

## **Notice of annual general meeting in Haldex Aktiebolag (publ)**

**The shareholders of Haldex Aktiebolag (publ) are hereby invited to attend the Annual General Meeting to be held at 15:00 on 24 May 2022.**

**Location: Elite Hotel Stockholm Plaza, Birger Jarlsgatan 29, Stockholm**

**Registration from 14:30**

### **A. RIGHT TO ATTEND THE GENERAL MEETING**

Shareholders who wish to attend the general meeting must

- i. be included in the share register maintained by Euroclear Sweden AB, on 16 May 2022, and
- ii. notify the company of its intention to attend the general meeting by 18 May 2022, by:
  - Mail: Haldex AB, Notice AGM, Box 507, 261 24 Landskrona, Sweden;
  - Telephone: +46 418-47 60 00; or
  - E-mail: [ir@haldex.com](mailto:ir@haldex.com).

On giving notice of the attendance, the shareholder must state the shareholder's name, address, telephone number and personal identity number (or corporate identity number) and where applicable, the representative or advisors (not more than 2).

In order to participate in the annual general meeting, shareholders with nominee registered shares must request their bank or broker to have their shares owner registered with Euroclear Sweden AB. Such registration must be made by 18 May 2022. The registration can be temporary.

Powers of attorney, certificates of registration and other authorization documents must be available at the general meeting and are preferably provided to the company no later than 18 May 2022 to facilitate the entry at the general meeting. The power of attorney must not be older than one year, unless it is stated in the power of attorney that it is issued for a longer period of time (not more than five years from the effective date). A proxy form is available on the company's website, [www.haldex.com/en/corporate](http://www.haldex.com/en/corporate).

### **B. AGENDA**

#### **Proposal for agenda**

1. Opening of the general meeting and election of chairman at the general meeting.
2. Drawing up and approval of the voting list.
3. Election of two persons to verify the minutes.
4. Determination of whether the general meeting has been properly convened.
5. Approval of the agenda.
6. Presentation of the annual report and the audit report and the consolidated financial statements and the audit report on the consolidated financial statements.
7. Resolutions on
  - a. adoption of the profit and loss account and the balance sheet and the consolidated profit and loss account and the consolidated balance sheet,
  - b. discharge of liability for members of the board of directors and the managing director the financial year 2021, and
  - c. allocation of the company's profit according to the adopted balance sheet and determination of the record date for receipt of dividend.

8. Determination of the number of directors and auditors.
9. Determination of fees to the directors.
10. Determination of fees to the auditor.
11. Election of directors and chairman of the board
12. Election of auditor.
13. Approval of the board of directors' Remuneration Report 2021.
14. Resolution on the establishment of a long-term bonus program.
15. Confirmation of 2021 LTI allotment.
16. Proposal by a shareholder regarding the establishment of an integration institute.
17. Closing of the general meeting.

## **Proposals**

### **Item 1: Election of chairman of the meeting**

The Nomination Committee proposes that the Chairman of the board of directors, Håkan Karlsson, to be elected Chairman at the Annual General Meeting

### **Item 7c: Resolution for allocation of the company's profit according to the adopted balance sheet**

The board of directors proposes that no dividend will be paid and that the general meeting resolves that the accrued profits will be carried forward.

### **Item 8: Determining the number of board members and auditors**

The Nomination committee proposes that the board of directors consists of six members elected by the Annual General Meeting and proposes that the company have an auditing company as auditor in accordance with the Audit Committee's recommendation.

### **Item 9: Determining on fees to the directors**

The Nomination Committee proposes the following fees to the board of directors for the period until the next Annual General Meeting:

- a. SEK 770,000 to the Chairman of the board and SEK 330,000 to each of the other directors of the board appointed by the Annual General Meeting and who are not an employee of the company;
- b. SEK 100,000 to the chairman of the audit committee and SEK 50,000 to each of the other members of the audit committee; and
- c. SEK 50,000 to the chairman of the remuneration committee and SEK 25,000 to each of the other members of the remuneration committee.

Proposal a) involve a 10% increase all other proposals involve unchanged fees.

### **Item 10: Determining on fees to the auditor**

The Nomination Committee proposes that fees to the auditor be paid in accordance with approved invoices, for the period until the next Annual General Meeting.

### **Item 11: Election of directors and Chairman of the Board**

The Nomination Committee proposes that the following individuals are elected as directors of the board for the period until the next Annual General Meeting:

- a. re-election of Håkan Karlsson, Stefan Charette, Viveka Ekberg, Catharina Modahl Nilsson, Detlef Borghardt and Dzeki Mackinovski; and
- b. re-election of Håkan Karlsson as Chairman of the board of directors.

**Item 12: Election of auditor**

The Nomination Committee proposes a re-election of the auditing company Öhrlings PricewaterhouseCoopers AB (PwC) in accordance with the audit committee's recommendation. PwC has announced that PwC intends to appoint the authorized public accountant Eric Salander as the principal auditor

**Item 13: Approval of the Board's Remuneration Report 2021**

The Board of Directors proposes that the Annual General Meeting approve the board of directors' remuneration report on remuneration to senior executives in 2021.

**Item 14: Proposed resolution on the establishment of a long-term bonus program**

The board of directors proposes that the Annual General Meeting resolves to implement a long-term bonus program (the "LTI Bonus") in accordance with the terms and conditions set out below.

***Preparation and administration of the LTI Bonus***

Haldex's remuneration committee has prepared the proposal for the LTI Bonus in consultation with external advisors and major shareholders. The LTI has been discussed at board meetings during the fourth quarter of 2021 and first quarter of 2022. The board of directors or the remuneration committee shall be responsible for preparing the detailed terms and conditions of the LTI Bonus in accordance with the terms and guidelines resolved on by the annual general meeting.

***Objectives of the LTI Bonus***

The main objective of the LTI Bonus is to, by promoting a common interest between the participants and Haldex as well as creating conditions to retain key competences, strengthen Haldex's financial development. The board of directors believes that the LTI Bonus will have a positive effect on the group's long-term growth as well as the participant's long-term commitment to Haldex's development through a long-term shareholding in Haldex and will thus be beneficial to both the shareholders and Haldex. The long-term objective of the LTI Bonus is reflected in the agreement with the participant of the LTI Bonus.

***Participants and bonus levels***

Participants in the LTI Bonus are up to 26 key employees, including members of the executive management, in Haldex, as selected by the board of directors. On the main terms and conditions presented herein, the participants will receive a cash bonus that they will use to purchase shares in Haldex. The maximum bonus amount payable to each participant corresponds to 60% of the relevant participant's annual, gross base salary. The bonus amount will be determined by the level of fulfilment of the performance criteria, as per below.

***Main terms of the LTI Bonus***

The LTI Bonus shall be governed by the following main terms and conditions:

- The LTI Bonus is vested during the calendar years 2022 and 2023 (the "Vesting Period") and is conditional upon, among other things, the fulfilment of certain performance criteria and that the participant is employed by the Haldex group, in accordance with the main terms stipulated herein and the specific terms which will be included in the agreement with the participant.
- The participants undertake to purchase shares in Haldex for the full net of tax amount of the cash bonus. The share purchases will take place on the stock exchange where the Haldex shares are listed and at the price per share that the shares are currently traded for at the time of the acquisition, why the share purchases will be made at the market value.
- The LTI Bonus will not result in any dilution of the existing shareholders' shares in the company as the participants acquires shares that are already traded on the stock exchange. This also

means that Haldex does not have to take any measures to ensure delivery of the shares to the participants.

- The participants must in general be employed by the Haldex group during the entire Vesting Period, i.e. January 1, 2022 – December 31, 2023, to be eligible for the bonus. If a participant has been employed during the Vesting Period, the bonus amount shall be reduced *pro rata* the employment period. A participant who has terminated his or her employment during the Vesting Period shall not be eligible for the bonus.
- The participants may not dispose of the shares until, at the earliest, January 1, 2026.
- To ensure an effective administration of the LTI Bonus, Haldex has contracted a share plan administrator. Via the administrator, the participants will be able to acquire the shares in Haldex and, as of January 1, 2026, dispose of the shares.

### ***Performance criteria for LTI Bonus***

In addition to the other conditions, in order for a cash bonus to be made payable to the participants, two performance criteria must be met during the calendar year 2022. The level of fulfilment of the performance criteria will determine the cash bonus amount. The two performance criteria are:

1. Return on capital employed (ROCE), which represents 70% of the total award; and
2. Operating profit, which represents 30% of the total award.

The level of fulfilment of the performance criteria is measured against the budget approved by the board of directors for 2022.

### ***Timing of the share acquisition***

LTI Bonus is constructed so that at the expiry of the Vesting Period, i.e. during 2024, the board of directors shall assess the level of fulfilment of the performance criteria in the calendar year 2022 as well as whether the other conditions for LTI-Bonus have been fulfilled. Thereafter, the bonus amount is paid out and shares can be acquired. The shares will thus be acquired in 2024, the year after the expiry of the Vesting Period. The reason why the share acquisition takes place earlier than three years from the conclusion of the LTI Bonus agreement is that the participants shall be able to take part in the shares' value development in the coming years. The participants undertake not to sell the acquired shares until after December 31, 2025 at the earliest. As a result, the program as a whole is ongoing for a longer period than three years.

### ***Cost of the LTI Bonus***

In addition to the bonus amounts being paid out, the costs for the LTI Bonus consist of regular personnel costs associated with cash compensation and an administration cost for the administrator's handling of the LTI Bonus. The costs will vary depending on the level of fulfilment of the performance criteria and the participants' salary and tax domicile. According to initial calculations, Haldex's costs for the bonus are estimated at between SEK 6–24 million. The administrator's costs for the administration of the LTI Bonus consist of an annual fee that will be recurrent throughout the years that the administration is ongoing.

### ***Administration of the LTI Bonus***

The detailed terms and conditions of the LTI Bonus shall be decided by the board of directors or the remuneration committee, but shall remain within the framework of the terms and guidelines resolved on by the annual general meeting

It is proposed that the board of directors shall be entitled to make other adjustments to the LTI Bonus, if it so deems appropriate, if changes occur in Haldex, its operation environment or the market that results in a situation where the conditions for the participants' share acquisitions becomes unreasonable. Any such adjustments shall only be made in order to fulfil the main objectives of the LTI Bonus.

**Majority requirements**

Resolutions passed by the annual general meeting in accordance with the board of director's proposal item 14 are valid if supported by simple majority.

**Item 15: Confirmation of 2021 LTI allotment**

At the 2021 annual general meeting, a long-term incentive program for the CEO was approved (the "2021 LTI"). The 2021 LTI included a right to, under certain conditions, acquire Haldex shares against a pre-defined strike price (the "Options"). Pursuant to the terms of the 2021 LTI, the CEO were to acquire the Qualifying Shares and Options were to be granted not later than 31 July 2021. However, these conditions were not fulfilled on time. The CEO acquired 16,000 Qualifying Shares in the end of December and will be granted 48,000 Options on or about 28 April 2022. The Options will expire unless approved by the Annual General Meeting. The board of directors proposes that the Annual General Meeting resolves to approve the grant of the Options on the terms and conditions of the 2021 LTI, which shall continue to apply for the 2021 LTI and the Options.

**Additional information**

For additional information regarding the 2021 LTI, please refer to the proposal set out in the notice for the 2021 annual general meeting available at:

<https://www.haldex.com/globalassets/corporate/pressreleasesdocuments/2021-en/3955473-notice-of-annual-general-meeting-in-haldex-aktiebolag-publ/notice-of-annual-general-meeting-in-haldex-aktiebolag-publ>.

**Majority requirements**

A resolution regarding item 15 is only valid if supported by shareholders holding not less than nine tenths (9/10) of the votes cast as well as the shares represented at the general meeting.

**Item 16: Proposal by shareholder**

Shareholder Tommy Jonasson proposes that the annual general meeting resolves that "the board should participate in the establishment of an integration institute for the region Öresund (Landskrona – Copenhagen) and, for this purpose, allocate 10 000 000 (ten million) SEK of the company's profit".

**C. MISCELLANEOUS****Documents**

The notice, financial statement, the complete proposals for resolutions, the auditor's statement, the Nomination Committee's proposals, as well as other documents, will be available at the company's office in Landskrona and on the company's website [www.haldex.com/en/corporate](http://www.haldex.com/en/corporate) no later than three weeks prior to the general meeting and will be sent upon request to shareholders stating their address. The documents will also be available at the general meeting. The Annual Report 2021 is available on the company's website and will be distributed to the shareholders who have ordered it.

**Right to request information**

Shareholders attending the general meeting have the right to request information according to Chapter 7, Section 32 of the Swedish Companies Act. Shareholders who wish to submit questions in advance may send them to Haldex AB, Att: Jenny Boström, Box 507, SE-261 24 Landskrona, Sweden or by e-mail to [ir@haldex.com](mailto:ir@haldex.com) by 18 May 2022. Such information will be made available at the company or on the company's website as well as be sent to the shareholder requesting the information.

**Shares and votes**

As per the day of this notice, the total number of shares and votes in Haldex amounts to 48,637,567. Haldex holds 11,705 shares in treasury as per the day of this notice.

**Processing of personal data**

For information on how personal data is processed in connection with the general meeting, please see the integrity policy available on Euroclear Sweden AB's website:

[www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf)

**For further information**, please visit, [www.haldex.com/en/corporate](http://www.haldex.com/en/corporate) or contact

Jean-Luc Desire, President & CEO

Linda Carlsson, Head of Legal

Jenny Boström, Investor Relations Manager

E-mail: [ir@haldex.com](mailto:ir@haldex.com)

Phone: +46 418 47 60 00

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Landskrona in April 2022

Haldex Aktiebolag (publ)

The board of directors