6.0 million assuming an annual share price increase of 10 per cent during the Vesting Period.

In addition to what is set forth above, the costs for LTI 2021 have been based on a share price of SEK 90.00 (the closing price on 23 July 2021, rounded).

Based on the assumptions above the annual costs for LTI 2021, including social security charges, corresponds to approximately 0.3 per cent of Clas Ohlson's total annual employee costs.

If LTI 2021 had been implemented in 2020/2021, if Clas Ohlson had had costs in accordance with the example above, and LTI 2021 had been allocated in 2020/2021 in accordance with the assumptions in the sample calculation above, the earnings per share for the financial year 2020/2021 had decreased by SEK 0.07 to SEK 6.58.

In the event of a maximum allocation of Performance Shares and that all participants remain in LTI 2021 and that the value of each Performance Share upon allocation (including compensation for dividends) according to above amounts to three times the Input Value, the maximum cost for LTI 2021 is estimated at approximately SEK 46.3 million including social security costs. In such a scenario, the value for Clas Ohlson's shareholders has increased by SEK 12.3 billion.

#### *Hedging arrangements and dilution*

The Board of Directors has considered different methods for transfer of shares to participants as well as in order to cover the cash-flow effects associated with LTI 2021 (primarily social security charges), in order to implement LTI 2021 in a cost-effective and flexible manner. The Board of Directors has found the most cost-effective alternative to be, and thus proposes that the Annual General Meeting as a main alternative resolve on, repurchase and transfer of own shares (see item B. below). If the assessment is subsequently made that additional shares may need to be repurchased, the Board of Directors may propose future general meetings to give authorisations to repurchase shares to further secure the company's obligations under LTI 2021.

Prior to expiry of LTI 2021, the Board of Directors intends to propose to the 2023 Annual General Meeting that transfers be made of own shares on a regulated market in order to cover the cash-flow effects associated with LTI 2021.

Should the majority required under item B. below not be reached, the Board of Directors proposes that Clas Ohlson shall be able to enter into an equity swap agreement with a third party, in accordance with item C. below.

Neither of the hedging alternatives referred to above give rise to an increase of the number of shares in the company and, accordingly, no dilutive effect in terms of shares issued will occur for existing shareholders.

## B. Repurchase and transfer of own shares

- (a) The Board of Directors proposes that the Annual General Meeting resolve to authorise the Board of Directors to resolve on repurchase of shares in the company in relation to LTI 2021 according to the following:
- Acquisitions may be made of no more than 490,000 B-shares in order to secure the delivery obligations of shares to participants in LTI 2021 and for subsequent transfers on a regulated market to cover cash-flow effects associated with LTI 2021, primarily social security charges.
  - The shares may only be acquired on Nasdaq Stockholm.
  - The authorisation may be exercised on one or more occasions, until the 2021 Annual General Meeting.
  - The shares may only be acquired at a price per share within the from time to time registered trading interval.
- (b) The Board of Directors proposes that the Annual General Meeting resolve to transfer shares in the company in relation to LTI 2021 according to the following:
- No more than 385,000 B-shares may be transferred.
  - Right to acquire B-shares shall, with deviation from the shareholders' preferential rights, be granted the persons participating LTI 2021, with a right for each participant to acquire the maximum number of shares as set out in the terms and conditions of LTI 2021.
  - Transfer of B-shares to the participants of LTI 2021 shall be made free of charge at a time and on the other terms and conditions of LTI 2021 at which participants of LTI 2021 are entitled to be allocated shares.
  - The number of shares that may be transferred shall be re-calculated in the event of intervening bonus issues, splits, rights issues or other similar corporate events.

The transfer of own shares is a part of the proposed LTI 2021 and the Board of Directors considers it to be of benefit for the company and its shareholders that the participants of LTI 2021 are offered the opportunity to become shareholders in the company on the terms and conditions of LTI 2021.

## C. Equity swap agreement with a third party

Should the majority required under item B. above not be reached, the Board of Directors proposes that the Annual General Meeting resolve that the expected financial exposure of LTI 2021 shall be hedged by Clas Ohlson being able to enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer shares in Clas Ohlson to the participants.

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### **Conditions**

The Annual General Meeting's resolution on the implementation of LTI 2021 according to item A. above, is conditional upon Annual General Meeting either resolving in accordance with the Board of Directors' proposal under item B. above or in accordance with the Board of Directors' proposal under item C. above.

### **Majority requirements, etc.**

The Annual General Meeting's resolution according to item A. above requires a simple majority of the votes cast. A valid resolution under item B. above requires that shareholders representing not less than nine-tenths of the votes cast as well as of the shares represented at the Annual General Meeting approve the resolution. A valid resolution under item C. above requires a simple majority of the votes cast.

### **Previous incentive programmes**

For a description of the company's other long-term incentive programmes, reference is made to compilation attached hereto and the company's annual report for 2020/2021, note 6, and the company's website. No other long-term incentive programmes than those described therein have been implemented in the company.

### **Preparation of the proposal**

The company's Remuneration Committee has prepared the proposal for LTI 2021, and the proposal has subsequently been presented to and adopted by the Board of Directors. The Board of Directors has subsequently decided that LTI 2021 shall be proposed to the Annual General Meeting.

### **Item 17, Resolution regarding transfer of treasury shares**

The Board proposes that the AGM resolve that ahead of the 2022 AGM, no more than 600,000 series B shares be transferred to cover certain fees, primarily social security contributions, that may arise due to the incentive plan outstanding. Such a transfer of shares on Nasdaq Stockholm is to be at a price per share that is to be within the applicable span of the share price at any point in time. The number of shares that can be transferred is subject to recalculation due to intervening bonus issues, splits, rights issue and/or other similar events.

The goal of the Board's proposed transfer of shares is to ensure sufficient liquidity for the payment of future social security contributions associated with the incentive plan outstanding. To be valid, resolutions must be supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the AGM.

### **Item 18, amendment of the Articles of Association**

In order to take advantage of the alternatives that the Swedish Companies Act provides for resolving on collecting power of attorney and advance voting as well as resolving on AGM attendance for non-shareholders, the Board proposes that the AGM resolves on revisions to the Articles of Association in accordance with the below.

- That a new Section 11, with the following wording, be added to the Articles of Association.

***Proposed wording***

**Article 11** The Board may collect power of attorney forms according to the procedure described in Chapter 7, Section 4, second paragraph of the Swedish Companies Act (2005:551). The Board may, ahead of an AGM, resolve that shareholders be able to exercise their voting rights by post ahead of the AGM according to Chapter 7, Section 4a of the Swedish Companies Act (2005:551).

- That a new Section 12, with the following wording, be added to the Articles of Association.

***Proposed wording***

**Article 12** The Board may resolve that individuals who are not shareholders in the Company, following conditions decided by the Board, will have the right to attend or otherwise observe the events of a General Meeting.

- That the numbering in the Articles of Association be revised so that the current Article 11 becomes Article 13, the current Article 12 becomes Article 14 and the current Article 13 becomes Article 15.

The Board, or those appointed by the Board, are authorised to make minor adjustments to the General Meeting's resolution that may be necessary in connection to registration with the Swedish Companies Registration Office.

To be valid, resolutions by the AGM in accordance with Item 18 above must be supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the AGM.

**Documents and additional information**

The Nomination Committee's complete proposals concerning resolutions under Items 1 and 10-14 and the Board of Directors' complete motions concerning resolutions under Items 8, 16, 17 and 18 are presented above.

Information about, for example, the individuals proposed for election to the Clas Ohlson Board of Directors, the proposed auditor and the Nomination Committee's proposals and reasoned statement will be available on the company's website as of 4 August 2020.

The accounting documentation and auditor's report pertaining to the 2020/21 financial year, as well as the auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act concerning compliance with the guidelines for remuneration of senior executives, the Board's remuneration report pursuant to Chapter 8, Section 53a of the Swedish Companies Act and the Board's statement pursuant to Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act, will be made available at the company no later than 20 August 2021 and will also be sent by post to shareholders who provide their postal address. The company's shareholder register is kept at the company's head office, Clas Ohlson, SE-793 85 Insjön, Sweden.

All of the documents specified under the above heading will be made available in an

electronic format on the company's website, [about.clasohlson.com](http://about.clasohlson.com), as of 4 August 2021.

For those who like to vote in advance via a proxy, a power-of-attorney form is available for downloading at <http://about.clasohlson.com> or alternatively, will be sent to those shareholders who so request and who provide their postal address.

### **Processing of personal data**

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

Leksand, August 2021

Clas Ohlson AB (publ)

Board of Directors

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*Clas Ohlson was founded in 1918 as a mail order business based in Insjön, Dalarna, Sweden. Today, we are a retail company with customers in four markets, approximately 4,500 co-workers, and annual sales of approximately 8.3 billion SEK. Our share is listed on Nasdaq Stockholm. A lot has happened since the start in 1918, but one thing has remained the same over the years; that we want to help and inspire people to improve their everyday lives by offering smart, simple, practical solutions at attractive prices. Visit [about.clasohlson.com/en](http://about.clasohlson.com/en) to read about our passion for simplifying life in all kinds of homes.*