



Comprehensive proposals by the board of directors for AddLife AB (publ) for resolutions at the Annual General Meeting to be held 7 May 2020

9b. Resolution with respect to disposition of the Company's earnings according to the adopted balance sheet

The board of directors proposes that the profits are allocated so that SEK 1,025.1 million (605.6) are balanced on a new account.

This means that the board of directors proposes that no dividend be paid to the shareholders.

15. Resolution with respect to guidelines for remuneration to members of senior management

The board of directors proposes guidelines for determining remuneration to the CEO and other members of senior management. The guidelines also include any remuneration to Board members in addition to the Board fees.

The guidelines apply to remuneration agreed after the Annual General Meeting 2020 and amendments to agreed remuneration made thereafter. The guidelines do not apply to remuneration resolved by the general meeting. For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines. The provisions regarding the Company also apply to the Group where appropriate.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that AddLife offers competitive remuneration. Total remuneration should be on market terms and competitive and relate to responsibility and authority.

Types of remuneration, etc.

Remuneration shall be on market terms and may consist of the following components: fixed salary, any variable salary according to separate agreements, pension and other benefits. The general meeting can also, irrespective of these guidelines, resolve on, among other things, share and share price-related remuneration.

Fixed salary

The fixed salary shall consist of fixed cash salary and be reviewed annually. The fixed salary shall be competitive and reflect the position requirements with respect to qualifications, responsibilities, complexity and the manner in which it serves to reach the business objectives. The fixed salary shall also reflect the performance of the senior executive and thus be individual and differentiated.

Variable salary

In addition to fixed salary, the CEO and other senior executives may, according to separate agreements, receive variable salary when fulfilling agreed performance criteria. Any variable salary shall consist of an annual variable cash salary and may amount to a maximum of 40 percent of the



fixed annual salary. The variable salary shall be linked to one or several predetermined and measurable criteria, which can be financial, such as consolidated earnings growth, profitability and cash flow, or non-financial, such as individual goals designed to promote the Company's business strategy and longterm interests. Because the goals link the senior executives' remuneration to the Company's earnings, they promote implementation of the Company's business strategy, long-term interests and competitiveness. The terms and bases of calculation for variable remuneration shall be determined annually. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The extent to which the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The Board is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other senior executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the Company. The terms for variable remuneration shall be designed so that the Board of Directors, under exceptional financial conditions, may limit or refuse to pay variable remuneration if such a measure is deemed reasonable. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Pension

For the CEO, pension benefits, including health insurance, shall be defined contribution with premiums not exceeding 30 percent of the fixed annual salary. For other senior executives, pension benefits, including health insurance (Swedish sjukförsäkring), shall be defined contribution unless the senior executive is subject to defined benefit pension under mandatory collective agreement provisions. Premiums for defined contribution pensions are to be in the form of the Swedish alternative ITP plan, according to a "premium ladder" as stated in AddLife's pension policy, or premiums are not to exceed 30 percent of the fixed annual salary. Variable remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions applicable to the senior executive (applies to Sweden and defined contribution pension).

Other benefits

Other benefits, which may include, for example, company car, travel benefits, cleaning benefits and health insurance, shall be on market terms and only constitute a limited part of the total remuneration. Premiums and other costs associated with such benefits may amount to a maximum of 10 percent of the fixed annual salary.

Termination of employment

For the CEO and other members of Group Management, the notice period shall be six months in case of termination by the senior executive. In case of termination by the Company the maximum notice period shall be 12 months. In case of termination by the Company, severance pay may be payable in an amount corresponding to a maximum of twelve months' fixed salary less any remuneration received from new employments or assignments. Employees who give notice to terminate employment are not entitled to severance pay. Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed salary at the time of termination of employment and amount to not more

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than 60 percent of the fixed salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, however not for more than 24 months following termination of employment.

Fees to Board members

AddLife's members elected by the general meeting may, in specific cases and for limited time, be remunerated for services beyond Board work within their respective areas of expertise. A fee on market terms for these services (including services rendered by a Company wholly owned by a Board member) shall be paid, provided that such services contribute to the implementation of AddLife's business strategy and long-term interests, including its sustainability. Such consultant's fee may, for each Board member, in no case exceed twice the annual Directors' fee.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Preparation and decision-making process

The Board of Directors has established a Remuneration Committee. The Committee's duties include preparing principles for remuneration to Group Management and the Board of Directors' decision to propose guidelines for remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting for resolution. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to Group Management, the application of the guidelines to senior executives as well as the current remuneration structures and compensation levels in the Company. Remuneration to the CEO shall be decided by the Board of Directors in line with approved policies following preparation and recommendation by the Remuneration Committee. Remuneration to other senior executives shall be decided by the CEO in line with approved policies and after consultation with the Remuneration Committee. The CEO and other members of Group Management do not participate in the Board of Directors' discussions and decisions on remuneration-related matters that pertain to them.

Derogation from these guidelines

The Board of Directors may decide to derogate from these guidelines, in whole or in part, if in a specific case there is special cause and such a derogation is necessary to safeguard the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee's duties include preparing the Board of Directors' decisions on remuneration matters, including decisions to derogate from these guidelines.

Information on previously decided long term variable remuneration that has not yet become due for payment

On 10 June 2019, new rules were introduced in the Swedish Companies Act, including regarding the formulation of the remuneration guidelines. According to the transitional provisions to the new rules, the proposal for compensation guidelines must contain information on previously decided benefits that have not yet been paid. In addition to the commitments to pay ongoing remuneration such as salary, pension and other benefits, there are no previously decided remuneration to any senior executives who have not been due for payment. For further information



on remuneration to senior executives, see Note 7 in the annual report.

The above guidelines are a full statement to the proposal for a decision at the Annual General Meeting

16. Resolution regarding issuing of call options for repurchased shares and the transfer of repurchased shares to management personnel (the “2020 Share-Related Incentive Scheme”)

The board of directors proposes that the Annual General Meeting resolves to adopt a long-term incentive scheme, the 2020 Share-Related Incentive Scheme (the “Scheme”). The Scheme is proposed to include approximately 45 members of management personnel within the AddLife Group in which the participants are being given the opportunity to acquire, at market price, call options of class B shares in the Company repurchased by the Company, with the participants receiving a certain subsidy on premiums paid for the options after two years.

The proposal of the board of directors also involves the Annual General Meeting approving the Company transferring – with deviation from the shareholders’ preferential rights – up to 250,000 of the Company’s repurchased class B shares to the option holders at the agreed exercise price in connection with any exercise of the call options (subject to any recalculations).

This proposal has been prepared by the Company’s remuneration committee in consultation with the Company’s board of directors. The decision to propose the Scheme to the Annual General Meeting has been taken by the board of directors. The Company’s board members are not included in the Scheme.

The Scheme involves the following main terms and conditions:

- a) The number of call options to be issued shall not exceed 250,000, corresponding to approximately 0.9 percent of the total number of shares and approximately 0.6 percent of the total number of votes in the Company (by the Company held shares included). Each call option entitles the holder to acquire one (1) repurchased class B share (“Share”) in the Company during the period from 19 June 2023 to 28 February 2024. Shares may not, however, be purchased during any such period when trading in the Company’s shares is forbidden in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 2014 on market abuse (market abuse regulation) or any other equivalent legislation which applies at any given time.
- b) The purchase price for Shares (“Exercise price”) on exercising options shall correspond to 120 percent of the volume-weighted average of the price paid for the Company’s Share on the Nasdaq Stockholm during the period from 8 May 2020 to 25 May 2020. If the stock price of the Company’s Share of Series B at the time the call option is claimed exceeds 170 percent of the average price during the period 10 May 2019 through 23 May 2019, then the exercise price will increase krona for krona by the amount of more than 170 percent.
- c) The right to acquire call options shall be granted to the Group Management and approximately 40 members of management within the AddLife Group who are directly able to have an impact on the Group’s profits. The President/CEO shall be offered a maximum of 30,000 call options, and other Group management personnel shall be offered a maximum of 20,000 call options per individual person and other management personnel will be divided into four different categories, in which individuals will be offered a maximum of 12,000 call options.



- d) If persons who are entitled to an allocation refrain in full or in part from acquiring call options offered to them, such unacquired call options shall be divided on a pro rata basis between those persons who are entitled to an allocation and who have expressed their interest in acquiring additional call options in writing. Persons who are entitled to an allocation may not come to acquire more than an additional 30 percent of the original number of call options offered in this manner.
- e) The board of directors shall establish with final effect the distribution of call options according to the principles outlined in items c) and d) above, and the number of call options the employees within each category shall be offered to acquire.
- f) Notice of acquiring call options must be given no later than 5 June 2020.
- g) The premium for the call options shall correspond to the market value of the call options as per an external independent valuation, applying the Black & Scholes model. The measuring period for calculating the option premium shall be based on the volume weighted average of the price paid for the Company's Share on Nasdaq Stockholm during the period from 15 May 2020 to 25 May 2020.
- h) Issuing of call options to employees outside Sweden is dependent on tax effects, there being no legal impediment, and that the board of directors deems that such allocation can be carried out with reasonable administrative and financial resources. The board of directors shall be entitled to make such minor amendments to the Scheme as required by applicable foreign legislation and regulations.
- i) The call options are freely transferable.
- j) The number of Shares which the call options bring entitlement to acquire and the exercise price may be recalculated as a result of e.g. bonus issues, share consolidations or splits, new issues, a reduction in the share capital or similar actions. The point in time at which Shares are transferred may be brought forward as a result of any merger or similar actions.
- k) In order to encourage participation in the Scheme, a subsidy may be paid corresponding to the premium paid for each call option. This subsidy will in this case be paid during May 2022.
- l) If the holder of the call options do not wish to exercise all of the call options and give a notice to the Company of this, the Company has a right to repurchase the call options from the holder. Acquisition of call options shall be made to a price that at any time corresponds to at the maximum the market price. Repurchase of call options may not, however, be made during any such period when trading in the Company's shares is forbidden in accordance with article 19 in Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 2014 on market abuse (market abuse regulation) or any other equivalent legislation which applies at any given time.
- m) Within the constraints of the above terms, conditions and guidelines, the board of directors shall be responsible for the further formulation and administration of the Scheme.

The costs of the Scheme consist of the subsidy paid during May 2022 as detailed above and the social security charges payable on this subsidy. The total cost of the subsidy, including social security charges, has been estimated at approximately SEK 5.7 million after corporation tax (calculated based on the prevailing market conditions on 1 April 2020). Against this subsidy, the option premium corresponds to a total of approximately SEK 5.5 million (calculated based on the prevailing market conditions on 1 April 2020) which the Company will receive on transferring the call options, as a result of which the Scheme will not involve any net charge to the Company's equity.

The reason for allowing deviations from the shareholders' preferential rights and the board's reasons for carrying out this Scheme are that senior management in the AddLife Group should be able to benefit from and strive for, through their own investment, an increase in the price of the Company's shares, thus more closely aligning the interests of senior managers and shareholders in the Company.

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The intention of the Scheme is also to contribute towards management personnel increasing their shareholdings in the Company in the long term. The Scheme is also expected to create the right conditions for retaining and recruiting skilled personnel for the AddLife Group, to provide competitive remuneration and to align the interests of the shareholders and management. Those members of management included in the Scheme are the group who, in an otherwise heavily decentralised organisation, are able to have a positive impact on profits through cooperation between the Group's subsidiaries. On the basis of this, the board of directors believes that the introduction of the Scheme will have a positive effect on the continued development of the AddLife Group, and that the Scheme will benefit both the shareholders and the Company.

The Company has since earlier other long-term incentive schemes, the 2017, 2018 and 2019 Share-related Incentive Scheme.

In the 2017 scheme are 215,000 call options outstanding which entitles to acquisition of 225,750 Shares in the Company. The exercise price for these call options are fixed to SEK 212.70 per Share and the exercise period covers the period from 16 June 2020 to 28 February 2021.

In the 2018 scheme are 170,000 call options outstanding which entitles to acquisition of 178,500 Shares in the Company. The exercise price for these call options are fixed to SEK 224.10 per Share and the exercise period covers the period from 16 June 2021 to 28 February 2022.

In the 2019 scheme are 215,000 call options outstanding which entitles to acquisition of 215,000 Shares in the Company. The exercise price for these call options are fixed to SEK 306.20 per Share and the exercise period covers the period from 20 June 2022 to 28 February 2023.

All 619,250 underlying Shares in the Company in outstanding call options corresponds in total to already repurchased Shares in the Company.

The resolution proposed by the board of directors in accordance with point 16 must be approved by shareholders representing not less than nine tenths of the votes cast and shares represented at the Annual General Meeting.

17. Resolution regarding authorization for the board of directors to decide on the purchase and transfer of own shares

The board of directors proposes that the Annual General Meeting resolves to authorize the board of directors to decide – during the period until the next following Annual General Meeting – to repurchase up to the maximum number of class B shares so that the Company's holding of own shares at any given time does not exceed 10 percent of the total number of shares in the Company. Purchases shall be made on the Nasdaq Stockholm at a price within the price range registered at any given time, which is the interval between the highest purchase price and the lowest sale price. Purchase shall be done against payment in cash and may be done at one or several occasions.

The board of directors further proposes that the Annual General Meeting authorizes the board of directors – during the period until the next Annual General Meeting – to sell its own shares of class B in ways other than on the Nasdaq Stockholm. The authorization may be exercised on one or more occasions and includes all shares held in treasury by the Company at the time of the decision of the board of directors. The authorization includes a right to decide to deviate from shareholders' preferential rights and that payment may be effected in forms other than money.

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The purpose of the authorization is to enable the Group's capital structure to be adjusted as well as to enable companies or business operations to be acquired in future through payment with own shares. Through holding of own shares, the Company's commitment in the share-related incentive scheme that was decided on the annual general meeting 2017, 2018 and 2019 and the share-related incentive scheme as proposed above according to item 16 are secured.

The resolution proposed by the board of directors in accordance with item 17 must be approved by shareholders representing not less than two thirds of the votes cast and shares represented at the Annual General Meeting.

18. Resolution regarding authorization for the board of directors to resolve on a new issue of up to 10 percent of the number of B-shares as means of payment during acquisitions

With the purpose of enabling more company acquisitions, the board of directors proposes that the Annual General Meeting resolve to authorize the board of directors – during the period until the next following Annual General Meeting – to decide on the issue of new shares, on one or more occasions, in deviation from shareholders' preferential rights, against payment by set-off or with non-cash consideration. However, such issues may not cause the Company's registered share capital or the number of shares in the Company to increase by more than a total of 10 percent, based on the Company's registered share capital or the number of shares prior to exercise of the authorization. Set-off shall only be possible against claims in connection with payment for shares in companies acquired by the Company. Issues shall take place on market-related terms and conditions.

The resolution proposed by the board of directors in accordance with item 18 must be approved by shareholders representing not less than two thirds of the votes cast and shares represented at the Annual General Meeting.

19. Resolution regarding share split and related amendment to the Article of Association

In order to obtain a suitable number of shares for the Company, the Board of Directors proposes that the Annual General Meeting resolves to:

- a) the number of shares in the Company is increased by dividing each share, regardless of series, into four (4) shares (so-called split), increasing the number of shares in the Company to 114,498,292, of which 4,625,216 shares of Series A and 109,873,076 shares of Series B, each share with a quotient value of approximately SEK 0.51,
- b) § 5 of the Articles of Association on the number of shares is amended as follows:
"The number of shares shall be not less than sixty million (60,000,000) and not more than two hundred and forty million (240,000,000)."
- c) authorize the Board to decide on the record date for the split and to take the other measures required to carry out the split; and
- d) the board, or that the board appoints, shall have the right to make any adjustments in the decision required for registration with the Swedish Companies Registration Office or for Euroclear Sweden AB's handling.

The reasons for the proposals are that the Board wishes to increase the liquidity of the Company's shares, as a larger number of shares and a lower price of the share facilitate the sale of the Company's shares.

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The resolution proposed by the board of directors regarding amendments to the Articles of Association must be approved by shareholders representing not less than two thirds of the votes cast and shares represented at the Annual General Meeting.

Stockholm, April 2020

The board of directors

AddLife AB (publ)