

The complete proposal of the Board of Directors of Rejlers AB (publ), reg. no. 556349–8426, (the “Company”) on a resolution regarding the long-term incentive programme – Convertible Bond Programme 2019/2022

The Board of Directors proposes that the General Meeting resolve to introduce a long-term incentive programme for senior executives and key individuals in the Rejlers Group. The Rejlers Group has no long-term incentive programme today. In order to be a competitive employer, create incentive for the Company’s key individuals to increase the share value of the Company, increase and spread shareholding among key individuals, reward performance and motivate key individuals to stay in the Company, the Board of Directors believes it to be appropriate to implement a long-term incentive programme.

The Board of Directors therefore proposes that the General Meeting resolve to establish a new convertible bonds programme for employees in the Rejlers Group primarily on the following terms.

The programme means that Rejlers takes up a convertible debenture loan of a nominal maximum of SEK 41,200,000 through the issue of convertible bonds. The subscription price for each convertible bond shall correspond to its nominal amount.

With deviation from the shareholders preferential rights, persons entitled to subscribe shall be employees in the Rejlers Group who at the end of the subscription period had not resigned or been terminated from their employment. The participants are around 30 people distributed over three countries and two different employment categories. As tax regulations differ between Sweden, Finland and Norway, the allocation has been adjusted to even out the uneven tax situation. The distribution of convertible bonds must be determined by the Board of Directors according to the following guidelines:

Sweden

- The president can be allocated a maximum of convertible bonds equivalent to a nominal amount of SEK 3,000,000.
- Other senior executives and key individuals who participate in the programme can be allocated a maximum of convertible bonds equivalent to a nominal amount of SEK 1,000,000 per person.

Norway

- The president can be allocated a maximum of convertible bonds equivalent to a nominal amount of SEK 2,600,000.
- Other senior executives and key individuals who participate in the programme can be allocated a maximum of convertible bonds equivalent to a nominal amount of SEK 1,300,000 per person.

Finland

- The president can be allocated a maximum of convertible bonds equivalent to a nominal amount of SEK 3,200,000.

- Other senior executives and key individuals who participate in the programme can be allocated a maximum of convertible bonds equivalent to a nominal amount of SEK 1,600,000 per person.

If the final loan amount is adjusted to not exceed the maximum permissible dilution, a required percentage adjustment must be done of the allocation amount.

The convertible bonds shall be acquired in multiples of SEK 100,000, rounded to the nearest whole number of convertible bonds. The lowest nominal amount that can be acquired shall be SEK 100,000, rounded down to the nearest whole number of convertible bonds.

The convertible bonds shall be issued at a subscription price of 100 per cent of the nominal amount. Subscription of convertible bonds takes place at market price in accordance with an appraisal from KPMG requested by the Board of Directors. In its appraisal, KPMG applied such methods that were deemed generally accepted among the market's professional actors in the validation of comparable securities.

The employees' holdings of convertible bonds shall not be subject to any restrictions on the right of disposal.

In the event of the Company's liquidation or bankruptcy, the debentures shall entail a right to payment from the Company's assets after the Company's non-subordinated obligations and alongside (pari passu) other subordinated obligations that are not expressly subordinated to this loan.

Subscription and payment

The convertible bonds shall be able to be subscribed during the period from 22 May 2019 up to and including 31 May 2019 and shall be paid in cash no later than 30 June 2019.

Conversion and interest

Each convertible bond shall be able to be converted by the holder as of 22 May 2022 up to and including 22 July 2022 into one Class B share at a conversion price set at 120 per cent of the quoted average of the latest price paid for Class B shares in the Company on Nasdaq Stockholm during the period from 8 May 2019 up to and including 21 May 2019, although not lower than the share's quotient value of SEK 2. Days without quotation of the price paid shall not be included in the calculation.

When assuming an average share price of SEK 70.96 during the measurement period the conversion price will amount to SEK 85.20 (corresponding to approximately 120 per cent of SEK 70.96).

The accordingly calculated conversion price shall be rounded to the nearest whole SEK 0.10, whereby SEK 0.05 shall be rounded up. The conversion price shall be set by the Board of Directors as soon as possible after the end of the stated measurement period.

The convertible bonds fall due for payment on 1 August 2022 insofar as conversion prior thereto has not taken place. The convertible bonds shall run with an interest that is set in light of, among other factors, the conversion price and the calculated market value for the convertible bonds at the issuance of the convertible bonds. The interest is paid in arrears at half-year intervals and on the loan due date. When assuming an average share price of SEK 70.96 during the measurement period the conversion price will amount to SEK 85.20 (corresponding to approximately 120 per cent of SEK

70.96) and the current state of interest rates, the yearly interest rate will amount to approximately 0.7 per cent.

The complete terms otherwise are presented by [Appendix 1](#). As presented by the terms for the convertibles according to Appendix 1, the conversion price may be subject to recalculation upon a bonus issue, new share issue with preferential rights for the shareholders and in certain other cases.

Reasons for the deviation from the shareholder's preferential rights

The reason for the deviation from the shareholders' preferential rights is that the convertible bond programme entails a personal long-term owner commitment among the Company's key individuals, which is expected to stimulate increased interest for the business and its results. It is therefore advantageous for the Company to be able to offer key individuals an opportunity to take part in the Group's development in a way that at the same time benefits the shareholders.

Dilution and impact on important key figures

If all convertible bonds in the 2019 programme are allocated and the conversion price is assumed to be set at SEK 85.20 (corresponding to approximately 120 per cent of SEK 70.96), the share capital will increase by SEK 967,136 at full conversion and based on a quotient value of SEK 2.00 per share. This corresponds to a dilution effect of approximately 2.6 per cent of the share capital and approximately 1.4 per cent of the votes after full conversion.

If the conversion price at the time of issue were to be set at an amount that would lead to a dilution after full conversion by more than 3.5 per cent of the share capital and the votes, the maximum loan amount shall be reduced through reduced allocation so that the maximal dilution is 3.5 per cent (although with reservations for the maximal dilution being able to be greater than 3.5 per cent of the share capital as a result of later restatement of the conversion price according to Appendix 1).

The proposed convertible bonds result in that earnings per share are changed essentially in reverse proportion to the change in the number of shares that a full conversion result in (the dilution).

Since the dilution in term of capital according to the terms of the convertible bonds will never be able to exceed 3.5 per cent, the earnings per share will accordingly never be able to decrease by more than 3.5 per cent at full conversion.

Preparation of the matter

The convertible bond programme was prepared by the Board of Directors in consultation with external advisers.

Outstanding share-related incentive programmes

The Company has no outstanding share-related incentive programmes from before.

Costs for the convertible bond programme

The costs for the programme in the form of the remuneration of external advisers are estimated to not exceed SEK 1,000,000 over the term of the convertibles. The Company's own costs for the preparation and administration of the programme are in addition to this.

The Board of Directors assesses that the propose convertible bonds will not entail any future costs in the form of social security contributions for the Company except upon conversion to shares in Norway. These social security contributions are estimated to not exceed SEK 250,000.

Right to dividend

The new shares issued upon conversion of the convertible bonds shall entail a right to dividend for the first time on the record date for the dividend that falls closest after the new shares have been registered with the Swedish Companies Registration Office and entered into the share register kept by Euroclear Sweden AB.

Authorisation for the Board of Directors

The Board of Directors, or the party the Board of Directors appoints, is authorised to make such minor adjustments in the decisions that may prove necessary in connection with registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

Majority requirements

For a resolution by the Annual General Meeting regarding issue of convertible bonds in accordance with the Board of Directors' proposal, the Annual General Meeting's resolution must be supported by shareholders with at least nine tenths (9/10) of both the votes placed and the shares represented at the Annual General Meeting.

Stockholm, April 2019
Rejlers AB (publ)
Board of Directors