



**NOTICE TO ATTEND THE ANNUAL GERNERAL MEETING IN  
COM HEM HOLDING AB (PUBL)**

The shareholders of Com Hem Holding AB (publ), company reg. no. 556858-6613, ("**Com Hem**" or the "**Company**") are hereby invited to attend the annual general meeting (the "**AGM**") to be held on Thursday, 21 May 2015, at 16.00 (CET) at Lundqvist & Lindqvist Konferens, Klarabergsviadukten 90 in Stockholm. Registration for the AGM will commence at 15.00 (CET).

**Notice of attendance etc.**

Shareholders who wish to attend the AGM must be recorded in the share register maintained by Euroclear Sweden AB on Friday, 15 May 2015, and give notice of their attendance no later than on Friday, 15 May 2015. Notice of attendance can be made at [www.comhemgroup.se/agm2015](http://www.comhemgroup.se/agm2015) (only available to private individuals), or by telephone to +46 (0) 8 402 92 45 (week days 9.00 - 16.00 (CET)), or by mail to the following address:

Com Hem Holding AB (publ)  
c/o Euroclear Sweden AB  
Box 191  
SE-101 23 Stockholm  
Sweden

When giving notice of attendance, please state your name, address, telephone number, personal identity number/corporate identity number and shareholding and, if applicable, representation by proxy and the number of any assistants. This information will only be used for preparation of the voting list.

Shareholders represented by proxy must issue a power of attorney for their representative, such power of attorney to be signed and dated by the shareholder. The power of attorney (in original) should in due time prior to the AGM be submitted to the address set out above. If the power of attorney is issued by a legal entity, a certified copy of the legal entity's certificate of registration must be enclosed, or if such document does not exist, a corresponding document of authority. A template power of attorney in Swedish will be available at [www.comhemgroup.se/agm2015](http://www.comhemgroup.se/agm2015) and will also be sent to shareholders upon request.

**Nominee registered shares**

Shareholders with nominee registered shares must, in order to be entitled to participate in the AGM, temporarily have their shares registered in their own name with Euroclear Sweden AB. Such registration must be effective no later than as of Friday, 15 May 2015. This means that shareholders, in due time before that day, should notify their bank or broker.

**Entrance cards**

Entrance cards, to be presented at the entrance to the AGM, will be distributed as of 16 May 2015 and onwards, to those shareholders who have notified their attendance. Where an entrance card has not been received in due time prior to the AGM, an entrance card can be obtained at the entrance to the meeting premises.



## **Proposed agenda**

1. Opening of the meeting
2. Election of the chairman of the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Determination as to whether the meeting has been duly convened
7. Presentation of
  - (a) the annual report and the auditor's report; and
  - (b) the consolidated accounts and the auditor's report over the consolidated accounts
8. Report by the CEO and questions from the shareholders
9. Resolution on:
  - (a) adoption of the profit and loss account and the balance sheet as well as the consolidated profit and loss account and the consolidated balance sheet;
  - (b) appropriation of the Company's profit as stated in the adopted balance sheet and record date for dividend; and
  - (c) discharge from liability of the members of the Board and the managing director
10. Report on the work of the nomination committee
11. Determination of the number of members of the Board and deputy members of the Board
12. Determination of the number of auditors and deputy auditors
13. Determination of the remuneration to the members of the Board and the auditor
14. Election of members of the Board and the chairman of the Board
15. Election of auditor
16. Resolution on the nomination committee
17. Resolution on the Board's proposal for guidelines for remuneration to senior executives
18. Resolution on the Board's proposal regarding a long-term share savings incentive program 2015 (LTIP 2015), including transfer of shares under the program



19. Resolution on the Board's proposal for authorization for the Board to resolve on acquisition of own shares
20. Closing of the meeting

**The nomination committee:**

The nomination committee ahead of the AGM 2015 has been comprised of Pierre Stemper (representing Norcell S.à.r.l.), Erik Durhan (representing Nordea Fonder) and Andrew Barron (the chairman of the Board of Directors of Com Hem (the "**Board**")).

The representatives of the nomination committee jointly represent 37.1 percent of the shares and votes in the Company.

**Proposed resolutions etc.**

**Item 2 – Election of the chairman of the meeting**

The nomination committee proposes that Hans Svensson, member of the Swedish Bar Association, is elected as chairman of the meeting.

**Item 9 (b) – Appropriation of the Company's profit as stated in the adopted balance sheet and record date for dividend**

The Board proposes that of the available profit and unrestricted reserves, amounting to approximately SEK 8,685.133 million, approximately SEK 207.530 million is distributed as dividend and the remaining amount of approximately SEK 8 477.603 million is carried forward. The amount to be distributed as dividend is based on the number of outstanding shares as of 31 December 2014. The Board thus proposes a dividend of SEK 1 per share and proposes Monday, 25 May 2015, as record date for the dividend. If the AGM resolves in accordance with the proposal, it is expected that Euroclear Sweden AB will distribute the dividend payment on Thursday, 28 May 2015.

**Item 11 – Determination of the number of members of the Board and deputy members**

The nomination committee proposes that the Board shall consist of six board members to be elected by the AGM, without any deputy members.

**Item 12 – Determination of the number of auditors and deputy auditors**

The nomination committee proposes that one registered accounting firm shall be elected as auditor, without any deputy auditors.

**Item 13 – Determination of the remuneration to the members of the Board and the auditor**

The nomination committee proposes a total remuneration to the Board of SEK 3,689,000, to be allocated as follows:

- SEK 3,214,000, whereof SEK 1,814,000 (unchanged) to the chairman of the Board and SEK 350,000 (unchanged) to each of the four other members of the Board who are not employed by the Company; and



- SEK 475,000 as additional remuneration for work in the committees of the Board, to be allocated as follows:
  - SEK 110,000 (100,000) to the chairman of the audit committee and SEK 80,000 (70,000) to each of the two other members, and
  - SEK 85,000 (75,000) to the chairman of the remuneration committee and SEK 60,000 (50,000) to each of the two other members.

The nomination committee furthermore proposes that the auditor's fees shall be paid upon approval of their invoice.

#### **Item 14 – Election of members of the Board and the chairman of the Board**

The nomination committee proposes re-election of the Board members Andrew Barron, Nicholas Stathopoulos, Joachim Ogland, Monica Caneman, Eva Lindqvist and Anders Nilsson, for the period until the end of the next AGM, as well as re-election of Andrew Barron as the chairman of the Board.

Joachim Jaginder resigned from his position as member of the Board in February 2015.

#### **Item 15 – Election of auditor**

The nomination committee proposes re-election of the registered accounting firm, KPMG AB, for the period until the end of the next AGM.

KPMG AB has informed that, subject to the approval of the proposal from the nomination committee regarding auditor, the authorized public accountant Thomas Thiel will continue as the auditor in charge for the audit.

#### **Item 16 – Resolution on the nomination committee**

The nomination committee proposes that the nomination committee, ahead of the AGM 2016, shall be composed of representatives of the three largest shareholders listed in the Company's share register kept by Euroclear Sweden AB as well as the chairman of the Board. The chairman of the Board shall convene the first meeting of the nomination committee. The representative representing the largest shareholder shall be appointed as chairman of the nomination committee. If any of the largest shareholders do not wish to appoint a representative to the nomination committee, the largest shareholders in turn shall be contacted. If any of the shareholders in turn refrain from appointing a representative to the nomination committee, the chairman of the Board will only need to contact the eight largest shareholders in order to obtain a nomination committee composed of at least three representatives including the chairman of the Board. If a nomination committee composed of three members (including the chairman) is not obtained after having contacted the eight largest shareholders, the chairman shall continue to contact the shareholders that are next in turn until a nomination committee composed of three representatives (including the chairman) has been obtained.

If earlier than two months prior to the AGM 2016, a shareholder having appointed a representative to the nomination committee no longer is among the largest shareholders, the representative appointed by such shareholder shall resign and the new shareholder who at such time is among the largest shareholders may appoint a representative. Should a representative of the nomination committee before the committee's work is completed and



the nomination committee considers it necessary to replace the representative, the shareholder that appointed the resigning representative shall have the right to appoint a new representative, or if the shareholder no longer is among the largest shareholders, the largest shareholder in turn shall have such right. Changes to the composition of the nomination committee shall be announced immediately. The term the "largest shareholders" above refers to such number of the largest shareholders which the chairman of the Board has contacted in order to obtain a nomination committee in accordance with procedure described in the above paragraph.

### **Item 17 – Resolution on the Board's proposal for guidelines for remuneration to senior executives**

The Board proposes that the AGM resolves to adopt the following guidelines for remuneration to senior executives in the Company to apply as of 2015.

The total amount of remuneration for a person with a senior executive position in the Company shall correspond to market practice and shall be competitive in order to attract, motivate and retain key employees. The aim is to create incentives for senior executives to execute strategic plans and deliver excellent operating results and to align such persons' interests with the interests of the shareholders.

Remuneration of the CEO and other senior executives shall consist of a fixed salary, short-term incentives (STI) with variable remuneration paid annually in cash which are linked to achievement of financial targets for the Company and individual performance targets, and long-term incentives (LTIP) that are share based or share linked, in addition to pension and other customary benefits.

- The fixed salary shall be based on the senior executives' respective competence and area of responsibility. The fixed salary shall form the basis for any STI. The fixed salary is to be reviewed annually.
- STIs shall be based on performance in relation to established targets. The targets shall be individual, measurable and linked to the Company's financial performance as well as to specific performances and processes (individual targets). For the CEO STIs can amount to a maximum of 113 percent of fixed salary provided that financial targets set in the budget are reached. Provided significant out-performance of the financial targets set in the budget, and of individual targets, and approval by the Board, the STI for the CEO can amount to a maximum of 169 percent of fixed salary. For other senior executives the STI can amount to a maximum of 68 percent of fixed salary provided that both financial and individual targets are reached, and up to a maximum of 113 percent of fixed salary provided that both financial and individual targets are significantly out-performed.
- The vesting period for LTIPs shall be at least three years. LTIPs shall always be based on shares or share linked instruments. LTIPs shall ensure a long-term commitment to the development of the Company. Any share based LTIP will be subject to shareholder approval before being launched.
- Other benefits may include a company car, health insurance and other customary benefits. Other benefits shall not constitute a significant part of the total remuneration.



- Senior executives shall be offered individual pension plans amounting to a maximum of 30 percent of the fixed salary or defined contribution pension plans and ITP (collective agreed pension plans).
- In the event of termination of employment initiated by the Company, the notice period for the CEO shall be 12 months. For other senior executives the notice period shall be maximum 12 months.

In special circumstances, the Board may deviate from the above guidelines. In such case, the Board is obligated to provide for the reason for the deviation at the following AGM.

### **Item 18 – Resolution on the Board's proposal regarding a long-term share savings incentive program 2015 (LTIP 2015), including transfer of shares under the program**

The Board proposes that the AGM resolves on the implementation of a long-term share savings incentive program (LTIP 2015). This proposal is divided into four items:

Item A: Terms of the long-term share savings incentive program (LTIP 2015).

Item B: Transfer of treasury shares as hedge for delivery of shares in LTIP 2015.

Item C: If item B is not approved, the Board proposes that delivery of shares in LTIP 2015 shall take place via an equity swap agreement with a third party.

Item D: Other matters and reasons for the proposal etc.

#### **A. Share Savings Program 2015 (LTIP 2015)**

##### **A.1 Introduction**

The Board would like to launch a new incentive program in order to increase and strengthen the potential for recruiting and retaining key individuals. The Board therefore proposes that the AGM approves the implementation of a long-term share savings incentive program 2015 (the "LTIP 2015") for senior managers and certain other key employees within the Com Hem Group. The aim is also to use LTIP 2015 to create an individual long-term ownership of Com Hem shares among the participants. Participants will, after a qualifying period and assuming an investment of their own in Com Hem shares, receive allotments of additional Com Hem shares without consideration. The number of allotted shares will depend on the number of Com Hem shares they have purchased themselves and on the fulfilment of certain performance targets. The term of LTIP 2015 is proposed to be three years.

##### **A.2 Basic features of LTIP 2015**

LTIP 2015 will be directed towards senior managers and other key employees in the Com Hem Group primarily based in Sweden. Participation in LTIP 2015 assumes that the participant acquires and locks Com Hem shares into LTIP 2015 ("Savings Shares"). The Board can in certain cases which the Board deems appropriate, allow Com Hem shares already owned by the participant to qualify



as Savings Shares, on condition that they are locked into LTIP 2015 and are not included in any other similar incentive program.

For each acquired Savings Share, the participant shall be entitled, after a certain qualification period (defined below), to receive an allotment of one Com Hem share ("Matching Share"). Dependent on the fulfilment of certain performance targets, the participant may also be entitled, to receive allotment of additional Com Hem shares ("Performance Shares"). The participant shall not pay any consideration for the allotted Matching Shares and Performance Shares.

### A.3 Participation in the 2015 Program

The Board will decide during Q2 2015 on participation in LTIP 2015 and the assignment of participants to a certain category.

LTIP 2015 is directed towards four categories of participants:

<b>Category</b>	<b>Savings Shares maximum</b>	<b>Matching Shares max per Savings share</b>	<b>Performance Shares max per Savings share</b>
A (CEO)	3,200	1.0x	6.0x
B (CFO, COO and CTIO)	4,320	1.0x	5.0x
C (other senior managers, maximum 13 persons)	4,320	1.0x	4.0x
D (other key employees, maximum 11 persons)	4,320	1.0x	2.0x

The maximum number of Savings Shares for each participant shall be decided by the Board within the above maximum amounts. On average for the entire group of participants, the investment in Savings Shares shall not exceed 10 percent of the annual base salary for the participants.

Any resolution on participation or implementation of LTIP 2015 shall be conditional on that it, in the Board's judgement, can be offered with reasonable administrative costs and financial effects.





#### A.4 Allotment of Matching Shares and Performance Shares

Allotment of Matching Shares and Performance Shares within LTIP 2015 will be made during a limited period of time following presentation of the first quarterly statement 2018. The period up to this date is referred to as the qualification period (vesting period). A condition for the participant to receive allotment of Matching Shares and Performance Shares, is that the participant remains an employee of the Com Hem Group (and has not resigned) during the full qualification period up until allotment and that the participant, during this period, has kept all Savings Shares. Allotment of Matching Shares also requires that the TSR (defined below) for the period has been positive in absolute terms. In addition hereto, allotment of Performance Shares requires that the performance targets for relative TSR and free cash flow are fulfilled.

The TSR (total shareholder return) shall be calculated as the return in Com Hem shares with reinvested dividends during the qualification period. For the Performance Shares, the target shall be set in relation to the TSR performance in a peer group of relevant companies. In order to have any allotment of Performance Shares, Com Hem must reach the median value in the peer group. Maximum allotment assumes performance that is better than 90 percent of the peer group. Allotment will be linear for performance in-between these values. Establishment and, if necessary, adjustments of the peer group and calculation of TSR performance shall be carried out by the Board after consultation with external experts.

Free cash flow shall be measured on cumulative basis for the consolidated Com Hem Group during the term of LTIP 2015. The Board shall establish appropriate target levels in order to make the targets relevant and challenging.

When assessing the fulfillment of the performance targets for allotment of Performance Shares, the Board shall allocate 60 percent to relative TSR and 40 percent to free cash flow.

Prior to the allotment of Matching Shares and Performance Shares, the Board shall assess whether the allotment is reasonable in relation to the Company's financial results, position and performance, as well as other factors.

#### A.5 Implementation and administration etc.

The Board, or a committee established by the Board, shall in accordance with the AGM decision:

- (a) be responsible for the detailed design and implementation of LTIP 2015;
- (b) prepare and execute the necessary full-text documentation to the participants; and
- (c) otherwise manage and administer LTIP 2015.

The Board may also decide on the implementation of an alternative cash based incentive program for participants in countries where the acquisition of Savings Shares or allotment of Matching and/or Performance Shares is not appropriate, as well as if otherwise considered appropriate. Such alternative incentive





program shall to the extent practically possible be designed to correspond to the terms of LTIP 2015.

The intention is that the Board shall launch LTIP 2015 before the end of the second quarter of 2015.

**B. Transfer of treasury shares in LTIP 2015**

**B.1 Number of shares**

The Board proposes that the AGM resolves that the transfer of up to 343,000 Com Hem shares under LTIP 2015 may take place in accordance with the conditions stated herein. The number is calculated on the basis of maximum participation and fulfilment of performance targets and is further based on current levels of social security contributions.

**B.2 Other terms for transfer of Com Hem shares**

Transfer may be made of Com Hem shares to the participants in LTIP 2015 and, to the extent of financing social security contributions, in the stock market.

Transfers of shares to participants in LTIP 2015 shall be made without consideration on the date and on the other conditions on which participants in LTIP 2015 are entitled to acquire shares.

Sale of shares in the stock market shall be made at market price. It should be noted that the authorization to sell shares in the stock market will be proposed to be repeated as a new annual decision by each AGM during the term of LTIP 2015.

The number of Com Hem shares that may be transferred within the framework of LTIP 2015 may be subject to customary recalculations as a result of bonus issue, split, rights issue and/or similar events.

**B.3 Reasons for Board proposal etc**

Since the Board considers that the most cost-effective and flexible method of transferring Com Hem shares under LTIP 2015 is to transfer treasury shares (the Company's own holding of acquired shares), the Board proposes that the transfer is hedged in accordance with this item B.

The reason for the deviation from the shareholders' pre-emptive rights to acquire the treasury shares is for the Company to hedge the delivery of shares and the costs for social security contributions under LTIP 2015.

**C. Equity swap agreement with a third party**

The Board proposes that the AGM, should the necessary majority not be obtained for item B above, resolves to hedge the financial exposure of LTIP 2015, by the Company entering into a share swap agreement with a third party, whereby the third party in its own name shall acquire and transfer shares in the Company.



The relevant number of shares shall correspond to the number of shares proposed under item B above.

**D. Other matters**

**D.1 Majority requirements etc.**

The resolution by the AGM regarding the implementation of LTIP 2015 according to item A above shall be conditional on the AGM resolving either in accordance with the Board's proposal under item B above or in accordance with the Board's proposal under item C above.

The resolution according to item A above will require a majority of more than half of the votes cast at the AGM. A valid resolution under item B above requires that shareholders representing not less than nine-tenths of the votes cast as well as the shares represented at the AGM approve the resolution. A valid resolution under item C above will require a majority of more than half of the votes cast at the AGM.

**D.2 Estimated costs, expenses and financial effects of LTIP 2015**

LTIP 2015 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the share awards should be expensed as personnel costs over the qualification period and will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the Company's cash flow. Social security costs will be expensed in the income statement according to UFR 7 during the qualification period.

Assuming a share price at the time of implementation of SEK 75, that 50 percent of the maximum number of Performance Shares is allotted and an annual share price increase of 10 percent during the qualification period, the total cost for LTIP 2015, including social security costs, is estimated to approximately SEK 13.0 million before tax. The corresponding total cost with full achievement of the performance targets is estimated to approximately SEK 18.6 million before tax.

LTIP 2015 will comprise maximum 260,000 shares in total which corresponds to approximately 0.1 percent of the total outstanding shares and votes in the Company. Aggregated with the 83,000 shares that may be transferred in order to cover the cash flow effects associated with social security charges for LTIP 2015, this corresponds to approximately 0.2 percent of the total outstanding shares and votes in the Company.

The above calculations are based on a decision in accordance with item B, i.e. transfer of treasury shares. To the extent that a share swap agreement in accordance with item C is entered into to hedge the obligations under LTIP 2015, other accounting principles may apply.

In the view of the Board, the positive effects expected to arise from LTIP 2015, outweigh the costs associated with LTIP 2015.



### D.3 Impact on key ratios

If LTIP 2015 had been implemented in 2014 and if the performance targets had been fully achieved in accordance with the example in the paragraph above, the earnings per share for the financial year 2014 had decreased with approximately SEK 0.02 on a pro forma basis.

### D.4 Preparation of the proposal

This proposal to the AGM on LTIP 2015 has been designed by Com Hem's Remuneration Committee and the Board with the help of external advisors. With the exception of members of staff who prepared the material on instructions from the remuneration committee, no employee who may be a participant in LTIP 2015 has participated in preparing the terms for LTIP 2015.

### D.5 The Board's explanatory statement

The Board wishes to increase the ability of the Company to recruit and retain key employees. Moreover, an individual long-term ownership commitment among the participants in LTIP 2015 is expected to stimulate greater interest and motivation in the Company's business operations, results and strategy. The Board believes that the implementation of LTIP 2015 will benefit the Company and its shareholders. LTIP 2015 will provide a competitive and motivation-improving incentive for senior managers and other key employees within the Group.

LTIP 2015 has been designed to reward the participants for increased shareholder value by allotting shares, based on the fulfilment of conditions in respect of results and operations. Allotments shall also require a private investment by each respective participant through the acquisition of shares by them at market price. By linking the employees' remuneration to an improvement in the Company's results and value, the long-term value growth of the Company is rewarded. Based on these circumstances, the Board considers that the implementation of LTIP 2015 will have a positive effect on the Com Hem Group's continued development, and will thus be beneficial to the shareholders and the Company.

## **Item 19 – Resolution on the Board's proposal for authorization for the Board to resolve on acquisition of own shares**

The Board proposes that the AGM resolves to authorize the Board, until the end of the next AGM, on one or more occasions to resolve on acquisitions of shares in the Company to such extent that the Company's holding at any time not exceeds a tenth of the total amount of shares in the Company. Acquisition of shares may take place on Nasdaq Stockholm. Acquisition of shares at Nasdaq Stockholm shall be made at a price within the price range at any time recorded, and the range shall refer to the range between the highest buying price and the lowest selling price. Payment for shares shall be made through available funds. The purpose of this proposal is to give the Board the possibility, during the period until the next AGM, to adjust the Company's capital structure and to allow for the implementation of the long term incentive program as proposed by the Board under item 18 above.



A valid resolution under this item requires that shareholders representing not less than two-thirds of the votes cast as well as the shares represented at the AGM approve the resolution.

### **Documents**

The accounts and auditor's report, the complete proposals of the Board and the nomination committee in respect of the above items, the Board's statement over the proposal for authorization for the acquisition of own shares and the statement regarding the proposed dividend, will be available on the Company's website, [www.comhemgroup.com](http://www.comhemgroup.com), and at the Company at the address, Fleminggatan 18, Stockholm, during a minimum of three weeks prior to the AGM, and will also be sent to those shareholders who so request and state their address.

### **Number of shares and votes in the Company**

When this notice to attend the AGM was issued, the number of shares in the Company amounted to 207,529,597 with 207,529,597 votes attached. At the time of issuing this notice, the Company held no own shares in the Company.

When this notice to the AGM was issued, the Company has in the redemption program, which was resolved upon at an extraordinary general meeting on 10 March 2015, received applications for redemption of a total of 27,641 shares. When the shares in the Company have been reduced with these shares, the number of shares in the Company will amount to 207,501,956 with 207,501,956 votes attached. If the maximum number of shares in the redemption program is redeemed, the number of shares in the Company will be reduced to 200,835,094 with 200,835,094 votes attached.

### **Information at the AGM**

The Board and the managing director shall according to the Swedish Companies Act (2005:551) upon request by a shareholder and where the Board is of the opinion that it may be accommodated without significant harm to the Company provide information at the AGM in respect of any circumstances which may affect the assessment of a matter on the agenda and circumstances which may affect the assessment of the Company's or a subsidiary's financial position. The duty to provide information also applies in relation to the Company's relationship to a group company as well as the consolidated accounts.

Stockholm in April 2015

**Com Hem Holding AB (publ)**

The Board of Directors