

# Notification of the Annual General Meeting in Bilia AB

The shareholders of Bilia AB (publ) are hereby given notice of the Annual General Meeting to be held at 2 p.m. on Friday, 17 April 2020, at the IVA Conference Center, Grev Turegatan 16, Stockholm. Registration starts at 1 p.m. CET.

## Participation

Shareholders wishing to participate in the AGM must:

- be registered in the share register kept by Euroclear Sweden AB on Thursday, April 9, 2020, and
- notify Bilia AB of their intention to attend not later than on Thursday, April 9, 2020.

Notification can be made either:

- by telephone at +46 10 497 73 04 (or +46 10 497 70 00)
- by mail to Bilia AB, Box 9003, SE-400 91 Gothenburg, Sweden, or
- via Bilia's website [www.bilia.com](http://www.bilia.com) (does not apply to legal entities).

At notification, the following information is required:

- name,
- personal or corporate identity number,
- address and telephone number, and
- number of assistants.

A confirmation of participation will be sent to shareholders who have given notice of their attendance to be brought to the meeting by the shareholder.

## Nominee-registered shares

Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must temporarily register the shares in their own name with Euroclear Sweden AB in order to be entitled to participate in the AGM. Such re-registration must be completed no later than on Thursday, April 9, 2020, which means that shareholders must inform their nominees well in advance of this date.

## Proxies

Shareholders who are represented by a proxy shall issue a written and dated power of attorney for the proxy. The power of attorney may not be valid for longer than five years from the date of issue. The form to use for a power of attorney is found on Bilia AB's website, [www.bilia.com](http://www.bilia.com). The original power of attorney should be sent to Bilia AB under the above address well in advance of the AGM. If the power of attorney is issued by a legal entity, a verified copy of the certificate of registration or a corresponding document of authority of the legal entity shall be attached.

## Proposed agenda

- 1 Opening of the meeting
- 2 Election of chairman for the meeting
- 3 Preparation and approval of the voting list
- 4 Approval of the agenda for the meeting
- 5 Election of one or two persons to verify the minutes
- 6 Determination of whether the meeting has been duly convened
- 7 Information from Managing Director
- 8 Presentation of Bilia AB's annual report, the auditor's report, the consolidated accounts and the auditor's report on the consolidated accounts for the financial year 2019
- 9 Resolution on the adoption of the profit and loss statement and the balance sheet, the consolidated profit and loss statement and the consolidated balance sheet for the group, all per 31 December 2019
- 10 Resolution on the appropriation of the profit in accordance with the approved balance sheet
- 11 Resolution on the discharge of liability for the members of the Board of Directors and the Managing Director
- 12 Determination of the number of Board members to be elected by the meeting
- 13 Determination of fees for the Board of Directors
- 14 Election of the members of the Board of Directors and the Chairman of the Board
- 15 Determination of fees payable to the auditor and election of auditor
- 16 Guidelines for remuneration to the Group Management
- 17 Resolution on the amendment of the articles of association
- 18 Authorisation for the Board of Directors to decide on acquisition and transfer of own shares
- 19 Other business
- 20 Conclusion of the meeting

## The Nomination Committee's Proposal for Resolutions (items 2 and 12–15)

The Nomination Committee consists of Tim Floderus (Investment AB Öresund, chairman), Evert Carlsson (Swedbank Robur Fonder), Hans Ek (SEB Investment Management) and Mats Qviberg (Qviberg family, chairman of the Board). The Nomination Committee proposes the following.

- (2) Election of Mats Qviberg as chairman of the AGM.
  
- (12) 9 ordinary Board members without deputy members.
  
- (13) It is proposed that a fee of SEK 400,000 be paid to the Chairman of the Board and SEK 400,000 to the Deputy Chairman. It is proposed that the other Board members receive SEK 250,000 each. Further, it is proposed that the chairman of the Audit Committee receives SEK 200,000 and that the members of the Audit Committee receive SEK 100,000 each. It is proposed that the chairman of the Compensation and Property Committee receive SEK 50,000 each and that the members of the Compensation Committee and Property Committee receive SEK 25,000 each.  

The above fee proposal entails an increase compared to last year of SEK 40,000 each for the Chairman and Deputy Chairman of the Board and of SEK 20,000 each for the other Board members. The proposal further entails an increase of the fee to the chairman of the Audit Committee of SEK 80,000 and of SEK 40,000 each to the other members of the Audit Committee and an increase of SEK 25,000 for the chairman of the Compensation Committee and of SEK 15,000 each for the other members of the Compensation Committee.
  
- (14) The Nomination Committee notes that Jack Forsgren has declined re-election and proposes re-election of the following members: Ingrid Jonasson Blank, Gunnar Blomkvist, Anna Engebretsen, Eva Eriksson, Mats Holgerson, Jan Pettersson, Nicklas Paulson, Mats Qviberg and Jon Risfelt. More information regarding the proposed Board members is available at [www.bilia.com](http://www.bilia.com) and in the Nomination Committee's motivated statement.  

Re-election of Mats Qviberg as Chairman of the Board with Jan Pettersson as deputy Chairman.
  
- (15) Fees to auditors shall be paid as billed, upon approval.  

Re-election of the registered auditing company KPMG AB for the period until the end of the AGM 2021.

## The Board of Directors' Proposals for Resolutions

### Dividend (item 10)

The Board of Directors propose a dividend to the shareholders of SEK 5.25 (4.75) per share, divided into two payment occasions. At the first payment occasion SEK 2,75 will be paid with record date on Tuesday, April 21 2020, and at the second payment occasion SEK 2.50 will be paid with record date on Tuesday, October 20 2020. Should the AGM decide in favour of the proposal, payment of the dividend is expected to be made by Euroclear Sweden AB on Friday, April 24 2020, for the first payment and on Friday, October 23 2020, for the second payment.

### Guidelines for remuneration to the Group Management (item 16)

The Board of Directors proposes that the Meeting adopts the following guidelines for remuneration to the Managing Director and other members of the Group Management, to be valid for the period until the AGM 2024.

The guidelines are to be applied to remuneration agreed, and changes in previously agreed remuneration, after the guidelines have been adopted by the 2020 AGM. The guidelines do not cover remuneration decided by the General Meeting of Shareholders. As regards employment conditions subject to rules other than Swedish ones, appropriate adaptations may be made to comply with such mandatory rules or fixed local practice, whereby the general object of these guidelines should be accommodated as far as possible.

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

Successful implementation of the Company's business strategy and safeguarding the Company's long-term interests and sustainability presuppose that the Company can recruit and retain qualified employees. To achieve this, the Company must be able to offer competitive remuneration. These guidelines make it possible for the Company to offer senior officers a competitive level of overall remuneration. The aim of variable salary components covered by these guidelines is to promote the Company's business strategy, long-term interests and sustainability. For information about the Company's business strategy, please go to Bilias website at [www.bilia.com](http://www.bilia.com).

The Company has set up a long-term incentive programme in the form of a share savings programme. This was resolved by the General Meeting of Shareholders and is therefore not covered by these guidelines. The programme encompasses senior officers and other key persons in the Group. The performance requirements used to assess the outcome of the programme have a clear link to the business strategy, and thus to the Company's long-term sustainable value creation. These performance requirements include total shareholder return and earnings per share. The programme also stipulates requirements on personal investment and several-year share retention. For further information about this programme, including the criteria upon which the outcome is dependent, go to [www.bilia.com](http://www.bilia.com) (under The Company, menu header Corporate Governance, Incentive Programme).

## **Forms of remuneration**

Remuneration shall be at market terms and may be comprised of the following components: basic salary, variable salary, pension benefits and other benefits. The General Meeting of Shareholders may, in addition – and independent of these guidelines – decide on e.g. share and share-price related remuneration.

### ***Basic salary***

Basic salary shall be set considering level of expertise, area of responsibility, experience and performance.

### ***Variable salary***

In addition to basic salary, senior officers may receive variable salary. Variable salary shall be linked to pre-determined, measurable criteria which may be financial – such as profit before tax, turnover rate on capital employed and/or working capital, and the rate of used-car turnover – or non-financial, such as customer satisfaction or goals and targets related to the Company's sustainability strategy. The criteria shall be established on an annual basis by the Board of Directors. Because the goals link variable salary to the Company's results and sustainability, they promote the Company's business strategy, long-term interests and sustainability. Variable salary shall primarily be based on accomplishment of the Group's, and where applicable subsidiaries', results-based targets, and to a limited extent on individual financial goals. The measurement period is one year, and variable salary may amount to a maximum of 60 per cent of basic salary for the MD and a maximum of 50 per cent for other senior officers.

After the measurement period for achieving variable-salary criteria has ended, an assessment shall be made of the extent to which the criteria have been met. The Compensation Committee shall monitor and assess variable salary for the MD and other senior officers in the Group Management. Financial targets for variable salary shall be assessed based on the Company's most recently published financial information.

The Company is not able contractually to reclaim variable salary.

### ***Pension and other benefits***

The retirement age for members of the Group Management shall be 65 years. Variable salary shall be pensionable. For the MD and Deputy MD pension benefits, including health insurance, shall be defined-contribution benefits and shall amount to a maximum of 35 and 32 per cent respectively of the pensionable salary. For other senior officers pension benefits, including health insurance, shall be defined-contribution benefits unless otherwise stipulated in mandatory collective agreements. In addition, these senior officers shall be entitled to a supplementary retirement pension. Other benefits shall be limited in scope and may, for instance, include medical insurance and car benefit.

### **Cessation of employment**

In the case of the Company terminating an employment contract, the period of notice shall be a maximum of 12 months. Basic salary and severance pay during the period of notice may not jointly exceed an amount equivalent to the basic salary for two years, minus any income from other employment during the last 12 months.

In the case of a senior officer terminating an employment contract, the period of notice shall be a maximum of 12 months for the MD and a maximum of 6 months for other senior officers, with no entitlement to severance pay.

### **Salary and employment terms for employees**

In drafting the Board of Directors' proposal for these remuneration guidelines, the Company employees' salary and employment terms have been taken into account in that employees' overall remuneration, remuneration components and increase/rate of increase in remuneration over time have been considered by the Compensation Committee and the Board when assessing the reasonableness of the guidelines and the limitations that follow from them.

### **The decision process for establishing, reviewing and implementing the guidelines**

The Board of Directors has a Compensation Committee, whose tasks include drafting the Board's decisions on proposed guidelines on remuneration for senior officers. The Board of Directors shall prepare a proposal of new guidelines at least every four years, and submit it to the AGM. The guidelines shall apply until new guidelines have been adopted by the General Meeting of Shareholders. In addition, the Compensation Committee shall monitor and evaluate programmes regarding variable remuneration for the executive management, the application of guidelines on remuneration for senior officers and prevailing remuneration structures and remuneration levels in the Company. The majority of the Compensation Committee's members are independent in relation to the Company and the executive management. The MD and other executive management members do not attend Board discussions and decisions on remuneration-related matters, to the extent that they are affected by them.

### **Deviation from the guidelines**

The Board of Directors may resolve to temporarily deviate from the guidelines, in whole or in part, if there are special reasons for this in an individual case, and if such a deviation is necessary to safeguard the Company's long-term interests and sustainability, or to assure the Company's economic viability. As stated above, the Compensation Committee's tasks include preparing the Board's resolutions on remuneration-related matters, which includes decisions on deviation from the guidelines.

### **Information on remuneration that has been resolved but not yet fallen due for payment, and on deviations from the remuneration guidelines decided at the 2019 AGM**

Other than the obligation to pay ongoing remuneration such as salaries, pension and other benefits, there is no previously resolved remuneration to any senior officer that has not fallen due for payment. For further information on remuneration to senior officers, please see Note 8 of the Annual Report. There have been no deviations from the terms adopted at the 2019 AGM.

### **Proposed amendment to the Articles of Association (item 17)**

The Board of Directors proposes that the AGM decide on the following amendment to the Articles of Association.

#### § 10 Current wording

Shareholders wishing to participate in the proceedings at a General Meeting of Shareholders shall be listed in a printout or other presentation of the whole share register referred to in Chapter 7, Section 28, paragraph 3 of the Swedish Companies Act (2005:551) representing the situation five weekdays prior to the General Meeting and notify the company by not later than the date stipulated in the notice convening the meeting. The latter date may not be a Sunday or other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday prior to the meeting.

#### § 10 Proposed new wording

A shareholder may only participate in the General Meeting of Shareholders provided that the shareholder notifies the company of this no later than the date stipulated in the notice convening the meeting. This day may not be a Sunday or other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday prior to the meeting.

This amendment is proposed to comply with legislative changes in the Companies Act expected to take effect in September 2020 relating to a new record date prior to General Meetings of Shareholders. The proposed new Articles of Association will be available in their entirety, as outlined under 'Further information' below.

#### **Authorisation for the Board of Directors to make decisions on acquisition or transfer of own shares (item 18)**

The Board of Directors proposes that the AGM authorise the Board to make decisions on the acquisition and transfer of its own shares. The purpose of the authorisation is to give the Board greater latitude in its work with the Company's capital structure, or where deemed appropriate to enable the acquisition of operations by payment with the Company's shares, or to increase liquidity in the Company's share. The Board deems that from a shareholder perspective, own shares may be an appropriate means of payment (whole or partial) in connection with company acquisitions, at which time the shareholders' preferential rights must, for obvious reasons, be waived. The Board's proposal entails the following:

**Acquisitions:** On one or more occasions prior to the 2021 AGM, the Board of Directors shall be able to decide on the acquisition of as many shares that the Company's own holding can never at any given point exceed one-tenth of the number of issued shares in the Company. The purchase price of the shares shall be at market terms and repurchasing shall be possible by cash purchase on Nasdaq Stockholm at the registered price range on each occasion and in line with prevailing regulations.

**Transfer:** On one or more occasions prior to the 2021 AGM, the Board shall be able to decide on the transfer of all or part of the own shares that the Company holds at any given time. Transfer shall be possible by deviation from the shareholders' preferential right at a price equal to the current share price, or equal to an average of the current share price for a maximum of 10 trading days in connection with the transfer, and with a deviation of no more than 10 per cent. The shares may be transferred on Nasdaq Stockholm, or the shares may be used as a means of payment in connection with a company acquisition.

### **Shareholders' right to request disclosures**

Shareholders are entitled to ask the Board of Directors and the MD at the AGM to disclose information regarding circumstances that may impact on the assessment of a point on the agenda, and circumstances that may impact on the assessment of the Company's or the Group's financial situation. The Board of Directors and the MD shall disclose such information provided the Board deems this can be done without material damage to the Company.

### **Processing of personal data**

Personal data relating to shareholders retrieved from the share register, application to take part in the AGM and details of proxies and assistants will be used for purposes of registration, and preparation of a voting list for the AGM and, where applicable, minutes from the AGM. For further information about the way Bilia uses personal data, please go to [www.bilia.com](http://www.bilia.com), menu header The Company, and then Privacy policy.

### **Further information**

The Annual Report, auditor's report, auditor's statement on application of guidelines for remuneration to the Group Management and other documents to be provided prior to the AGM under the Swedish Companies Act and the Swedish Corporate Governance Code will be available at Bilia at Norra Långebergsgatan 3 in Gothenburg, and at [www.bilia.com](http://www.bilia.com) (menu header The Company – Corporate Governance – General Meeting) no later than 27 March 2020, and will be sent to shareholders who so request and provide their postal address. The documents will also be available at the general meeting.

The total number of shares and votes in the company at the time of issue of this notice is 102,799,952. All issued Bilia shares are of Series A. Bilia holds 2,666,210 own shares.

Gothenburg, March 2020

The Board of Directors

### **For information please contact:**

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### **Facts about the Bilia Group**

Bilia is one of Europe's largest car chains with a leading position within service and sales of cars and transport vehicles. Bilia has 136 facilities in Sweden, Norway, Germany, Luxembourg and Belgium. Bilia sells cars of the brand Volvo, BMW, Toyota, Renault, Lexus, MINI, Dacia, Alpine and transport vehicles of the brand Renault, Toyota and Dacia.

Bilia has today a fully expanded business with sales of new cars, e-commerce, spare parts and store sales, service and repair workshops, tyres and car glass and financing, insurance, car washes, fuel stations and auto salvage under the same roof, which gives a unique offer.

Bilia reported a turnover of SEK 29.5 bn in 2019 and had 4,978 employees.