

Press release Stockholm, 20 May 2020

English translation for information purposes only. If there are differences between the English translation and the Swedish original, the Swedish text will take precedence.

Notice of the Annual General Meeting for Gränges AB

The Gränges AB Board of Directors has resolved to convene an annual general meeting of shareholders to be held Thursday, 25 June 2020. More detailed information about the contents of the proposals may be obtained from the complete notice to the annual general meeting below.

The notice is expected to be published in the Swedish Official Gazette (Post- och Inrikes Tidningar) and on the company's website within the next few days.

NOTICE OF THE ANNUAL GENERAL MEETING FOR GRÄNGES AB

Gränges AB (publ) will hold its Annual General Meeting at 2 pm CEST on Thursday 25 June 2020 at IVA Konferenscenter (Wallenbergsalen), Grev Turegatan 16, Stockholm, Sweden. Registration will begin at 1.30 pm CEST.

Due to the corona virus, it has been decided to take certain precautionary measures at the meeting. In addition to the Chair of the Board and the CEO, Board members and persons in the management group will attend the meeting to a limited extent. If you who are registered for the general meeting have symptoms such as a cold, cough, sore throat or fever, Gränges wishes you would refrain from attending. This is to avoid further spread of the infection. The company would like to remind of the opportunity for shareholders not to attend the general meeting in person, but instead to participate by proxy or exercise voting rights by postal voting (see information below).

Gränges will, if necessary, update the above information and ask everyone who intends to attend the meeting to stay updated via the company's website, www.granges.com.

Right to participate and notification to the company

Those wishing to attend the General Meeting must

- be registered as shareholders in the share register maintained by Euroclear Sweden AB as of Thursday 18 June 2020, and
- notify the company of their intention to attend no later than Thursday 18 June 2020.

Registration of participation must be provided in writing to Gränges AB, "Årsstämma", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, or by telephone 08-401 43 77 on weekdays between 9 am and 4 pm CEST or at the company's website, www.granges.com. When registering, shareholders are asked to state their name or business name, personal ID or company registration number, address and daytime telephone number. The registration procedure described above also applies to registration for any advisors. A shareholder who is exercising its voting right through postal voting does not need to give notice of its participation in the general meeting separately, see below under postal voting.

Nominee-registered shares

To have the right to attend the General Meeting, shareholders whose shares are registered with a nominee must have their shares re-registered in their own name in the share register maintained by Euroclear Sweden AB by Thursday 18 June 2020. The re-registration may be temporary.

Postal voting

Shareholders may exercise their voting rights at the general meeting by postal voting. In the case of postal voting, a special form should be used which is available at www.granges.com. The postal voting form can also be obtained from the company. For the items in the agenda where the Board of Directors or the nomination committee has submitted proposals, it is possible to vote Yes or No, which is clearly stated in the postal voting form. You can also abstain from voting in individual items. The voting-by-post form must be received by the company not later than 18 June 2020. A shareholder who is exercising its voting right through postal voting does not need to give notice of its participation in the general meeting separately as the postal voting form constitutes notification of participation in the general meeting.

The completed form can be sent by e-mail to GeneralMeetingService@euroclear.eu or sent by post in original to Gränges AB, "Årsstämma", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm. If the shareholder is a legal entity, the company's certificate of registration or equivalent authorisation documents for the legal entity must be attached with the form. The same applies if the shareholder casts votes by post by using a proxy.

The shareholder cannot make his or her vote conditional or provide other instructions to the company on this form. If so, then his or her postal vote will be nullified. Further instructions can be found in the postal voting form.

Proxy and proxy form

Shareholders not attending the General Meeting in person may exercise their rights at the General Meeting by proxy by providing a written, signed and dated proxy. A proxy form is available at the company's website, www.granges.com. The proxy form can also be obtained from the company. If a proxy is issued by a legal entity, a copy of the entity's registration document or similar authorisation document must be attached. Proxies must not be more than one year old unless a longer period of validity, not exceeding five years, is stated in the proxy. To facilitate entry into the General Meeting, proxies, registration documents and other authorisation documents should be provided to the company well in advance of the General Meeting.

Proposed agenda

1. Opening of the General Meeting
2. Election of a chairman for the General Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of persons to check the minutes
6. Determination of whether the General Meeting was duly convened
7. Chief Executive Officer's report
8. Presentation of the annual report and auditor's report as well as the consolidated financial statements and auditor's report for the Group.
9. Resolutions on:
 - a) adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet,
 - b) appropriation of the company's earnings according to the adopted balance sheet,
 - c) discharging the members of the Board of Directors and the Chief Executive Officer from liability vis-à-vis the company
10. Resolution on the number of Board members
11. Resolution on fees payable to the Board members
12. Election of the Board members and Chairman of the Board
13. Resolution on the number of auditors, fees to the auditors and election of auditor
14. Resolution on guidelines for salary and other remuneration
15. Resolution on LTI programme for 2020 for senior managers
16. Resolution on investment programme for senior managers
17. Resolution on amendment of the Articles of Association
18. Resolution on issue authorisation
19. Conclusion of the General Meeting

Nomination committee's proposals

The Nomination Committee for the 2020 AGM consisted of the following members: Jannis Kitsakis of Fjärde AP-fonden (Chairman of the Nomination Committee); Anders Algotsson of AFA Försäkring; Lennart Francke of Swedbank Robur fonder; and Anders G. Carlberg (Chairman of the Board).

The Nomination Committee proposes the following to the 2020 Annual General Meeting:

Election of a chairman for the General Meeting (item 2)

The Nomination Committee proposes that Anders G. Carlberg be elected as chairman of the meeting.

Resolution on the number of Board members (item 10)

The Nomination Committee proposes that for the period up to the close of the next AGM, the Board of Directors should consist of seven members elected by the general meeting with no alternates.

Resolution on fees payable to the Board members (item 11)

The Nomination Committee proposes that fees paid to the Board members for the period up to the close of the next AGM be unchanged at SEK 625,000 for the Chairman of the Board and SEK 310,000 for the other members elected by the general meeting. Remuneration would be unchanged at SEK 100,000 for the chairman of the Audit Committee and SEK 50,000 for the other members. Remuneration would be unchanged at SEK 50,000 for the chairman of the Remuneration Committee and SEK 25,000 for the other members. Fees to all the employee representatives on the Board would remain unchanged at SEK 40,000 each, for the same period.

Election of Board members and Chairman of the Board (item 12)

The Nomination Committee proposes the re-election of Carina Andersson, Mats Backman, Peter Carlsson, Katarina Lindström, Hans Porat, and Ragnhild Wiborg, and also proposes that Fredrik Arp be elected as a new Board member for the period up to the close of the next AGM. Anders G. Carlberg has declined re-election. It is furthermore proposed that Fredrik Arp be elected as Chairman of the Board.

Information about the proposed Board members is available on the company's website, www.granges.com.

Resolution on the number of auditors, fees to the auditors and election of auditor (item 13)

The Nomination Committee proposes that the company, for the period up to the close of the next AGM, have one auditor and no deputy auditor, that fees to the auditor be paid in accordance with approved invoices and that the registered accountancy firm Ernst & Young AB be re-elected as auditor for the period up to the close of the next AGM.

The Nomination Committee's proposal accords with the recommendation of the Audit Committee.

Ernst & Young AB has notified that if the meeting approves the Nomination Committee's proposal, the authorised public accountant Erik Sandström will continue as the chief auditor.

The Board of Directors' proposals

Resolutions on the appropriation of the company's earnings according to the adopted balance sheet (item 9b)

The Board of Directors proposes that the retained earnings of SEK 1,588,580,143 that are at the disposal of the meeting be appropriated as so that the whole amount, SEK 1,588,580,143, is to be carried forward.

Resolution on guidelines for salary and other remuneration (item 14)

The Board of Directors proposes that the General Meeting, mainly according to the following, adopts guidelines for salary and other remuneration to directors and senior managers. "Senior managers" refers to the CEO and the Deputy CEO of the Group, and senior managers reporting directly to the CEO:

These guidelines will be valid for agreements entered into after the General Meeting's resolution and for changes made to existing agreements thereafter. These guidelines do not apply to any director fees resolved upon by the General Meeting or such issues and transfers as are covered by Chapter 16 of the Swedish Companies Act.

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

In short, the company's business strategy is the following.

Gränges is continuing to strengthen its core business and is seeking growth in related fields of engineering through developing new businesses and developing sustainable and competitive offers to customers.

For more information regarding the company's business strategy, please see www.granges.com, as well as the latest annual report including sustainability report.

Gränges shall offer remuneration levels and terms of employment which are necessary to recruit, develop, and retain individuals in Group Management. These individuals shall possess the expertise, motivation and capacity required to uphold, develop, and implement overall value-additive strategic targets for the Gränges Group and, moreover, to support its long-term interests. To obtain this, it is important to sustain fair and internally balanced terms that are at the same time competitive on the market with respect to structure, scope and remuneration levels. These guidelines ensure that individuals in Group Management, regardless of geographical market, may be offered competitive total remuneration, and is aimed at creating increased transparency on remuneration issues. Applicable laws and other relevant regulatory frameworks (both Swedish and foreign) in this area must be complied with at all times.

Remuneration and remuneration forms

The basic principle is that the remuneration must be competitive and consist of a balanced combination of fixed salary, variable remuneration, pension benefits, other benefits and terms for dismissal/severance payment. Furthermore, the Board of Directors may prepare and the General Meeting resolve on, share and share-price related incentive programs. Such a combination of remuneration fosters and supports management and achievement of objectives in both a short and long-term perspective. The various types of remuneration that may be paid out are described below.

Fixed salary

The fixed salary shall consist of customary base salary. The salary is based on responsibility, performance, expertise and the complexity and scope of the task. In the event of full payment of variable remuneration, the fixed annual base salary comprises 40 per cent of the total cash remuneration, with the exception for President Americas, where the percentage is 33.33 per cent.

Variable remuneration – STI and LTI

The variable remuneration shall comprise an annual incentive program (STI) and a long-term incentive program (LTI), both of which pay cash remuneration. There is no guaranteed variable remuneration.

The outcome of STI is determined by a number of financial and non-financial parameters for the Gränges Group. Examples of financial key ratios includes adjusted operating profit and examples of non-financial objectives includes a selection of the Group's long-term sustainability object and, in certain cases, also specific projects or tasks. The objectives shall be designed so as to both promote the group's business strategy and long-term interests and the individual long-term development of the member of Group Management.

At the end of the measurement period for fulfillment of the predefined parameters for payment of STI, a comprehensive evaluation shall be conducted to assess the extent to which these parameters have been met. The CEO is responsible for this evaluation for each and every member of Group Management with the exception of the CEO personally. The Board of Directors' remuneration committee is responsible for the evaluation of the CEO. With regards to financial objectives, the evaluation will be based on the latest financial information made public by the company.

Maximum remuneration for STI is 60 per cent of the fixed annual base salary for each individual in Group Management, with the exception of the individual who holds the position of President Americas, for whom the maximum remuneration can be 100 per cent of the fixed annual base salary.

STI shall be supplemented by an LTI program for a term of three years. An amount corresponding to the outcome of STI for each participant shall be reserved in a separate, so-called, LTI bank. Provided that the employee has not been given notice of termination or personally terminated their employment with the Gränges Group, the amount which is reserved for LTI shall be paid out at a rate of one-third per year for three years. The amount shall be adjusted prior to payment to take into account the total return on the Gränges share. Please see appendix for more information about the unredeemed programs.

The total outcome of STI and paid-out LTI during a single year shall be limited to 150 per cent of the fixed annual base salary, with the exception for President Americas, whose payouts are limited to 200 per cent of the fixed annual base salary.

The company does not have any potential deferral periods or, according to agreements, any possibility to reclaim variable remuneration.

Investment programme – IP 2020

On condition that the general meeting passes a resolution, in accordance with a separate proposal by the Board of Directors, senior managers and other members of the Group management (together with other key employees) shall be offered to participate in a long-term investment programme ("IP 2020"), as a supplement to yearly incentive programmes, according to the following:

- IP 2020 is a one-off programme.
- The Participants in IP 2020 undertake to invest an amount corresponding to up to 50 per cent of an annual base salary before tax (the "Investment Amount") in shares and call options in Gränges.
- The Participant in IP 2020 receives a conditional cash contribution which, after tax deducted and other applicable fees, amounts to 50 per cent of the investment amount (the "Net Contribution"). If the participant has terminated their employment or has been terminated within three years from the date of payment of the Net Contribution (the "Time of Investment"), an amount corresponding to the Net Contribution shall be refunded to Gränges.
- Participants in IP 2020 can adjust their risk level by choosing to make 25, 50, or 75 per cent of their investment in call options and the remainder in shares.

- The shares in which an investment will be made within the context of IP 2020 consist solely of existing shares in Gränges which have been and/or will be acquired by the Participant on the market up to and including 31 December 2020 and which have been allocated to IP 2020. Consequently, no new shares will be issued by Gränges for the Participants' investment in shares in IP 2020. The latter also applies to any shares which may be acquired within IP 2020 through the exercise of call options which have been issued.

Pension

Pension shall be paid in accordance with relevant national legislation, applicable collective agreements, and suchlike and, for Swedish individuals in Group Management, is limited to the ITP plan (Industry and Trade Supplemental Pension). Accordingly, there are both premium-based and benefits-based undertakings, based on individual prerequisites and regulatory frameworks. There are two main variants of the ITP plan: ITP 1 applies to individuals born 1 January 1979 or later and ITP 2 applies to individuals born 31 December 1978 or earlier. In order to equalize the differences that can arise between participants in ITP 1 and ITP 2 – in other words, between different individuals in Group Management – certain adjustments are made in relation to the solution indicated by ITP 2 with regard to how much of the remuneration is pensionable. The pension premiums for premium defined pension shall be not more than 30 per cent of paid cash fixed and variable remuneration.

For the CEO, the pension premiums shall amount to 35 per cent, calculated on fixed monthly remuneration, and are thus premium defined. The retirement age for the CEO is 65 years of age.

For foreign individuals in Group Management, a corresponding structure shall apply, based on the circumstances in the relevant country. The pension terms and conditions shall be on market terms. For other individuals in Group Management, the retirement age is 60–65 years of age, depending on the country of employment.

For employments governed by rules other than Swedish, the pension 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.

Other benefits

Benefits which are not directly related to fixed salary and variable remuneration, for example a company car and medical care benefits, shall promote the performance of the work and be consistent with standard practice on the market for this target group. The total costs as a consequence of such benefits may not exceed 20 per cent of the fixed annual base salary.

For employments governed by rules other than Swedish, 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.

Special remuneration

Additional cash variable remuneration may be paid out under extraordinary circumstances, provided that such extraordinary arrangements are limited in time, and may only be awarded on an individual basis either for the purpose of recruiting or retaining individuals in Group Management or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 20 per cent of the fixed annual base salary and may not be awarded more than once per year and per individual. Any resolution on such remuneration shall be adopted by the Board of Directors based on a proposal from the Remuneration Committee.

Remuneration to directors

In certain cases, board directors elected by the General Meeting should be able to receive fees and other remuneration for work carried out on behalf of the company, alongside their work on the Board of Directors. Fees at market rates, approved by the Board of Directors, may be payable for such services.

Terms for termination etc.

There is a mutual notice of termination period of twelve months as between the CEO and the company. Upon termination by the company, severance remuneration without set-off is also paid for an additional twelve months. The mutual notice of termination period for the Deputy CEO and other individuals in Group Management shall correspond to six months. Upon termination by the company, severance remuneration for an additional twelve months is paid, without setting off the first six months.

Salary and terms of employment for other employees

In the preparation of this proposal on guidelines, salary and terms of employment for employees of the company have been taken into account by including information on the employees' total remuneration, the components of the remuneration, and increase and rate of increase of remuneration over time, in the Remuneration Committee's and the Board of Director's basis of decision when evaluating the reasonableness of the guidelines and appurtenant limitations.

The decision-making process to determine, review and implement the guidelines

The Board of Directors resolves, after preparation by the Remuneration Committee, on the structures of remuneration systems, as well as levels and forms of remuneration to individuals in Group Management. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting for adoption. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall monitor and evaluate programs for variable remuneration for individuals in Group Management, the application of the guidelines, and the current remuneration structures and remuneration levels in the company.

The members of the Remuneration Committee are independent of the company and company management. The CEO and other members of Group Management do not participate in the Board of Director's and/or the Remuneration Committee's processing of, and resolutions regarding, remuneration-related matters insofar as they are affected by such matters. Conflicts of interest are counteracted in all resolutions and any potential conflicts of interest are handled in accordance with the company's framework for governance, consisting out of a code of conduct, policies and guidelines.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, part of the work of the Remuneration Committee is to prepare the Board of Director's resolutions regarding remuneration issues, which includes resolutions on derogations from the guidelines.

Description of material changes to the guidelines

The content of the guidelines has been reviewed and adapted to the legal requirements imposed by Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards encouragement of long-term shareholder engagement.

Miscellaneous

The total remuneration and the other benefits paid to individuals in Group Management during the year are stated in the annual report.

Resolution on LTI programme for 2020 for senior managers (item 15)

The Board of Directors proposes that the General Meeting, as a supplement to the annual incentive programme ("STI 2020"), resolves on a long-term incentive programme ("LTI 2020") for senior managers, i.e. the CEO and the Deputy CEO of the Group, and senior managers reporting directly to the CEO, mainly according to the following:

- STI 2020 measures EBIT (50 per cent), cash conversion (30 per cent) and individual performance (20 per cent), for a maximum payout of 60 per cent of annual basic pay. For the President Americas the maximum payout is 100 per cent of annual basic pay.
- LTI 2020, where a payout equivalent to the amount of STI 2020 is allocated, and indexed to the total return of the Gränges' share. The vesting periods for LTI 2020 will run over the years 2021, 2022, and 2023 ("Vesting periods") and payment is made proportionately on an annual basis over a period of three years provided that the individual remains in the Gränges Group's employ.

Purpose of Gränges LTI 2020

The purpose of Gränges LTI 2020 is to provide remuneration in line with market terms and at the same time stimulate a long-term commitment to Gränges by linking the participants' remuneration to the interests of the shareholders, through indexation with the total return of the Gränges' share. LTI 2020 is also expected to help Gränges retain and recruit persons with special expertise and relevant experience.

The role of Gränges' Board of Directors in LTI 2020

Gränges' Board of Directors is authorised to interpret LTI 2020, including but not limited to:

- Deciding on the participants in LTI 2020.
- Deciding on the participants' payout from LTI 2020, including determining the development of the total return during the Vesting periods.
- Adjusting the terms and conditions for LTI 2020 to comply with legal requirements, regulations et cetera.
- Adjusting the payout for LTI 2020 in the event significant changes take place that affect the Gränges Group or its business environment, resulting in a situation where the terms of LTI 2020 are deemed inappropriate or to give an unreasonable result.

Participation in LTI 2020

- Payments within the framework of LTI 2020 will only be made to participants who, at the time of the payment, haven't terminated or been terminated from their employment, provided that no local laws or regulations exist entitling participants to LTI payouts. Deviations from this principle (so-called "good leaver" agreements) must be approved by Gränges' Board of Directors.
- In the event of death occurring during a Vesting period, the participant will be assigned a proportionate payout corresponding to actual working period in relation to the Vesting period, provided that no local laws or regulations exist entitling the participant to a different payout.¹ Total return is calculated based on the closing price on the last trading day of the month before the date of death. Assigned amount will be paid out no later than two months from the date of death.²
- If a participant is absent due to illness or any other reason for a period of more than three months in total during any Vesting period for LTI 2020, the participant will be allocated a proportional payout for the actual working period relative to the Vesting period, provided that no local laws or regulations exist entitling the participant to a different payout.
- Gränges' Board of Directors welcomes senior managers to invest in the own share.

Administration, payout and payments

Gränges' finance department is responsible for maintaining a register of funds allocated within the framework of LTI 2020 and for proposing payouts, adjusted to the total return of the Gränges' share, for approval by Gränges' Board of Directors.

Indexation of the total return in LTI 2020 is calculated as follows:

- Starting point: The average closing price for the Gränges share on Nasdaq Stockholm during the ten trading days after the publication date for the 2020 year-end report.
- Dividends: Dividends during the respective Vesting period will increase the percentage value of LTI 2020, where the percentage is calculated as the dividend in SEK divided by the closing price on the dividend date.
- Ending points: The average closing price for the Gränges share on Nasdaq Stockholm during the ten trading days after the publication dates for the year-end reports for the years 2021, 2022 and 2023.

Payouts under LTI 2020 will as a rule not be regarded as pensionable income. In cases where pension plans define payouts as pensionable income (for example ITP in Sweden), the payout from LTI 2020 will be reduced as follows:

- Defined contribution pension plans: The payout is reduced by an amount equivalent to the premium in the defined contribution pension plan relating to LTI 2020.

¹ In which the days remaining of the month where the event of death occurs shall be considered working days.

² If, for example, a person receives SEK 300,000 in STI for 2020 a corresponding amount is allocated to the LTI bank in the purpose of being paid during 2022, 2023, and 2024. If the person is deceased on the 15 August 2021 all of August is included in the calculation below, that is 8/12th of the Vesting period 2021. If the total return up to the 31 July 2021 (if that is a stock trading day – if not the last stock trading day of July) is 10 per cent, the LTI bank is worth SEK 330,000, which equals SEK 110,000 regarding the Vesting period 2021. Of this amount the deceased has earned 8/12th, that is SEK 73,333. The remaining part of the LTI bank regarding 2020 is not paid out.

- Defined benefit pension plans: The payout is reduced by a factor aimed at achieving a cost-neutral solution for Gränges. This factor is to be proposed by Gränges' CFO and approved by Gränges' Board of Directors.

Payouts from LTI 2020 take place during 2022, 2023 and 2024 in connection with payouts from STI, provided approval has been received from Gränges' Board of Directors. The total payout from STI and paying LTI programmes may not exceed 150 per cent of annual basic pay as of the date of the payout. This shall not apply to the person holding the position as President Americas, whose total payout from STI and paying LTI programmes is limited to 200 per cent of annual basic pay.

Gränges' Annual General Meeting is to decide on new long-term incentive programmes every year.

Resolution on investment programme for senior managers (item 16)

The Board of Directors proposes that the General Meeting passes a resolution on a long-term investment programme ("IP 2020") for senior managers and other key employees ("Participants"), as a supplement to annual incentive programmes mainly according to the following:

- IP 2020 is a one-off programme.
- The Participants in IP 2020 undertake to invest an amount corresponding to up to 50 per cent of an annual base salary before tax (the "Investment Amount") in shares and call options in Gränges AB (publ) ("Gränges").
- The Participant in IP 2020 receives a conditional cash contribution which, after tax deducted and other applicable fees, amounts to 50 per cent of the investment amount (the "Net Contribution"). If the participant has terminated their employment or has been terminated within three years from the date of payment of the Net Contribution (the "Time of Investment"), an amount corresponding to the Net Contribution shall be refunded to Gränges.
- Participants in IP 2020 can adjust their risk level by choosing to make 25, 50, or 75 per cent of their investment in call options and the remainder in shares.

The Purpose of Gränges' IP 2020

During 2020, Gränges intends to launch a new strategy ("**Strategy 2025**") and new targets for the period 2020 to 2025. IP 2020 aims to support a market-based remuneration level and stimulate long-term commitment to Gränges and to the implementation of Strategy 2025 through increased shareholding by the Participants. This is expected to further link the interests of Participants and other shareholders. In addition, IP 2020 is expected to further improve Gränges' opportunities to retain and recruit people with special expertise and relevant experience to ensure a successful implementation of Gränges Strategy 2025.

Authorisation of Gränges' Board of Directors in IP 2020

It is proposed that the shareholders' meeting authorize Gränges' Board of Directors to issue call options in a maximum amount of 2,000,000 shares in Gränges, corresponding to a maximum of 2.6 percent of the total number of shares and votes in Gränges.

It is also proposed that the shareholders' meeting authorize Gränges' Board of Directors to enter into share swap agreements in respect of shares in Gränges with appropriate parties on the market in order to be able to deliver the shares which will be available for acquisition by Participants within IP 2020 through the exercise of call options which have been issued. The share swap agreement is intended also to secure the financial exposure and the other possible risks which arise in conjunction with the issuance of the call options.

It is further proposed that the shareholders' meeting authorise Gränges' Board of Directors to interpret IP 2020, including but not limited to:

- Deciding the Participants in IP 2020.
- Making adjustments to the terms and conditions of IP 2020 in order to comply with legal requirements, regulations or the like.
- Making adjustments to the terms of IP 2020 in the event of significant changes to the Gränges Group or society in general, resulting in a situation where the conditions for IP 2020 would be deemed inappropriate or yield an unreasonable result.

Investment requirements in IP 2020

- To participate in IP 2020, the Participant must invest an amount equal to up to 50 per cent of their annual base salary before tax in shares and call options in Gränges.
- The Participant in IP 2020 can adjust their risk level by choosing to make 25, 50, or 75 per cent of their investment in call options and the remainder in shares. New employees who start their employment after the Time of Investment are given the opportunity to make 100 per cent of the investment in shares.

Net Contribution in IP 2020

- Participants in IP 2020 shall receive a conditional cash contribution which, after deduction of tax and other applicable fees, amounts to 50 per cent of the Investment Amount.
- If the Participant has resigned or has been terminated within three years from the Time of Investment, an amount corresponding to the Net Contribution shall be refunded to Gränges. If the Participant dies within three years from the Time of Investment, no claim will be brought against the decedent's estate of the Participant for repayment of the Net Contribution.

Investment in shares in IP 2020

- The shares in which an investment will be made within the context of IP 2020 consist solely of existing shares in Gränges which have been and/or will be acquired by the Participant on the market up to and including 31 December 2020 and which have been allocated to IP 2020. Consequently, no new shares will be issued by Gränges for the Participants' investment in shares in IP 2020. The latter also applies to any shares which may be acquired within IP 2020 through the exercise of call options which have been issued.
- In the event that everyone in the group to which the offer is addressed participates in the program and chooses to invest the maximum amount to which they are entitled and also the maximum number of shares, i.e. that 75 per cent of the investment is made in shares, the number of acquired shares is anticipated to amount to a maximum of approximately 278,000 shares (calculated on the basis of the market conditions prevailing on 18 May 2020). This corresponds to approximately 0.4 percent of the total number of shares and votes in Gränges.

- If the Participant is newly hired or prevented from acquiring shares in Gränges in accordance with market abuse rules or similar rules during the period specified above, these shares shall instead be acquired as soon as possible after the end of the aforementioned period.
- The Participant undertakes not to sell shares acquired under IP 2020 within a period of three years from the Time of Investment. If, for whatever reason, the Participant sells shares acquired under IP 2020 within a period of three years from the Time of Investment, an amount corresponding to the Net Contribution pro rata the number of shares sold shall be repaid to Gränges.
- The Participant must be able to prove, at any given time up to and including three years from the Time of Investment, that the shares acquired by the Participant under IP 2020 are still held by the Participant.

Call options in IP 2020

- The number of call options under IP 2020 may amount to a maximum of 2,000,000 shares. This corresponds to approximately 2.6 per cent of the total number of shares and votes in Gränges. In the event the market conditions prevailing at the time at which the Board of Directors makes the offer to the Participants entails that the number of options desired by the Participants exceeds the maximum number of options, the Board of Directors will allocate the maximum number of options amongst the Participants.
- Each call option entitles the Participant to acquire one share in Granges. The terms and conditions of the call options will be based on market conditions. The exercise price applicable upon exercise of the call options shall correspond to 110 per cent of the average volume-weighted share price for Gränges' share on Nasdaq Stockholm during a period of 10 trading days from the day after the Board of Directors invited the Participants to acquire the call options and the option premium shall be determined by an independent appraiser according to a generally accepted valuation model (Black-Scholes).
- The term of the call options shall be a maximum of five years from the time of issuance and, during the exercise period, exercise may be effected on eight different occasions commencing on 1 July 2023 during the ten trading days following the publication of an interim report. However, the call options may not be acquired or exercised during such period when trading in Gränges' shares is prohibited under market abuse rules or similar rules. On the last of these occasions, unexercised call options will be automatically exercised unless the Participant has given written notice in advance that the Participant is waiving their right to exercise the call options.
- The number of shares in Gränges that the call options entitle the holders to purchase, and the exercise price, may be recalculated in accordance with principles applicable on the stock market due to, among other things, a bonus issue, a share split or reverse share split, new issues, extraordinary dividends, a reduction of share capital, a buyout of Gränges shares from Nasdaq Stockholm, or similar measures so as to ensure that the Participant obtains rights corresponding to those prevailing prior to the event.
- No new shares will be issued by Gränges in respect of the shares which are available for acquisition by Participants through the exercise of call options issued. The shares will instead be delivered by Gränges entering into a share swap agreement with third parties on market terms, through which the third party acquires and transfers shares to the Participants in their own name.
- The financial exposure arising from the issuance of the call options is secured through the aforementioned share swap agreement.

- Call options issued within the framework of IP 2020 are freely transferable but, according to agreement, are subject to the right of first refusal for Gränges. Gränges also has the right to repurchase the call options from the Participant if the Participant does not wish to exercise all the acquired call options and notifies Gränges about this. Acquisition of call options shall be effected at a price that, at any time, is equivalent to no more than market value.
- The Participant undertakes not to sell call options acquired under IP 2020 within a period of three years from the Time of Investment. If, for whatever reason, the Participant nonetheless sells call options acquired within the framework of IP 2020 through a sale to Gränges within a period of three years from the Time of Investment, an amount corresponding to the Net Contribution pro rata the number of options sold shall be repaid to Gränges.

Allotment within IP 2020

In order to be entitled to participate in IP 2020, the Participant must invest an amount corresponding to up to 50 per cent of their annual basic salary after tax in shares and call options in Gränges. In the event the CEO chooses to invest a maximum amount in IP 2020, this entails an Investment Amount of approximately SEK 3 million and a Net Contribution of approximately SEK 1.5 million. In the event the CEO chooses to make 50 per cent of their investment in shares and 50 per cent in options, this would entail a total of 21,800 shares and 236,800 options (calculated based on the market conditions prevailing on 18 May 2020).

Costs of IP 2020

The costs of IP 2020 consist mainly of the Net Contribution and employer payroll taxes payable on the Net Contribution and costs for securing the call options through share swap agreements. The costs of the programme have been calculated based on the closing price of the Gränges' share on 18 May 2020 and on the assumption that everyone in the group to which the offer is addressed participates in the program and chooses to invest the maximum investment they are entitled to make, and that 50 per cent of the total investment is made in call options and 50 per cent is made in shares. The total cost of the Net Contribution, including employer payroll taxes, is estimated at approximately MSEK 26 after corporate tax. This is offset by the option premium of approximately MSEK 12 received by Gränges upon the exercise of the call options and an expected income from the exercise of call options totalling approximately MSEK 14. The cost of financing the underlying shares in the share swap agreement is estimated to amount to no more than the direct return on the Gränges share and, in such case, is neutral from a cost perspective. Consequently, the net burden on Gränges' equity is expected to be neutral for the duration of the programme.

Preparation of the matter

The Board of Directors' proposal for IP 2020 was prepared by the Remuneration Committee of the Board of Directors of Gränges.

Resolution on amendment of the articles of association (item 17)

The Board of Directors proposes that the General Meeting passes a resolution on amendment of the articles of association mainly according to the following:

§ 1	Present wording	Proposed wording
	Name [sw. <i>Firma</i>] The company's name [sw. <i>firma</i>] is Gränges AB (publ).	Company name [sw. <i>Företagsnamn</i>] The company's name [sw. <i>företagsnamn</i>] is Gränges AB (publ).
§ 4	Present wording	Proposed wording
	Share capital and shares The share capital shall be not less than SEK 80,000,000 and not more than SEK 320,000,000. The number of shares shall be not less than 32,000,000 and not more than 128,000,000.	Share capital and shares The share capital shall be not less than SEK 100,000,000 and not more than SEK 400,000,000. The number of shares shall be not less than 75,000,000 and not more than 300,000,000.
§ 5	Present wording	Proposed wording
	Euroclear company The company's shares shall be registered in a securities register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).	Euroclear company The company's shares shall be registered in a securities register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).
§ 9	Present wording	Proposed wording
	Participation in shareholders' meetings Shareholders who wish to participate in a shareholders' meeting shall be registered as shareholders on a transcript of the entire share register as stipulated in Chapter 7, Section 28, third paragraph of the Swedish Companies Act (2005:551) that relates to the conditions prevailing five workdays prior to the meeting and shall also provide notification of their intention to attend the meeting no later than on the date stipulated in the notice convening the shareholders' meeting. The latter mentioned day must not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the fifth weekday prior to the meeting. If a shareholder wishes to be joined	Participation in shareholders' meetings Shareholders who wish to participate in a shareholders' meeting shall provide notification of their intention to attend the meeting no later than on the date stipulated in the notice convening the shareholders' meeting. The latter mentioned day must not be a Sunday, any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than the fifth weekday prior to the meeting Shareholder may bring one or two advisors to the shareholders' meeting, provided that the shareholder has given notice about this in accordance with the previous paragraph.

	by counsel (not more than two counsels) at the shareholders' meeting, the number of counsels must be stated in the notice of participation.	
§ 10	<i>New item is introduced</i>	Proposed wording
		Postal voting The Board of Directors may before a shareholders' meeting resolve that the shareholders shall be entitled to vote by post prior to the shareholders' meeting.

The proposal furthermore entails that the present § 10, § 11 and § 12 remains but, as a consequential amendment, are re-numbered to § 11, § 12, and § 13 respectively.

The Board of Directors, or a party designated by the Board of Directors, has the right to decide on minor adjustments to the meeting's resolution, as may prove necessary in conjunction with registration of the resolution with the Swedish Companies Registration Office, Euroclear Sweden AB or due to other formal requirements.

Resolution on issue authorisation (item 18)

The Board of Directors proposes that the General Meeting passes a resolution on issue authorisation mainly according to the following:

The Board of Directors is to be authorised to, on one or more occasions until the next Annual General Meeting, issue new shares as follows.

Issue can be made with or without disapplying the shareholders' pre-emption rights. By decisions under this authorisation, the total maximum number of shares that may be issued shall be equivalent to a subscription amount of a total of SEK two (2) billion (based on the subscription price and/or the value of the contributions in-kind in such issue). With regard to resolution on issue where the shares are paid for in kind and wherein other than the shareholders have the right to subscribe (non-cash issue), shall the maximum number of shares that may be issued shall be equivalent to ten (10) per cent of the total number of outstanding shares in the company on the date of the General Meeting's resolution on the authorisation. An issue of new shares based on this authorisation must not result in the company's share capital exceeding the company's maximum allowed share capital as set out in the articles of association.

This authorisation is to include the right to issue shares with cash payment, payment by contribution in kind or payment by way of set-off and otherwise be subject to conditions as set out in Chapter 2, Section 5, second paragraph 1–3 and 5 of the Swedish Companies Act.

An issue without regard to pre-emption rights for the shareholders with cash payment or payment by way of set-off must take place on market conditions.

The reason for the proposal is to carry out an issue to finance the acquisition of Impexmetal S.A. (Aluminium Konin) and to enable other investments aimed at meeting the company's long-term strategic targets.

The Board of Directors, or a party designated by the Board, has the right to decide on minor changes to the General Meeting's resolution that may be necessary in connection with registration of the resolution with the Swedish Companies Registration Office or due to other formal requirements.

Special majority requirement

For a decision according to item 17 on amendment of the articles of association, and according to item 18 on issue authorisation, to be valid, the proposal must be supported by shareholders holding at least two thirds of both the votes cast and the shares represented at the General Meeting.

Documents

Copies of the Board of Directors' and the Nomination Committee's full proposals, including the Board of Directors' and the auditor's statements, as well as accounting documents and the auditor's report for 2019 will be available at the company and on the company's website, www.granges.com, no later as from 4 June 2020 and will be immediately dispatched at no cost for the recipient to the shareholders who request them and provide their postal address. The documents will also be available at the General Meeting.

Number of shares and votes

The total number of shares in the company as of the issue date for the notice of the General Meeting is 75,517,386 shares, which is equivalent to 75,517,386 votes. As of the same date, the company is holding no shares in treasury.

Information at the general meeting

The Board of Directors and the Chief Executive Officer must, at the request of any of the shareholders and if the Board deems it possible without causing material harm to the company, provide information at the General Meeting on circumstances that may impact the assessment of an item on the agenda, circumstances that may impact the assessment of the company's or a subsidiary's financial situation, the consolidated financial statements and the company's relationship with other Group companies. Shareholders wishing to submit questions in advance may do so to the company's General Counsel, Niclas Nelson, at the address Gränges AB, Juridik, Box 5505, 114 85 Stockholm.

Processing of personal data

For information on how your personal data is processed, please see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Stockholm in May 2020
Gränges AB (publ)
Board of Directors

For further information, please contact:

Niclas Nelson, General Counsel, Gränges

niclas.nelson@granges.com, tel: +46 70 834 96 16

About Gränges

Gränges is a leading global supplier of rolled aluminium products for heat exchanger applications and other niche markets. In materials for brazed heat exchangers Gränges is the global leader with a market share of approximately 20 per cent. The company develops, produces and markets advanced materials that enhance efficiency in the customer manufacturing process and the performance of the final products. The company's geographical markets are Europe, Asia and the Americas. Its production facilities are located in Sweden, China and the United States, and have a combined annual capacity of 460,000 metric tonnes. Gränges has 1,800 employees and net sales of SEK 12 billion. The share is listed on Nasdaq Stockholm. More information on Gränges is available at www.granges.com.