

## **Notice to attend the Annual General Meeting of VITROLIFE AB (publ)**

The shareholders of Vitrolife AB (publ), corporate identity number 556354-3452 (“**the Company**”), are hereby invited to attend the Annual General Meeting of shareholders on Thursday May 2, 2019 at 5 p.m. at the Company’s premises at Gustaf Werners gata 2 in Gothenburg, Sweden.

### **Registration**

Shareholders who wish to attend the Annual General Meeting (AGM) must:

- be entered in the register of shareholders maintained by Euroclear Sweden AB on Thursday April 25, 2019 and
- notify their attendance so that the Company is in receipt thereof no later than Thursday April 25, 2019. Notification of attendance shall be sent to Anita Ahlqvist, either in writing to Vitrolife AB (publ), Box 9080, SE-400 92 Gothenburg, Sweden, by telephone +46 31 721 80 83 or by e-mail to [investors@vitrolife.com](mailto:investors@vitrolife.com).

When notifying, shareholders should state their full name and preferably personal identity number or corporate identity number (or the equivalent), address, telephone number, shareholding, details of any advisors and where appropriate details of a representative or proxy. For shareholders who are represented by another party, a proxy signed and dated by the shareholder should be sent together with the notification. A proxy form is available at [www.vitrolife.com](http://www.vitrolife.com). Any party representing a legal entity must produce a witnessed copy of the certificate of incorporation or equivalent authorization documents showing the authorized signatory for the company.

In order to be entitled to attend the AGM, shareholders whose shares are registered through a bank, a private securities broker or some other nominee must temporarily re-register their shares in their own name in the share register maintained by Euroclear Sweden AB. In order for such re-registration to be entered in the register of shareholders on Thursday April 25, 2019, shareholders should well in advance before this date instruct their nominees to effect such re-registration.

### **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 together with the chairman.
6. Consideration of whether the meeting has been duly convened.
7. Presentation by the CEO.
8. Presentation of
  - a) the annual accounts and the audit report as well as the consolidated annual accounts and the audit report for the Group,
  - b) the auditor’s statement regarding the Company’s compliance with the guidelines for remuneration to the executive management in effect since the previous AGM.
9. Resolutions on
  - a) the 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) the allocation of the Company’s profit in accordance with the adopted balance sheet and a resolution on the record day for distribution, should the meeting resolve to distribute profit,

- c) the discharge from liability vis-à-vis the Company of the Board of Directors and the CEO.
10. Report from the Election Committee on its work.
  11. Resolution on the number of Board members and auditors.
  12. Resolution on remuneration to the Board members and auditor.
  13. Election of Board members, Chairman of the Board and auditor.
  14. Resolution on the Election Committee for the next Annual General Meeting.
  15. Resolution to authorize the Board to resolve to issue new shares.
  16. Resolution to authorize the Board to resolve on acquisition of the Company's own shares.
  17. Resolution on guidelines for remuneration to the executive management.
  18. Closing of the meeting.

### **Chairman (item 2)**

The Election Committee proposes Carsten Browall, chairman of the Board of Vitrolife, as chairman of the meeting.

### **Distribution (item 9 b)**

The Board of Directors proposes a distribution of SEK 0.85 per share and Monday May 6, 2019 as the record day for distribution, which means that the last day of trading for shares carrying right to distribution is Thursday May 2, 2019. The distribution is expected to be received by the shareholders on Friday May 10, 2019.

### **Resolution on the number of Board members and auditors, remuneration to the Board members and auditor, and election of Board members, Chairman of the Board and auditor (items 11, 12 and 13)**

In accordance with the resolution made by the shareholders at the AGM of 2018, an Election Committee has been established. The Election Committee consists of Niels Jacobsen, appointed by William Demant Invest A/S, Patrik Tigerschiöld, appointed by Bure Equity AB, Johan Ståhl, appointed by Lannebo Fonder and the chairman of the Board of Directors, Carsten Browall. Patrik Tigerschiöld has been appointed as chairman of the Election Committee.

The Election Committee proposes that the Board shall consist of five members.

Remuneration to the Board members is proposed to be SEK 2,165,000, of which SEK 825,000 to the Chairman of the Board, SEK 275,000 to each of the other members of the Board, SEK 60,000 to the Chairman of the Audit Committee, SEK 60,000 to the Chairman of the Remuneration Committee and SEK 30,000 to the other members of these committees. The proposal involves a reduction of the total amount with SEK 75,000 compared to the previous year which is due to the fact that the number of board members is proposed to be reduced from six to five.

The Election Committee proposes re-election of the Board members Barbro Fridén, Lars Holmqvist, Pia Marions and Jón Sigurdsson and election of new Board member Henrik Blomquist. Henrik Blomquist works as CEO at Bure Equity AB. Carsten Browall has declined re-election. It is proposed that Jón Sigurdsson is elected as new Chairman of the Board. Jón Sigurdsson has been Board member in Vitrolife's Board since 2015.

Deloitte AB, with the authorised public accountant Fredrik Jonsson as the lead auditor, was elected at the 2017 Annual General Meeting as auditor for a mandate period of 3 years. It was determined that auditors' fees will be paid during the mandate period in accordance with invoices approved by the Audit Committee.

#### **Resolution on the Election Committee for the next AGM (item 14)**

The Election Committee proposes that the meeting approves that a new Election Committee for the 2020 AGM is appointed by the Chairman of the Board – at the latest by the end of the third quarter of 2019 – contacting the three largest shareholders or group of shareholders and ask them to each appoint one member of the Election Committee. If one of the three shareholders refrains from appointing a member of the Election Committee, the next shareholder in percentage terms is invited to appoint a member of the Election Committee. The term of office shall run until a new Election Committee commences its service.

The composition of the Election Committee shall be published no later than six months before the Company's AGM.

The responsibility of the Election Committee regarding the 2020 AGM includes proposing (i) a chairman of the meeting, (ii) the number of members of the Board, (iii) remuneration to the members of the Board, (iv) election of and remuneration to the auditors, (v) election of members of the Board and Chairman of the Board and (vi) the process for appointment of a new Election Committee.

#### **Resolution to authorize the Board to resolve to issue new shares (item 15)**

The Board proposes that the AGM authorizes the Board, until the next AGM, on one or several occasions, to resolve to issue a maximum of 10,850,000 shares. The issue may deviate from the shareholders' preferential rights and may be carried out through a cash payment, a non-cash issue, through offsetting or in accordance with chapter 2, section 5, items 1-3 and 5 of the Swedish Companies Act. The purpose of the authorization is to allow the Company to issue shares to enable payment of the purchase price in the event of an acquisition of a company or business and be able to make private placements in order to acquire capital for the Company.

If the authorization is fully exercised, it will correspond to a dilution of just under 10 percent of the shares and votes in the Company.

In order for this resolution to be valid, it requires the approval of at least two thirds of both the votes cast as well as the shares represented at the meeting.

#### **Resolution to authorize the Board to resolve on acquisition of the Company's own shares (item 16)**

The Board proposes that the AGM authorizes the Board, until the next AGM, on one or several occasions, to resolve to acquire the Company's own shares provided that the Company at no time holds more than 10 percent of the total shares in the Company. Acquisitions shall be made through market orders via Nasdaq Stockholm. Acquisitions on the Stock Exchange may only be made at a price per share that is within the quoted price interval for shares at any given time. The purpose of the authorization is to allow the Company to buy shares to adapt the capital structure of the Company to the Company's capital needs over time.

In order for this resolution to be valid, it requires the approval of at least two thirds of both the votes cast as well as the shares represented at the meeting.

#### **Resolution on guidelines for remuneration to the executive management (item 17)**

Remuneration for the CEO and other members of executive management comprises a basic salary, variable remuneration, pension and other remuneration. All pension benefits are defined contribution plans. Variable remuneration is considered by the Remuneration Committee and decided on by the Board.

**A. Fixed basic salary**

The fixed basic salary of the CEO and other members of executive management is reconsidered each year. The division between basic salary and, where appropriate, variable remuneration shall be proportionate to the executive's responsibility and authority. The group of other members of executive management currently consists of six people, one woman and five men. The composition and size of this group can change over time as a consequence of how the business develops.

**B. Variable remuneration (Short-Term Incentive, STI)**

The ceiling for the CEO's variable remuneration is a maximum of 75 percent of annual salary. For other members of executive management, the ceiling for variable remuneration is a maximum of 50 percent of annual salary. The variable remuneration of the CEO and the other members of executive management is based on the outcome of two quantitative parameters when compared with set targets. The quantitative parameters are related to the Company's sales and income (EBITDA). The total cost to the company of the total variable remuneration to the CEO and other members of executive management must not exceed SEK 14,000,000 (including social security fees).

**C. Long-term incentive programme (Long-Term Incentive, LTI)**

With a view to interconnecting the interests of Company management with those of the shareholders and in order to encourage the acquisition of shares in the Company, a long-term incentive programme is proposed in addition to the annual variable remuneration described above. The long-term incentive programme would have the following principal components and would apply to the executive management and certain selected key persons in the Company:

- i. It is proposed that 12 employees over and above the executive management, in total 19 Company employees, are included in the programme (the participants mentioned below).
- ii. If a participant, during a certain period of time and within the LTI framework, buys shares with his/her own funds via Nasdaq Stockholm up to a certain amount, the Company will match this through cash payment of the same net amount, i.e. compensating for the employee's marginal tax expense, in the form of a one-time payment (the "Matching Amount"). Each participant will be entitled to buy shares for an amount relative to the employee's responsibility and authority. The limits for each participant's Matching Amount are between SEK 50,000 and SEK 100,000. Participants must use the Matching Amount to acquire shares in the Company via Nasdaq Stockholm. Pursuant to an agreement between the Company and each participant, these shares must be held for at least three years.
- iii. If the conditions stated in item iv. are fulfilled, the Company shall make a further one-time payment corresponding to the Matching Amount, but without compensation for the employee's marginal tax expense (the "Performance Amount"). Participants shall use the Performance Amount to acquire shares in the Company via Nasdaq Stockholm. Pursuant to an agreement between the Company and each participant, these shares must be held for at least one year.
- iv. The criteria for payment of the Performance Amount shall be, amongst other things, that the participant is still an employee of the Company and that he/she has held the shares acquired in accordance with item ii. throughout the initial three-year period, and that the performance target set by the Board regarding the Company's earnings (EBITDA) per share during the financial year 2021 has been met.

- v. The total cost for the Company during the period regarding payment of Matching and Performance Amounts shall not exceed SEK 6,700,000 (including social security fees).

### **Miscellaneous**

Notice of termination for the CEO shall be no more than 12 months and for the other members of executive management three to six months. If the Company terminates employment, severance pay of no more than twelve months' salary is to be paid to the CEO. There is no severance pay for other members of executive management when their employment is terminated.

The Board may deviate from these guidelines if in an individual case there are special reasons for doing so.

The Company has three share-related incentive programmes outstanding, as adopted by the 2016, 2017 and 2018 Annual General Meetings, respectively. Their conditions are essentially in line with what has been stated in section C (Long-term incentive programme) above. The total cost for the Company with regard to payment of the Matching and Performance Amounts for these three programmes shall not exceed SEK 16,000,000 during a five-year period. The Company's outstanding commitment in relation to these three programmes comprises the Performance Amounts, which can total no more than approximately SEK 4,100,000.

The Company currently has no outstanding warrants programs.

### **Other information**

The accounts and the auditor's report, the statement according to item 8 b) and the complete proposals in accordance with items 9 b) and 14-17, will be available at the premises of the Company and on the Company website, [www.vitrolife.com](http://www.vitrolife.com), at the latest three weeks before the AGM. The documents will be sent to shareholders upon request provided that shareholders state their address. The documents will also be available at the Annual General Meeting. In addition, the Election Committee's reasoned statement regarding its proposal to the Board, as well as the Power of Attorney form, is available on the Company's website.

At the time of the issue of this notice the total number of shares and votes in the Company amounts to 108,550,575, all of the same class. The Company does not hold any treasury shares.

Shareholders have the right to ask questions at the AGM about the Company, the Company's financial position and about the items and proposals which will be dealt with at the AGM.

### **Processing of personal data**

For information on how your personal data is processed, please visit [www.vitrolife.com/customer-service/privacy-policy](http://www.vitrolife.com/customer-service/privacy-policy).

March 2019  
Gothenburg, Sweden  
VITROLIFE AB (publ)  
The Board of Directors

