

## ANNUAL GENERAL MEETING OF NOBIA AB (PUBL)

The shareholders of Nobia AB (publ) ("Nobia") are hereby invited to the Annual General Meeting on Thursday, 11 April 2013 at 5:00 p.m. at Lundqvist & Lindqvist Klara Strand Konferens, Klarabergsviadukten 90, Stockholm.

### Right to participate in the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting must

*firstly* be included in the shareholders' register maintained by Euroclear Sweden AB as of Friday, 5 April 2013, and,

*secondly* notify Nobia of their participation not later than Friday, 5 April 2013.

### Notification of attendance

Notification of attendance at the Annual General Meeting may be made:

- by e-mail: [bolagsstamma@nobias.com](mailto:bolagsstamma@nobias.com)
- by telephone: +46 8 440 16 00
- by fax: +46 8 503 826 49
- by post: Nobia AB, Box 70376, SE-107 24 Stockholm, Sweden

This notification shall state:

- the shareholder's name
- personal identity number/Corporate Registration Number
- address and daytime telephone number
- shareholding
- information about any assistants (not more than two assistants) and information on any representatives who may accompany the shareholder to the Meeting

When applicable, complete authorisation documents, such as registration certificates, shall be appended.

### Proxy

Shareholders represented by proxy shall issue a written power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or corresponding document ("certificate") for the legal entity shall be appended to the notification of attendance. The power of attorney and certificate may not be more than one year old. However, the validity of the power of attorney may be a maximum of five years from the date of issue, if specifically stated. The power of attorney in original and, where applicable, the certificate, should be sent by post to the company at the address stated above in good time prior to the Annual General Meeting. Proxy forms are available from [www.nobias.com](http://www.nobias.com), and will also be sent to shareholders who so request and inform the company of their postal address.

## **Nominee shares**

Shareholders whose shares have been registered with a nominee must, through the bank or securities broker administering the shares, temporarily re-register their shares in their own names in order to be entitled to participate in the Annual General Meeting. Such re-registration must be completed with Euroclear Sweden AB not later than Friday, 5 April 2013. A request for re-registration must be made well in advance of this date.

## **Number of shares and votes**

Nobia has a total of 175,293,458 shares and votes. Nobia currently holds 8,162,300 treasury shares, corresponding to 8,162,300 votes, which cannot be represented at the Meeting.

## **Shareholders' right to request information**

Shareholders are reminded of their right, at the Annual General Meeting, to request information from the Board of Directors and the President pursuant to Chapter 7, Section 32 of the Swedish Companies Act.

## **Proposed agenda**

1. Opening of the Meeting,
2. Election of Chairman of the Meeting,
3. Preparation and approval of the voting list,
4. Approval of the agenda,
5. Election of one or two persons to verify the minutes,
6. Determination as to whether the Meeting has been duly convened,
7. Presentation of the annual accounts and the audit report, and the consolidated accounts and the audit report on the consolidated accounts,
8. Speech by the President and statement by the Chairman of the Board of Directors,
9. Resolution regarding the adoption of the income statement and the balance sheet, and of the consolidated income statement and the consolidated balance sheet,
10. Resolution regarding appropriation of the company's profit according to the adopted balance sheet,
11. Resolution regarding the discharge from liability for the members of the Board of Directors and the President,
12. Determination of the number of members and deputy members of the Board of Directors, and auditors and deputy auditors,
13. Determination of fees to the Board of Directors and the auditors,
14. Election of the members of the Board of Directors and the Chairman of the Board of Directors and auditors,
15. Proposal regarding remuneration guidelines and other employment conditions for the Group management,
16. Proposal regarding the performance share plan and transfer of treasury shares under the plan,
17. Proposal regarding authorisation for the Board of Directors to acquire and sell treasury shares,
18. Proposal regarding approval of divestment of Optifit and Marlin,
19. Closing of the Meeting.

### **Resolution regarding the appropriation of the company's profit according to the adopted balance sheet (item 10)**

The Board of Directors proposes that funds totalling approximately SEK 1,924 million at the disposition of the Annual General Meeting be appropriated such that SEK 0.5 per share, totalling approximately SEK 83.6 million, be distributed to shareholders and that the remaining amount be carried forward. The Board proposes Tuesday, 16 April 2013 as the record day. If the Annual General Meeting resolves in accordance with the Board's proposal, the dividend is expected to be paid through Euroclear Sweden AB on Friday, 19 April 2013.

### **The Nomination Committee's proposals (items 2, 12, 13 and 14)**

The Nomination Committee is tasked with submitting proposals on the election of the Board Chairman and other members of the Board of Directors, fees for the Board and any remuneration for committee work, election of and remuneration of the auditor and election of the Chairman of the Annual General Meeting. The shareholders represented in the Nomination Committee hold about 50 per cent of the shares and votes in Nobia.

The Nomination Committee has submitted the following proposals concerning items 2, 12, 13 and 14:

- Chairman of the Board Johan Molin be elected Chairman of the Annual General Meeting (item 2).
- The number of members of the Board of Directors shall be six (6), with no deputy members (item 12).
- The fee to each member of the Board of Directors who is not salaried by the company shall be SEK 335,000 kronor. However, the fee payable to the Chairman of the Board of Directors shall be SEK 900,000. It is proposed that no fees be paid for work in Committees (item 13).
- Re-election of the following present members of the Board of Directors: Morten Falkenberg, Lilian Fossum Biner, Nora Förisdal Larssen, Johan Molin, Thore Ohlsson and Fredrik Palmstierna. Rolf Eriksen has declined re-election after three years on the Board. The Nomination Committee proposes that Johan Molin be re-elected as Chairman of the Board of Directors (item 14).
- The number of auditors shall be one (1) without deputies. The Committee proposes the re-election of registered auditing firm KPMG AB (with authorised auditor Helene Willberg as auditor-in-charge until further notice). It is proposed that fees to auditors be paid in accordance with approved invoices (items 12, 13 and 14).

### **Proposal regarding remuneration guidelines and other employment conditions for the Group management (item 15)**

The Board proposes that the Annual General Meeting resolve on the following guidelines for determining remuneration and other employment conditions for the President and other members of Group management. Group management, including the President, currently comprises 11 persons.

Nobia's salary policy stipulates that total remuneration shall correspond to market levels. A continuous IPE classification (International Position Evaluation) is carried out to ensure market levels in each country.

Members of Group management receive both a fixed and a variable salary portion. The fundamental principle is that the variable salary portion may amount to a maximum of 30 per cent of fixed annual salary. The exception to this principle is the President whose variable salary portion may amount to a maximum of 50 per cent of fixed annual salary. Exceptions may also be made for other senior executives following a resolution by the Board.

The variable salary portion is normally divided between a number of targets, for example: i) The Group's earnings, ii) Earnings in the business unit for which the manager is responsible, and iii) Individual/quantitative targets. The variable salary portion is based on a period of service of one (1) year. The targets for the President are determined by the Board. The targets for other senior executives are determined by the President following recommendations from the Remuneration Committee.

Members of Group management employed in Sweden are entitled to a pension under the ITP system or equivalent. The age of retirement is 65. In addition to the ITP plan, following a resolution by the Board, members of Group management are entitled to an increased occupational pension premium on salary portions amounting to more than 30 basic amounts.

Employment contracts for Group management include provisions regulating remuneration and termination of employment. According to these contracts, employment may ordinarily be terminated upon the employee's request with a six-month period of notice and at the company's request, with a 12-month period of notice.

To strengthen senior managers' commitment to and ownership in the company, and to attract, motivate and retain key employees in the Group, Nobia has implemented long-term performance-based remuneration schemes since 2005 following resolutions by each Annual General Meeting. The remuneration schemes adopted for the years 2005-2011 were based on employee share options. A resolution was made at the 2012 Annual General Meeting to establish a new long-term share-based remuneration scheme ("Performance Share Plan 2012") based on matching and performance shares, instead of employee share options. The Performance Share Plan 2012 encompasses about 100 individuals comprises senior executives and senior managers at the Nobia Group. The Performance Share Plan 2012 is based on the participants investing in Nobia shares that are "locked into" the plan. Each Nobia share invested in under the framework of the plan entitles the participant, following a vesting period of about three years and provided that certain conditions are fulfilled, to allotment (for no consideration) of matching and performance shares in Nobia. The conditions are linked to the participant's continued employment and ownership of invested shares, as well as fulfilment of a financial target.

The Board is entitled to deviate from the guidelines described above if the Board finds that particular reasons warrant this in a specific case.

### **Proposal regarding the performance share plan and transfer of treasury shares under the plan (item 16)**

The Board of Directors proposes that the Annual General Meeting resolves on the performance share plan ("Performance Share Plan 2013") for the company and on the transfer of treasury shares as a part of Performance Share Plan 2013, according to item A) and B) below.

## *A) Performance Share Plan 2013*

### **Participants in Performance Share Plan 2013**

Performance Share Plan 2013 comprises of approximately 100 employees consisting of senior managers and employees with senior positions within the Nobia Group, divided into four categories. The first category includes the CEO, the second category comprises of approximately ten members of the Group Management, the third category comprises of approximately five employees who report to the CEO but do not form part of the Group Management, and the fourth category comprises about 85 other employees in senior positions within the Nobia Group.

### **Personal investment and allocation of share rights**

To participate in the plan, the participants must purchase Nobia shares at market price (“Saving Shares”) at a value corresponding to 25, 50, 75 or 100 per cent of the participant’s monthly salary for March 2013, before tax. For category 1, i.e. the CEO of the company, each Saving Share gives entitlement to one matching share right (“Matching Share Right”) and four performance share rights (“Performance Share Right”) (together referred to as “Share Rights”). For category 2, i.e. the other approximately ten members of the Group Management, each Saving Share gives entitlement to one Matching Share Right and three Performance Share Rights. For category 3, i.e. the approximately five employees who report to the CEO but does not form part of the Group Management, each Saving Share gives entitlement to one Matching Share Right and two Performance Share Rights. For category 4, i.e. the other approximately 85 employees in senior positions, each Saving Share gives entitlement to one Matching Share Right and one Performance Share Right. Allocation of Nobia shares shall normally take place within two weeks after announcement of Nobia’s interim report for the first quarter during year 2016 (the “Vesting Period”).

### **Terms for all Share Rights**

For all Share Rights the following conditions apply:

- The Share Rights are allocated free of charge.
- Each Matching Share Right entitles the participant to receive, free of charge, one Nobia share on condition that the participant remains employed within the Nobia Group and that all Saving Shares held are retained during the Vesting Period. Allocation of shares on the basis of Performance Share Rights requires, in addition, fulfilment of a financial performance target condition.
- The participants are not entitled to transfer, pledge or dispose of the Share Rights or perform any shareholders’ rights regarding the Share Rights during the Vesting Period.
- Nobia will not compensate the participants in the plan for dividends made in respect of the shares that the respective Share Right qualifies for.

### **Performance Share Rights**

The number of Nobia shares that will be awarded on the basis of the Performance Share Rights depends on the degree of fulfilment of a range established by the Board of Directors in relation to Nobia’s cumulative earnings per share in the fiscal years 2013 and 2014. The level of fulfilment will be measured linearly, whereby if the minimum required level has been reached, 25 per cent of the Performance Share Rights will give entitlement to shares. If the minimum level in the range is not achieved the Performance Share Rights will not give

entitlement to any shares and if the maximum level in the range is achieved, each Performance Share Right gives entitlement to one share.

### **Scope, hedging and costs**

The number of Saving Shares depends on the amount the participant invests and the price of the Nobia share at the time of acquisition. The maximum number of shares in Nobia that can be allocated under Performance Share Plan 2013 shall be limited to 1,500,000 (subject to recalculation), which represents approximately 0.9 per cent of the outstanding shares and votes. In order to secure the delivery of Nobia shares under Performance Share Plan 2013, the Board of Directors proposes that the Board of Directors shall have the right to decide on alternative methods for transfer of Nobia shares under the plan. The Board of Directors therefore proposes that it will have the right to transfer own Nobia shares to the participants or to enter into so-called equity swap agreements with third parties in order to fulfil its obligations under the plan (under item B) below). In the event that delivery of Nobia shares is secured by an equity swap agreement, the Board of Directors proposes that it shall be entitled to transfer own Nobia shares on NASDAQ OMX Stockholm to fund potential costs related to the agreement and the plan. Based on a constant share price during the plan, and a Vesting Period of approximately three (3) years, the cost of Performance Share Plan 2013 including social security costs is estimated to amount to approximately MSEK 26.4, which on an annual basis is approximately 0.3 per cent of Nobia's total staff costs during the financial year 2012. The plan has no limitation on maximum profits per Share Right for the participants and therefore no maximum social security costs can be calculated.

### **The proposal by the Board of Directors**

Referring to the description above, the Board of Directors proposes that the Annual General Meeting resolves to introduce Performance Share Plan 2013.

### **Majority requirement**

A resolution to introduce Performance Share Plan 2013, in accordance with the Board of Directors' proposal, is valid where supported by shareholders holding more than half of the votes cast at the Annual General Meeting.

### *B) Transfer of shares with reference to Performance Share Plan 2013*

#### **Background**

In order to implement Performance Share Plan 2013 in a cost efficient and flexible manner, the Board of Directors has considered different methods for the transfer of shares under the plan. Based on these considerations, the Board of Directors intends to secure delivery of Nobia shares under Performance Share Plan 2013 by transferring shares held by Nobia to the participants. A transfer of Nobia's treasury shares in this way requires a particularly high majority requirement to be met. In the event that the Board of Directors' proposal regarding the transfer of its treasury shares to the participants does not receive the required majority decision, the Board of Directors intends to enter into an equity swap agreement with a third party to secure that delivery of Nobia shares can be made to the participants. To the extent that delivery of Nobia shares is secured by an equity swap agreement, it is proposed that the Board of Directors shall be entitled to transfer own Nobia shares on NASDAQ OMX Stockholm to finance potential costs related to the agreement and the plan. A transfer of Nobia's treasury shares in this way requires a qualified majority decision. If no such majority decision is reached, the Board of Directors intends to enter into an equity swap agreement and to finance the agreement in other ways than by way of transfer of treasury shares.

### **1) Proposal regarding transfer of treasury shares to participants**

The Board of Directors therefore proposes, as the main alternative, that the Annual General Meeting resolves on the transfer of shares in accordance with the terms set out below:

- (a) A transfer of a maximum of 1,500,000 Nobia shares to be transferred to participants in Performance Share Plan 2013 may be made (or a higher number of shares that may result from a recalculation due to changes resulting from a bonus issue, a share split or a reverse share split, a new issue of shares or similar actions carried out by Nobia, according to customary practice for corresponding incentive plans).
- (b) The transfer of shares shall be made free of charge at the relevant time and in accordance with the conditions under which the participants in Performance Share Plan 2013 are entitled to receive allocation of shares.

The reason for the deviation from shareholders' preferential rights is that the transfer of the shares is part of executing Performance Share Plan 2013. Therefore, and in light of the above, the Board of Directors considers it to be to the benefit of Nobia to transfer shares in accordance with the proposal.

### **2) Proposal on the transfer of treasury shares on NASDAQ OMX Stockholm**

To the extent that the main alternative in item 1 does not receive the required majority decision, the Board of Directors proposes that the Annual General Meeting resolves on the transfer of treasury shares as follows. Until the next Annual General Meeting, a transfer may be made on one or more occasions, of maximum 1,500,000 Nobia shares on NASDAQ OMX Stockholm to cover potential costs related to the equity swap agreement or to Performance Share Plan 2013 (or a higher number of Nobia shares that may result from a recalculation due to Nobia implementing a bonus issue, a share split or a reverse share split, a rights issue or similar measures, in accordance with what is customary practice for corresponding incentive plans). The transfer shall take place at the registered spread at the given time.

The reason for the deviation from shareholders' preferential rights is that the transfer of the shares is a step in executing Performance Share Plan 2013. Therefore, and in light of the above, the Board of Directors considers it to be to the benefit of Nobia to transfer the shares in accordance with the proposal.

### **Majority Requirement**

A resolution to approve the Board of Directors' proposal under item 1 above is valid where supported by shareholders holding no less than nine tenths of both the votes cast and the shares represented at the Annual General Meeting. A resolution to approve the Board of Directors' proposal pursuant to item 2 above, which will apply only to the extent that the proposal in item 1 has not received the required majority, is valid where supported by shareholders holding no less than two third of both the votes cast and the shares represented at the Annual General Meeting. The Board of Directors' proposal pursuant to this item B is conditional on the Board of Directors' proposal regarding the introduction of Performance Share Plan 2013 being approved by the Annual General Meeting (see item A above).

## **Proposal regarding authorisation for the Board of Directors to acquire and sell treasury shares (item 17)**

### *Acquisitions of treasury shares*

The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to resolve to acquire treasury shares in accordance with the following.

1. Acquisitions may be made on the NASDAQ OMX in Stockholm or in accordance with a tender offer to all Nobia shareholders.
2. Acquisitions of shares may not result in the total holding of treasury shares, at any time, exceeding ten (10) per cent of all shares in Nobia.
3. Acquisitions of shares on NASDAQ OMX in Stockholm may only be effected at a price within the currently effective registered price interval on the NASDAQ OMX in Stockholm, meaning the price interval between the highest bid price and the lowest ask price.
4. Acquisitions in accordance with a tender offer according to point 1 above shall be effected at a price corresponding to the lowest share price at the time of the offer with a maximum upward divergence of twenty (20) per cent.
5. However, the authorisation may be used on one or several occasions only until the 2014 Annual General Meeting.

### *Sales of treasury shares*

The Board also proposes that the Annual General Meeting authorises the Board of Directors to resolve to sell treasury shares in accordance with the following.

1. Sales of shares may only take place outside NASDAQ OMX in Stockholm, with or without deviation from the shareholders' preferential rights and with or without payment in kind or payment by way of set-off. Such sales may be made at a price in cash or value for obtained property corresponding to the price for the sold Nobia shares at the time of the sale, with a divergence found reasonable by the Board of Directors.
2. The number of shares that may be sold should not amount to more than ten (10) per cent of the total number of shares in Nobia.
3. Sales in connection with company acquisitions may be made at a market value as decided by the Board of Directors.
4. The authorisation may be used on one or more occasions, but only until the 2014 Annual General Meeting.

The purpose of the authorisations above is to finance the acquisition of operations through payment with treasury shares and to continuously adapt Nobia's capital structure and thereby contribute to an increase in value for shareholders and, insofar as the authorisation pertains to the Board's resolutions to acquire treasury shares, that Nobia can continuously adapt the number of shares that are acquired to secure undertakings (including costs for social security contributions) in connection with the Group's long-term share-based remuneration scheme.



### **Proposal regarding approval of divestment of Optifit and Marlin (item 18)**

Nobia's wholly owned subsidiaries Optifit Jaka-Möbel GmbH and Marlin Bad-Möbel GmbH (jointly referred to below as "the Optifit Group") currently conduct, in Stemwede, Germany, production and sales in the following three lines of business:

- A. Kitchens for the Group company Hygena in France ("Part A"),
- B. Kitchens for external retailers in Germany ("Part B"), and
- C. Bathrooms for external retailers in Germany ("Part C").

Work is currently underway at Nobia to relocate production and sales for Part A to Nobia's production plants in the UK. In light of this, the Board of Nobia proposes that the Annual General Meeting approve the divestment of the continuing operations in the Optifit Group – Part B and Part C – to the management of the Optifit Group, comprising the President and Chief Financial Officer of Optifit Jaka-Möbel GmbH.

Nobia's total expenses for the divestment are estimated to amount to approximately 60 per cent of the cost for the company to discontinue the continuing operations itself, which would otherwise generate a negative result and also not have any positive effect for Nobia.

In accordance with the Swedish Securities Council's statement 2012:05, this divestment is a related-party transaction that is to be subject to the approval of the Annual General Meeting of Nobia.

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The Board of Directors' complete proposal regarding the distribution of profit and the Board of Directors' statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act according to item 10, the proposal regarding remuneration guidelines and other employment conditions for the Group management according to item 15, the proposal regarding the performance share plan and sales of treasury shares according to item 16, the proposal regarding authorisation for the Board of Directors to acquire and sell treasury shares and the Board of Directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act according to item 17, complete documentation regarding the divestment of Optifit and Marlin according to item 18 and the annual accounts according to item 7 above, will be available at the company's office at Klarabergsviadukten 70, A5, SE-107 24 Stockholm and on the company's website [www.nobia.com](http://www.nobia.com) from 21 March 2013. These documents will also be sent to shareholders who so request and inform the company of their postal address. The Board of Directors' complete proposal regarding item 16 will also automatically be sent to all shareholders who have notified the company of their participation in the Annual General Meeting and have informed the company of their postal address.

Information about all of the members proposed to comprise Nobia's Board of Directors and the Nomination Committee's complete proposals, explanatory statement regarding the proposal to the Board and report on work prior to the Annual General Meeting are available on the company's website [www.nobia.com](http://www.nobia.com).

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Stockholm, March 2013  
**Nobia AB (publ)**  
*Board of Directors*