



## **Notice of the Annual General Meeting in Bilia AB**

**The shareholders of Bilia AB, org.no. 556112-5690, are hereby given notice of the Annual General Meeting (“AGM”) to be held on Wednesday 26 April 2023 at 14:00 at Haga Norra, Torfredsplatsen 1, Solna. Registration for the AGM will commence at 13:00.**

**The Board of Directors has decided that the shareholders shall be able to exercise their voting rights by postal voting in accordance with the company’s articles of association.**

### **Preconditions for participation**

A. Shareholders who wish to participate at the AGM by postal voting must:

- be recorded in the shareholders’ register kept by Euroclear Sweden AB as per 18 April 2023,
- and must notify its intention to participate by casting its postal vote in accordance with the instructions under the heading “Postal voting” so that the postal vote is received by the company through Computershare AB no later than 20 April 2023.

B. Shareholders who wish to participate at the AGM in person or by proxy must:

- be recorded in the shareholders’ register kept by Euroclear Sweden AB as per 18 April 2023,
- and must notify its intention to participate to the company at the latest on 20 April 2023 by letter to Computershare AB, “Bilia AB årsstämma 2023”, Box 5267, SE- 102 46 Stockholm, Sweden, via e-mail to proxy@computershare.se, via the company’s website [www.bilia.com](http://www.bilia.com) or by phone + 46 771 24 64 00 (weekdays between 09:00 and 16:00). When notifying the company, preferably in writing, this should include details of name, address, telephone number, registered shareholding and number of advisors, if any.

To be entitled to participate in the AGM, a shareholder whose shares are held in the name of a nominee must, in addition to providing notification of participation, register its shares in its own name so that the shareholder is registered in the share register relating to the circumstances on 18 April 2023. Such registration may be temporary (so-called voting right registration) and is requested from the nominee in accordance with the nominee’s procedures and in such time in advance as the as the nominee determines. Voting right registration completed by the nominee no later than 20 April 2023 are taken into account when preparing the share register.

### **Participation in person or by proxy**

Shareholders who wish to attend in person in the meeting room, in person or by proxy, must notify its intention in accordance with B) above. This means that notice by postal voting only is not enough for anyone who wishes to attend in the meeting room.

Where representation is being made by proxy, the proxy form shall be sent to the company to the above address before the AGM. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed.

### **Postal voting**

A special form shall be used for postal voting. The form is available on [www.bilia.com](http://www.bilia.com).

The completed and signed voting form must be received by Bilia through Computershare AB no later than 20 April 2023. The form may be submitted by post to Computershare AB, "Bilia AB AGM 2023", Box 5267, 102 46 Stockholm or via e-mail [proxy@computershare.se](mailto:proxy@computershare.se). Shareholders may also cast their postal votes electronically through Swedish BankID verification via Bilia's website [www.bilia.com](http://www.bilia.com). Shareholders who are represented by a proxy holder shall submit a proxy form enclosed to the voting form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form.

Shareholders are not permitted to add special instructions or conditions to their postal votes. If this is done, the vote (i.e. the postal vote in its entirety) will be invalid. Further instructions and conditions can be found on the postal voting form.

For questions about the meeting or to have the postal voting form sent by post, please contact Computershare AB on telephone + 46 771 24 64 00.

### **Proposed agenda**

1. Opening of the meeting
2. Election of chairman for the meeting
3. Election of one or two persons to verify the minutes
4. Preparation and approval of the voting list
5. Approval of the agenda for the meeting
6. Determination of whether the meeting has been duly convened
7. Presentation of Bilia AB's annual report, the auditor's report, the consolidated accounts and the auditor's report on the consolidated accounts for the financial year 2022
8. Resolution on the adoption of the profit and loss statement and the balance sheet, the consolidated profit and loss statement and the consolidated balance sheet for the Group, all per 31 December 2022
9. Resolution regarding distribution of profits and record date
10. Resolution on the discharge of liability for the members of the Board of Directors and the CEO
11. Determination of the number of Board members
12. Determination of fees for the Board of Directors
13. Election of the members of the Board of Directors and the Chairman of the Board
14. Determination of fees payable to the auditor and election of auditor
15. Presentation and approval of the Board's remuneration report
16. Authorisation for the Board of Directors to decide on acquisition and transfer of own shares
- 17a. Determination on long-term incentive program
- 17b. Determination on the transfer of own shares to participants in the share savings program

- 17c. Determination on share swap agreements with third parties due to the share savings program
- 17d. Decision on authorization for the board to decide on the transfer of own shares due to the share savings program

**The Nomination Committee's Proposal for Resolutions (items 2 and 11–14)**

The Nomination Committee consists of Tim Floderus (Investment AB Öresund, chairman), Sofia Steinwall (Anna Engebretsen with family), Mats Qviberg (Qviberg family, chairman of the Board), Emilie Westholm (Folksam). The Nomination Committee proposes the following.

**Item 2 - Election of chairman for the meeting**

Election of Mats Qviberg as chairman of the AGM.

**Item 11 - Determination of the number of Board members**

8 ordinary Board members without deputy members.

**Item 12 - Determination of fees for the Board of Directors**

It is proposed that a fee of SEK 460,000 be paid to the Chairman of the Board and SEK 460,000 to the Deputy Chairman. It is proposed that the other Board members receive SEK 285,000 each. Further, it is proposed that the chairman of the Audit Committee receives SEK 160,000 and that the members of the Audit Committee receive SEK 80,000 each. It is proposed that the chairman of the Compensation Committee receives SEK 50,000 and that the members of the Compensation Committee receive SEK 25,000 each.

The above proposal for Board fees entails an increase compared to last year of SEK 20,000 each for the Chairman of the Board and Deputy Chairman and of SEK 15,000 each for the other board members. Fees for committee work are unchanged. The proposal further entails an increase in the fee for the chairman of the audit committee by SEK 10,000 and by SEK 5,000 for other members of the audit committee, and an unchanged fee for the chairman of the remuneration committee and for other members of the remuneration committee.

Fees for the employee representatives on the board are proposed to be SEK 38,000 and for the employee deputies on the board SEK 23,000. The fee is unchanged compared to the previous year.

**Item 13 - Election of the members of the Board of Directors and the Chairman of the Board**

The Nomination Committee proposes re-election of the entire Board including: Gunnar Blomkvist, Anna Engebretsen, Ingrid Jonasson Blank, Nicklas Paulson, Jan Pettersson, Mats Qviberg, Jon Risfelt och Caroline af Ugglas. More information regarding the proposed Board members is available at [www.bilia.com](http://www.bilia.com).

Re-election of Mats Qviberg as Chairman of the Board with Jan Pettersson as Deputy Chairman.

**Item 14 - Determination of fees payable to the auditor and election of auditor**

Fees to auditors shall be paid as billed, upon approval.

Re-election of the auditing company PricewaterhouseCoopers AB (PwC) as auditor in the company for the period until the end of the Annual General Meeting 2024.

## **The Board of Directors' proposals for resolutions**

### **Item 3 - Election of one or two persons to verify the minutes**

The Board of Directors proposes that Emilie Westholm (Folksam) is appointed to approve the minutes of the meeting, or, in case of impediment, other person suggested by the Board. The adjuster's tasks also include checking the voting list and that received postal votes are correctly reflected in the minutes of the meeting.

### **Item 4 - Preparation and approval of the voting list**

The voting list proposed to be approved is the voting list established by Computershare AB on behalf of the company, based on the Annual General Meeting share register and received postal votes, and verified by the persons appointed to check the minutes.

### **Item 9 - Resolution regarding distribution of profits and record date**

The Board of Directors proposes a dividend to the shareholders of SEK 8.80 (8) per share, divided into four payments of each SEK 2.20 per share. Record date for the payment is proposed to be Tuesday 2 May 2023, Tuesday 11 July 2023, Monday 9 October 2023 and Tuesday 9 January 2024. If the AGM resolves in accordance with the proposal, payment from Euroclear Sweden AB is expected to be made on Friday 5 May 2023, Friday 14 July 2023, Thursday 12 October 2023 and Friday 12 January 2024.

### **Item 15 - Approval of the Board's remuneration report**

The Board of Directors proposes that the AGM approves the report presented by the Board on paid and outstanding remuneration to senior executives. The Remuneration report is available on the company's website, [www.bilia.com](http://www.bilia.com).

### **Item 16 - Authorisation for the Board of Directors to decide on acquisition and transfer of own shares**

The Board of Directors proposes that the Annual General Meeting authorise the Board to make decisions regarding the acquisition and transfer of own shares. The purpose of the authorisation is to give the Board greater freedom in its work with the company's capital structure and to make it possible, if deemed appropriate, to acquire enterprises using the company's shares as payment or to increase liquidity in the company's share. The Board of Directors considers that company shares can, from the viewpoint of the shareholders, be an appropriate means of payment (full or partial) in conjunction with business combinations, whereby the preferential rights of the shareholders must for obvious reasons be waived. The Board's proposal entails the following:

*Acquisition:* The Board of Directors may, on one or more occasions up till the Annual General Meeting 2024, decide to acquire a number of Bilia shares such that the company's own holding does not exceed 1/10th of the number of shares in the company at any given time. The consideration paid for the shares shall be on market terms and buy-back shall be possible by cash purchase on Nasdaq Stockholm at a price within the range noted at that particular time and otherwise subject to existing regulations.

*Transfer:* On one or more occasions prior to the Annual General Meeting 2024, the Board shall be able to decide on the transfer of all or part of the own shares that the Company holds at any given time. Transfer shall be possible by deviation from the shareholders' preferential right at a price equal to the current share price, or equal to an average of the current share price for a

maximum of 10 trading days in connection with the transfer, and with a deviation of no more than 10 per cent. The shares may be transferred on Nasdaq Stockholm, or the shares may be used as a means of payment in connection with a company acquisition.

A valid decision requires that the proposal be approved by shareholders holding more than two-thirds (2/3) of both the votes cast and the shares represented at the meeting.

#### **Item 17a - Determination on long-term incentive program**

The board proposes that the AGM decides to adopt a long-term incentive program in the form of a share savings program for senior executives and other key personnel within the Bilia Group (the "Program"). The decision according to this item 17 (a) shall be conditional on the AGM deciding on hedging measures due to the Program, either in accordance with the proposal under item 17 (b) below or in accordance with the proposal under item 17 (c) below.

The purpose of the Program is to create the conditions to motivate and retain competent key personnel in the Bilia Group, to attract new employees and to increase motivation to reach and exceed Bilia's financial goals and sustainability goals. The Program has been designed based on the fact that it is desirable for senior executives and other key persons within the Bilia Group to be shareholders in Bilia. Participation in the Program requires that the participant has contributed with private investment. The Program also rewards employees' continued loyalty and thereby the long-term value growth in Bilia. Against this background, the board believes that adoption of the Program will have a positive effect on the Bilia Group's future development and will consequently be beneficial for both Bilia and its shareholders.

The program is proposed to include a total of approximately sixty (60) key people in the Bilia Group ("Participants") roughly distributed as follows:

- 45 Participants in Sweden,
- 14 Participants in Norway, and
- 3 Participants in total in Luxembourg and Belgium.

The Participants in the Program must have invested by acquiring shares in Bilia AB (publ) ("Savings Shares"). Subsequently, the Participants will be given an opportunity to acquire, free of cost, shares within the framework of the Program, so-called "Performance Shares", under the terms stipulated below (the "Rights").

In order to be able to participate in the Program, the Participant must have contributed with a private investment through the acquisition of Savings Shares. The Savings Shares will be acquired by Aktieinvest at market price on behalf of the participants, during part or all of the acquisition period that runs between 27 April 2023 and on 16 May 2023, for the purpose of being allocated to the Program.

A Participant may invest in Bilia shares up to the maximum number of shares in each category plus any over-allotment. Participants can apply for a maximum of 50% over-allocation if the Program does not receive full participation, in which case allocation takes place pro rata. The maximum number of Savings Shares that can be allocated to the Program for the two participant categories is shown below.

#### Category 1

Group management (9 people) - Maximum 1,750 Savings Shares

## Category 2

- subgroup A (circa 13 people) - Maximum 1,000 Savings Shares
- subgroup B (circa 20 people) - Maximum 750 Savings Shares
- subgroup C (circa 20 people) – Maximum 500 Savings Shares

The minimum number of Savings Shares that a Participant must acquire in order to participate in the Program must correspond to a market value of at least twenty-five thousand (SEK 25,000) SEK. For each Savings Share held within the framework of the Program, Bilia will award the Participant a total of 4.5 Rights, which means that the Participant, provided that the performance targets are fully met, will be awarded 4.5 Performance Shares.

### *General terms*

Awarding of Performance Shares takes place on the condition that the Participant from the start of the Program up to and including the date of publication of the interim report for January-March 2026 ("Vesting Period") has retained his original Savings Shares and that the Participant, with certain exceptions, is still employed within the Bilia Group. The Program must start as soon as practically possible after the AGM has adopted the board's proposal in this regard.

Free allocation of Performance Shares is, apart from what is stated in the point above, conditional on the achievement of the performance targets established by the board. The allocation per Participant is the same for all Participants. The maximum number of Performance Shares allocated within the framework of the Program amounts to 242,000. For the maximum allocation of Performance Shares, it is required that targets established by the board regarding total return on Bilia's shares and increased profit per share be met, and that the targets for customer satisfaction and gender equality be met. Allocation of Performance Shares per Savings Share can take place as follows:

- one (1) performance share is awarded if the total return on Bilia's shares has been positive during the duration of the Program. The calculation of the total return shall be based on the Bilia share's average closing price during the trading days in March 2023, which shall be compared with the Bilia share's average closing price during the trading days in March 2026, adjusted for dividends paid during the Program's term.

- one (1) Performance Share is awarded to the Participant if the profit per share in 2025 has increased by 10 per cent compared to the profit per share in 2022.

- one (1) Performance Share is awarded to the Participant if the profit per share in 2025 has increased by 20 per cent compared to the profit per share in 2022.

- one (1) Performance Share is awarded to the Participant if Bilia's average customer satisfaction during the period exceeds the benchmark (competitors' customer satisfaction per car brand) by 2 percentage points. Customer satisfaction is based on the operations that existed as of 31 December 2022 (excluding terminated operations).

- one-half (0.5) Performance Share is awarded if the percentage of women in sales operations is 22% or higher in 2025 (acquisition-adjusted).

### *Terms for the Rights*

The following terms shall apply for the Rights under the Program, in addition to what is stated above:

The Participant must acquire the Savings Shares no later than 16 May 2023, or at a later date if the board postpones the acquisition period.

The rights must be earned during the Vesting Period. Rights cannot be transferred or pledged.

4.5 Rights entitles the Participant the right to receive 4.5 Performance Shares free of charge, after the end of the Vesting Period, provided that the Participant has, with certain exceptions, been employed by Bilia during the Vesting Period and has retained his Savings Shares.

If the Board of Directors determines that the terms for allotment of Performance Shares are no longer reasonable in the light of, for example, major changes in Bilia, Bilia Group or the market, the Board is entitled to make adjustments of the Program.

The Board is entitled to adopt more detailed terms for the Program.

The Program shall consist of no more than 240,000 shares (excluding 68,000 shares required to guarantee social security contributions for the Program as explained below) based on the assumption of full investment. It is assumed that 68,000 shares will be sold on the market to cover the costs of social security contributions.

The number of Performance Shares shall be recalculated in the event that a bonus issue (with the issue of new shares), a stock split or reverse stock split, a rights issue or other similar events occur in Bilia during the Vesting Period.

#### *Allotment of Performance Shares under the Program*

In order to implement the Program in a cost-effective and flexible manner, the Board of Directors has considered different methods for securing delivery of Performance Shares under the Program. The Board has thereby found that the most cost-effective alternative is to guarantee delivery by transfer of own shares held by Bilia. The Board of Directors therefore proposes that the AGM resolve as the main alternative, in accordance with item 17 (b) below, to transfer own shares.

In the event a majority cannot be achieved for item 17 (b) below, the Board of Directors proposes that it be resolved that Bilia may enter into an equity swap agreement with a third party in accordance with item 17 (c) below.

#### *Costs for the Program*

Costs for the Program are calculated in accordance with IFRS 2 and recognised in the income statement. The cost is recognised on a straight-line basis over the Vesting Period.

Based on the assumptions that the Program is fully subscribed, that all Participants invest the maximum number of Savings Shares, that the share price amounts to SEK 132.50 at the time of investment, assuming an annual staff turnover of 10% in the participant group and that the remaining Participants still own all Savings Shares at the end of the Vesting Period, that the profit per share in 2025 has increased by 10% (but not 20%) compared to the profit per share in 2022, and that the performance targets are otherwise fully achieved, implies an IFRS 2 cost for

the Program of approximately SEK 14.0 million. If all performance targets are achieved, the IFRS 2 cost for the Program will equal approximately SEK 18.2 million.

Social security contributions must also be paid and can be estimated to amount to a weighted nominal percentage of 28 per cent. The Participants reside in, and are tax residents of, Sweden, Norway, Luxembourg and Belgium. With an assumed distribution of shares between these countries, and with other conditions as stipulated above, the annual social security contributions are estimated to amount to SEK 6,8 million and SEK 8,7 million if all performance targets are achieved.

#### *Effect of Program on important key ratios and share dilution*

The Program is estimated to comprise a total of no more than 242,000 shares, excluding measures to guarantee social security contributions, which is equivalent to about 0.25 per cent of Bilia's total number of shares outstanding.

Outstanding rights to shares under previous long-term incentive program amount to about 0.1 per cent of Bilia's total number of shares outstanding. The effect of existing incentive program, including the Program, on important key ratios is only marginal. For a description of Bilia's other long-term incentive programs, see the company's Annual Report for 2022 and the company's website, [www.bilia.com](http://www.bilia.com).

#### *Drafting process*

The Board's decision to propose that the AGM resolve to approve the Program as described above was made at a Board meeting of 21 March 2023. The proposal was drafted by the Board's Compensation Committee in consultation with the Board and with the support of external advisers.

#### **Item 17b - Proposal for decision regarding transfer of own shares to Participants in the Program**

The Board of Directors proposes that, in order to guarantee delivery of Performance Shares, the AGM resolve that a maximum of 242,000 shares previously acquired and now held by Bilia can be transferred to Participants within the framework of the Program.

The number of shares that can be transferred is subject to recalculation due to a intervening bonus issue, stock split, rights issue and/or similar events.

#### **Item 17c - Equity swap agreement with third party**

In the event the necessary majority cannot be achieved for item 17 (b) above, the Board of Directors proposes that the AGM resolve to guarantee the expected financial exposure due to the Program by allowing Bilia to enter into an equity swap agreement on market terms with a third party, whereby the third party can, in its own name, acquire and transfer Bilia shares to the Participants.

#### **Item 17d - Proposed resolution to authorise the Board of Directors to approve transfer to cover social security contributions for the Program**

In order to cover social security contributions that arise in conjunction with transfers of shares to the Participants under the Program, the Board of Directors proposes that the AGM authorise the Board to approve transfers of own shares under the following terms:

- Transfer shall be made on Nasdaq Stockholm (the "Stock Exchange").



- Transfer can be made, on one or more occasions prior to the 2024 Annual General Meeting, of no more than 68,000, shares held by Bilia.
- Transfer of shares on the Stock Exchange can only be made at a price per share that lies within the noted price range at any given time.
- Transfer can only be made in exchange for cash payment.

The maximum number of shares that can be transferred/acquired on the Stock Exchange may be recalculated in the event a bonus issue (with the issue of new shares), stock split or reverse stock split occurs in Bilia, or if another event occurs that has occasioned recalculation of the number of shares to be transferred to the Participants under the Program.

The Board of Directors intends to propose at future Annual General Meetings as well that the Annual General Meeting authorise the Board to approve transfer of own shares on the Stock Exchange to cover social security contributions that arise under the Program.

#### *Terms*

The Board's proposal that the AGM resolve to implement the Program is conditional on the AGM's also deciding to adopt measures to guarantee the Program as stipulated above. The Board's proposal that the AGM resolve to approve transfer of own shares is similarly conditional on the AGM's decision to approve the Program and authorisation of transfer of own shares to cover social security contributions.

#### *Majority required for decision*

A valid decision for item 17a above requires that the proposal be approved by shareholders holding more than one-half (1/2) of both the votes cast and the shares represented at the meeting. A valid decision for item 17b above requires that the proposal be approved by shareholders holding at least nine-tenths (9/10) of both the votes cast and the shares represented at the meeting. A valid decision for item 17c above requires that the proposal be approved by shareholders holding more than one-half (1/2) of both the votes cast and the shares represented at the meeting. A valid decision for item 17d above requires that the proposal be approved by shareholders holding more than two-thirds (2/3) of both the votes cast and the shares represented at the meeting.

#### **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>

#### **Further information**

The Annual report, auditor's report, auditor's statement on application of guidelines for remuneration to the Group Management, the board's proposal for the long term incentive program and other documents to be provided prior to the AGM under the Swedish Companies Act and the Swedish Corporate Governance Code will be available at Bilia AB at Norra Långebergsgatan 3 in Gothenburg and at [www.bilia.com](http://www.bilia.com) (menu header About us – Corporate Governance – General Meeting) not later than on 5 April 2023, and will be sent to shareholders who so request and provide their postal address. The documents will also be available at the AGM.

The total number of shares and votes in the company at the time of issue of this notice is 96,299,952. Bilia holds, as per March 2023, 4 315 709 own shares.

Gothenburg, March 2023

Bilia AB  
*The Board of Directors*