

## The board of directors' proposal on:

- a. Implementation of a performance based Share Savings Scheme
  - b. Authorisation for the board of directors to purchase and sell treasury shares within the scope of the Share Savings Scheme
  - c. Transfer of treasury shares to Participants in the Share Savings Scheme
  - d. Equity swap agreement with third party
- 

## Background and rationale

Nobina AB (publ) (“**Nobina**”) carries out business in a competitive industry and its continued growth and profitability is (among other things) dependent on Nobina’s ability to retain and recruit key employees. The board of directors of Nobina has, therefore, explored the possibilities to implement a long-term incentive scheme to further incentivise Nobina’s key employees, which in turn is deemed to enhance Nobina’s ability to retain and recruit key personnel. To that end, the board of director considers it of importance that such long-term incentive scheme aligns the interests of the key employees with the interests of Nobina’s shareholder. Accordingly, the board of directors has concluded that a long-term incentive scheme of Nobina should promote a shareholding in the company as well as an increase thereof. In light of the foregoing, the board of directors proposes that Nobina shall implement the following performance based share saving scheme (the “**Share Saving Scheme**”).

The board of directors also proposes that the board of directors shall be authorised to purchase no more 427,096 treasury shares for the purposes of facilitating the implementation of the Share Saving Scheme as well as to sell such treasury shares on Nasdaq Stockholm to cover costs for social security charges that may arise in connection therewith.

The board of directors finally proposes that Nobina shall transfer no more than 342,087 treasury shares to the participants in the Share Saving Scheme (the “**Participants**”).

It is the intention of the current board of directors that similar share saving schemes shall be proposed to the annual general meetings 2018 and 2019, respectively.

### a. Implementation of a performance based Share Savings Scheme

The board of directors proposes that the annual general meeting in Nobina resolves on the implementation of the Share Saving Scheme on the following main terms and conditions:

1. The Share Saving Scheme shall comprise no more than 342,087 shares in Nobina.
2. Up to 22 senior executives and other key employees of the Nobina group will be offered to become a Participant. The Participants will be divided into three categories as out below.
3. Participation in the Share Saving Scheme requires that a Participant purchases shares in Nobina (and/or uses shares already held by him/her) up to an amount corresponding to approximately 17% of such Participants annual fixed salary for

2017/2018 (the “**Saving Shares**”). The purchase of Saving Shares shall be made on Nasdaq Stockholm and must have been effectuated no later than 28 February 2018. The board of directors shall have the right to extend such date if a Participant is not permitted to purchase shares during this period.

4. Subject to the Participant retaining its Saving Shares during a 3-year period as from 1 March 2018 (the “**Retention Period**”) as well as the Participant’s continued employment in a position within the Nobina group that corresponds to or is higher than his/her current position during the Retention Period (the board of directors shall be authorised to waive this condition under extraordinary circumstances, for example, if the Participant’s employment is terminated as a result of long-term illness), (a) each Saving Share will entitle the Participant to receive one share in Nobina (a “**Matching Share**”) and (b) subject to the performance criteria set out in section 5 below, an additional one to four shares in Nobina (“**Performance Shares**”), in each case free of charge.
5. The Performance Shares are subject to the following performance criteria during the Retention Period:
  - (a) if the total shareholder return (that is, the sum of the price change and reinvested dividends for the share during the performance period) for Nobina is below the Nasdaq Stockholm OMX Nordic Mid Cap Index (the “**Index**”), the Participants will not be entitled to any Performance Shares;
  - (b) if the total shareholder return for Nobina is in line with the Index, 25% of the maximum number of Performance Shares will be allocated to the Participants;
  - (c) if the total shareholder return for Nobina is higher than the Index plus 17%, 100% of the maximum number of Performance Shares will be allocated to the Participants; and
  - (d) if the total shareholder return for Nobina is higher than the Index but below the Index plus 17%, the allocation of Performance Shares to the Participants will be linear in relation to the allocations set out in (b) and (c) above.
6. Before the number of Performance Shares to be allocated is finally determined, the board of directors shall evaluate if such allocation is reasonable, taking into consideration the results and financial position of Nobina, the conditions of the stock market and other circumstances. If the board of directors concludes that such allocation is not reasonable, the board of directors shall decrease the number of Performance Shares to be allocated as it deems reasonable.
7. The number of Performance Shares that a Participant will be entitled to depends on which category such Participant belongs to:

<b>Category</b>	<b># of individuals</b>	<b># of Performance Shares</b>
CEO, CFO and MD Nobina Sverige	3	4
MDs Nobina Danmark, Finland and Norge and marketing director Nobina Sverige	4	2
Other key employees of Nobina	15	1
<b>TOTAL</b>	<b>22</b>	

8. Subject to the above conditions, the Matching Shares and the Performance Shares will be transferred to the Participants no later than 45 days after the publication of Nobina's year-end report for 2020/2021.
9. The number of Matching Shares and Performance Shares (if any) may be recalculated in the event of a share split, reversed share split or similar events having an impact on the number of shares in Nobina.
10. A Participant's participation in the Share Savings Scheme requires that it is legally possible and appropriate in the jurisdiction in which such Participant is resident and that such participation, at Nobina's sole discretion, is deemed possible with reasonable administrative and financial costs.
11. The board of directors shall be responsible for the details and management of the Share Savings Scheme within the framework of this proposal.
12. The board of directors is authorised to make such minor adjustments to this proposal, or to deviate therefrom, as may be required under applicable law, regulation, market practice or otherwise.

#### ***Costs for Share Savings Scheme***

The costs for the Share Savings Scheme are based on the IFRS 2 reporting standards and will be amortised over the Retention Period.

The board of directors has made a preliminary cost calculation for the Share Savings Scheme, which is based on a SEK 54.75 price per share at final allocation, that the maximum number of Performance Shares is allocated following the Retention Period, an estimated annual staff turnover of 2% and that each Participant invests in Savings Shares up to the maximum amount. The value of the Matching Share has been calculated on the basis of a share price of SEK 54.8 and a dividend yield of 5% (in line with current dividend yield). On the basis of the above assumptions, the value of each Performance Share has been set at SEK 45.82 (84% of SEK 54.75). The value of the Performance Shares has been calculated on the basis of a share price of SEK 54.75 at the implementation of the Share Savings Scheme, an estimate of the future volatility of the Nobina share as well as volatility and correlation between the Nobina share and the Index as well as a dividend yield of 5%. On the basis of the above assumptions, the value of each Performance Share has been set at SEK 17.40 (32% of SEK 54.75).

In total, the above results in a maximum cost for the Share Savings Scheme of approximately SEK 9.1 million, excluding costs for social security charges. The costs for social security charges on the basis of an annual appreciation of the Nobina share of 10% until the time for allocation is approximately SEK 6.1 million. Such costs should be viewed in relation to Nobina's total costs for salaries and other remuneration, which during 2016/2017 amounted to SEK 4,656 million, including social security charges.

#### ***Effects on key ratios***

The Company currently has 88,355,682 outstanding shares (one vote per share). The company holds no treasury shares.

To implement the Share Savings Scheme, up to 342,087 treasury shares need be acquired (excluding shares to cover costs for social security charges), corresponding to the approximately 0.39% of the total number of outstanding shares and votes in Nobina.

The transfer of such shares to the Participants in the Share Savings Scheme (free of charge) is estimated to have a dilutive effect on the yield per share of up to 0.39%. The transfer of up to 85,009 treasury shares on Nasdaq Stockholm to cover costs for social security charges does not have any dilutive effect on the yield per share as they are transferred at market price.

**b. Authorisation for the board of directors to purchase and sell treasury shares within the scope of the Share Savings Scheme**

For the purposes of facilitating the transfer of Matching Shares and Performance Shares under the Share Savings Scheme as well as to cover costs for social security charges that may arise in connection therewith, the board of directors proposes that the annual general meeting resolves to authorise the board of directors to purchase and sell treasury shares as follows:

1. The board of directors is authorised to, at one or several occasions before the next annual general meeting, (a) purchase no more than 342,087 shares in Nobina for the purposes of securing the number of Matching Shares and Performance Shares that shall be delivered to the Participants under the Share Savings Scheme and (b) purchase and sell no more than 85,009 shares in Nobina for the purposes of covering the costs for social security charges that may arise in connection therewith.
2. The purchase and sale of shares shall be made on Nasdaq Stockholm at a price within the price range applicable at that time.

**c. Transfer of treasury shares to Participants in the Share Savings Scheme**

For the purposes of facilitating the transfer of Matching Shares and Performance Shares under the Share Savings Scheme, the board of directors proposes that the annual general meeting resolves that Nobina shall transfer treasury shares as follows:

1. Nobina may transfer no more than 342,087 shares in Nobina to the Participants.
2. The Participants in the Share Savings Scheme shall have the right to receive shares, whereby each Participant shall be entitled to receive such number of shares, which he/she is entitled to under the Share Savings Scheme. Such right can be exercised by the Participant during the period in which such Participant is entitled to receive Matching Shares and Performance Shares under the Share Saving Scheme, that is, within 45 days after the publication of Nobina's year-end report for 2020/2021.
3. The shares shall be transferred free of charge.
4. The number of shares to be transferred may be recalculated in the event of a share split, reversed share split or similar events having an impact on the number of shares in Nobina.

The reason for deviating from the shareholders' preferential rights in connection with the transfer of shares is to facilitate the transfer of Matching Shares and Performance Shares under the Share Savings Scheme.

**d. Equity swap agreement with third party**

In the event that the majority requirements applicable to the board of directors' proposals under items b. and c. above are not satisfied (see "Voting majority" below),

the board of directors proposes that the annual general meeting resolves that Nobina shall hedge its financial exposure under the Share Savings Scheme by entering into an equity swap agreement with a third party, under which such third party shall, in its own name, purchase and transfer shares in Nobina to the Participants.

The board of directors notes that the main alternative for securing Nobina's financial exposure under the Share Savings Scheme is the purchase and transfer of treasury shares as set out in the board of directors' proposals under items b. and c. above. The reason for this is that the costs for an equity swap agreement is typically significantly higher than the costs for purchasing and transferring treasury shares.

### **Preparation of the proposal**

The Share Savings Scheme has been prepared by the remuneration committee, in consultation with the board of directors. The board of directors has adopted the proposal. Neither the CEO nor any other employees who may be offered to become a Participant has participated in the preparation or the adoption of the proposal.

### **Voting Majority**

The board of directors' proposal under item a. above requires that more than half of the votes cast at the annual general meeting approve the proposal.

The board of directors' proposal under item b. above requires that at least two thirds (2/3) of both the votes cast as well as the shares represented at the annual general meeting approve the proposal.

The board of directors' proposal under item c. above requires that at least nine tenths (9/10) of both the votes cast as well as the shares represented at the annual general meeting approve the proposal.

The board of directors' proposal under item d. above requires that more than half of the votes cast at the annual general meeting approve the proposal.

\* \* \*

Solna in April 2017  
Nobina AB (publ)  
The board of directors