

## ***PRESS RELEASE***

### **Notice for the Annual General Meeting of B&B TOOLS AB to be held 22 August 2013**

Welcome to the 2013 Annual General Meeting!

#### **The shareholders of B&B TOOLS AB (publ)**

are hereby given notice to attend the Annual General Meeting of Shareholders to be held at 4:30 p.m. on Thursday, 22 August 2013, at Näringslivets Hus, Storgatan 19, Stockholm.

#### **NOTICE OF PARTICIPATION**

Shareholders who wish to participate in the Annual General Meeting must:

- a) be recorded in the share register maintained by Euroclear Sweden AB not later than Friday, 16 August 2013
- b) file notice of their intention to participate with the Company's head office not later than 3:00 p.m. on Friday, 16 August 2013 at B&B TOOLS AB (publ), PO Box 10024, SE-100 55 Stockholm, Sweden, by telephone at +46 10 454 79 60 or by e-mail at [arsstamma2013@bbtools.com](mailto:arsstamma2013@bbtools.com).

Such notice must contain the shareholder's name, civil registration number (corporate registration number), telephone number (daytime), registered shareholding and the names of any attending advisors.

The shareholder's rights at the Annual General Meeting may be exercised by proxy. A Power of Attorney for a legal entity must be signed by an authorised signatory and a copy of a current certificate of incorporation, stating the authorised signatory, must be attached. The Power of Attorney may not be more than one year old. A copy of the Power of Attorney must be submitted together with the notice and shall be presented in its original prior to the start of the Meeting.

To exercise their voting rights at the Meeting, shareholders whose shares are registered in the name of a nominee must temporarily register their shares in their own name via their nominee. Such registration must be completed not later than Friday, 16 August 2013.

Shareholders who wish to submit matters to be addressed by the Annual General Meeting under the item "Other matters" are welcome to e-mail [arsstamma2013@bbtools.com](mailto:arsstamma2013@bbtools.com) or to send a letter to Annual General Meeting, B&B TOOLS AB, PO Box 10024, SE-100 55 Stockholm, Sweden.

## **PROPOSED AGENDA**

1. Opening of the Meeting.
2. Election of Chairman to preside over the Meeting.
3. Compilation and approval of the Electoral Register.
4. Approval of the agenda proposed by the Board of Directors for the Meeting.
5. Election of one or two persons to approve the minutes to be taken at the Meeting.
6. Determination of whether or not the Meeting has been duly convened.
7. Presentation of the Annual Report and Audit Report and the consolidated financial statements and consolidated Audit Report, as well as an account by the Company's auditor.
8. Address by the President & CEO.
9. Resolutions regarding:
  - a) adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet,
  - b) allocation of the Company's profit according to the adopted balance sheet,
  - c) discharge from liability for the Directors and the President & CEO.
10. Determination of the number of Directors.
11. Adoption of fees for the Board of Directors and the auditors.
12. Election of Directors and Chairman of the Board of Directors.
13. Election of registered accounting firm.
14. Adoption of guidelines for determining compensation and other terms of employment for the President & CEO and other members of Group management.
15. Resolution on the issue of call options on repurchased shares and the transfer of repurchased shares to executives ("2013 Share-related incentive programme").
16. Other matters.
17. Closing of the meeting.

## **MOTIONS PROPOSED BY THE ELECTION COMMITTEE CONCERNING ITEMS 2 AND 10-13 ABOVE**

At the Annual General Meeting of Shareholders held on 23 August 2012, a motion was passed to authorise the Chairman of the Board of Directors to contact the largest shareholders by vote, requesting them to appoint four members who, together with the Chairman of the Board, would constitute an Election Committee for the future election of Directors. In accordance herewith and as announced in the Company's Interim Report published on 14 February 2013, the following persons were appointed to serve as members of the Election Committee: Anders Börjesson (Chairman of the Election Committee), Björn Franzon (representative of Swedbank Robur funds), Tom Hedelius, Per Trygg (representative of SEB Funds) and Karl Åberg (representative of CapMan Public Market Investment).

The Election Committee, the members of which represent approximately 50 percent of the total number of votes, has reported that it will propose that the Annual General Meeting of Shareholders to be held on 22 August 2013 resolve as follows with respect to the above matters:

**Item 2 Election of Chairman to preside over the Meeting**

Anders Börjesson.

**Item 10 Determination of the number of Directors**

Six regular Directors.

**Item 11 Adoption of fees for the Board of Directors and the auditors**

Aggregate Directors' fees of SEK 1,880,000 (preceding year: SEK 1,700,000) to be distributed as follows:

Chairman of the Board of Directors: SEK 500,000 (preceding year: SEK 450,000)

Vice Chairman of the Board of Directors: SEK 380,000 (preceding year: SEK 350,000)

Other Directors: SEK 250,000 (preceding year: SEK 225,000) per Director.

This motion entails higher fees compared with the preceding year. The reason is that the Director's fee per Director has been unchanged for many years, at the same time as the Election Committee deems that Board work has become increasingly demanding.

No separate remuneration is paid for committee work.

Provided that the necessary tax prerequisites for invoicing exist and doing so would not entail a cost for B&B TOOLS AB, Directors shall be offered the opportunity to invoice their Directors' fees through a wholly owned Swedish company or private business. If a Director invoices his/her Directors' fee through a wholly owned company or private business, the fee is to be increased by an amount corresponding to the social security contributions and value added tax stipulated by law.

As in the past, audit fees will be paid according to approved invoice.

**Item 12 Election of Directors and Chairman of the Board of Directors**

Re-election of all current Directors Per Axelsson, Roger Bergqvist, Anders Börjesson, Charlotte Hansson, Tom Hedelius and Joakim Rubin.

Re-election of Anders Börjesson as Chairman.

A presentation of the members of the Board of Directors is available in the Annual Report for the 2012/2013 financial year and on the Company's website at [www.bbtools.com](http://www.bbtools.com).

**Item 13 Election of registered accounting firm**

Re-election of the registered accounting firm KPMG AB as the Company's auditor until the end of the 2014 Annual General Meeting.

**MOTIONS PROPOSED BY THE BOARD OF DIRECTORS CONCERNING ITEMS 9 AND 14-15 ABOVE****Item 9 b Cash dividend and record date**

The Board of Directors proposes a dividend to the shareholders of SEK 3.00 per share and Tuesday, 27 August 2013 as the record date for receiving dividends. Subject to the Annual General Meeting's approval of this motion, the dividend is expected to be remitted by Euroclear Sweden AB on Friday, 30 August 2013 to those shareholders whose names are entered in the share register on the record date.

**Item 14 Adoption of guidelines for determining compensation and other terms of employment for the President & CEO and other members of Group management**

The Board aims to ensure that the award system in place for the President & CEO and the other members of the Group's senior management team ("Group management") is in line with market conditions and competitive. For the purpose of creating continuity, the motion of the Board of Directors below essentially conforms to the remuneration principles applied in prior years and is based on agreements already in force between the B&B TOOLS Group and the respective employee.

The Board of Directors proposes that the guidelines set out below for determining compensation and other terms of employment for Group management be adopted.

**Guidelines proposed by the Board of Directors**

For the Board of Directors, it is crucial that the Company is able to recruit, provide long-term motivation for and retain competent employees who create long and short-term shareholder value. To achieve this goal, it is important that the Company is able to offer competitive terms. The Company's compensation levels and compensation structure for Group management shall be in line with market conditions. The total compensation package for the individuals in question shall comprise a balanced combination of fixed salary, variable compensation, long-term incentive programmes, pension benefits and other benefits. Variable compensation and long-term incentive programmes should primarily be linked to the Group's earnings and value performance.

- Fixed salary shall be adjusted to market conditions and be based on responsibility, competence and performance. Fixed salary is determined based on market principles and is reviewed annually.
- Variable compensation shall be determined in relation to fixed salary and is set as a function of the Group's earnings.
- Members of Group management shall be included in a long-term incentive programme ("LTI programme").
- Pension benefits shall comprise either a defined-benefit pension plan or a defined-contribution plan, whose annual premium is determined as a function of fixed salary, variable compensation and age. Certain individual adjustments occur. The retirement age for Group management is currently 65.
- Other benefits shall be in line with market conditions and help facilitate the ability of the members of Group management to perform their duties.
- In the event of termination of employment on the initiative of the President & CEO or another member of Group management, the period of notice is six months. In the event of termination of employment on the initiative of the Company, the period of notice is a maximum of 12 months. Severance pay may amount to a maximum of 12 months' salary.

The Board is entitled to deviate from the above guidelines in individual cases if special reasons exist.

The aim is that these guidelines shall apply to the agreements entered into with the President & CEO and other members of Group management during the 2013/2014 financial year.

**Item 15 Resolution on the issue of call options on repurchased shares and the transfer of repurchased shares to executives ("2013 Share-related incentive programme")**

The Board proposes that the Annual General Meeting should pass a resolution to adopt a long-term incentive programme, the 2013 Share-related Incentive Programme ("the Programme"). The Programme, which is proposed to encompass a total of 13 executives in the B&B TOOLS Group, will give its participants the opportunity to acquire call options at market price for class B shares in B&B TOOLS AB (publ) ("the Company") that have been repurchased by the Company, and allow the participants to receive a certain subsidy on the premium paid for the options after two years.

Under the Board's proposal, the Annual General Meeting would also allow the Company, in deviation from the shareholders' preferential rights, to transfer up to 169,000 of the Company's repurchased class B shares to the holders of the call options at the established redemption price in conjunction with any exercise of the call options (subject to any recalculations). Finally, the Board's proposal entails that the Annual General Meeting would also allow the transfer of class B shares that the Company has acquired in accordance with previous authorisation in order to ensure the delivery of shares under the proposed Programme.

The Company currently holds a total of 340,000 class B shares in the Company.

The proposal has been prepared by the Company's Compensation Committee in consultation with the Company's Board. The decision to propose the Programme to the Annual General Meeting was made by the Board.

**The Programme has the following principal terms:**

- a) The number of call options to be issued shall not exceed 169,000, corresponding to approximately 0.6 percent of the total number of shares and approximately 0.4 percent of the total number of votes in the Company. Each call option entitles its holder to acquire one (1) repurchased class B share in the Company during the period from 12 September 2016 to 9 June 2017, inclusive. However, no shares can be purchased during any periods in which the trading of the Company's shares is forbidden under section 15 of the Swedish Reporting Duty for Certain Holdings of Financial Instruments Act (2000:1087) (or any other equivalent legislation prevailing at any given time).
- b) The acquisition price of shares when exercising call options shall correspond to 120 percent of the volume-weighted average price paid for the Company's class B shares on the NASDAQ OMX Stockholm during the period from 23 August 2013 to 5 September 2013, inclusive.
- c) The right to acquire call options will be assigned to the Group management and another three senior executives in the B&B TOOLS Group, who are in a capacity to have a direct impact on the Group's earnings. Each individual will be offered a maximum of 13,000 call options.
- d) If an individual entitled to acquire call options decides to refrain in full or in part from acquiring the offered call options, said call options shall be distributed pro rata among the other individuals entitled to acquire call options who have given written notice of their interest in acquiring additional call options.
- e) The Board shall adopt with final effect the distribution of call options that adheres to the principles stipulated in clauses c) and d) above.
- f) Notices to acquire call options must be given not later than 9 September 2013.
- g) The premium for the call options shall correspond to the call option's market value in accordance with an independent, external valuation, applying the Black & Scholes model. The measurement period for the calculation of the option premium shall be based on the volume-weighted average price paid for the Company's class B shares on the NASDAQ OMX Stockholm during the period from 30 August 2013 to 5 September 2013, inclusive. The calculation will be performed by Nordea Bank AB (publ).
- h) Based on a price for the Company's share of SEK 81.00, and on other market conditions on 8 July 2013 and the Board's proposal for dividend for the 2012/2013 financial year, the value per option has been estimated to SEK 10.30 by the above mentioned valuation institution, which gives a total value for all the options of approximately MSEK 1.7.
- i) The issue of call options to employees outside Sweden is contingent on tax implications, a lack of legal obstacles and that the Board deems that such an allocation can be made with reasonable administrative and financial resources. The Board shall be entitled to make any minor adjustments to the Programme that are caused by the prevailing foreign laws and regulations.

- j) The call options are freely transferable.
- k) The number of shares that the call options entitle the acquisition of, and the redemption price, may be recalculated due to such factors as bonus issues, a reverse stock split or a stock split, a new share issue or a reduction of share capital or similar action. The timing of the transfer of shares may be brought forward due to a merger or similar actions.
- l) In order to encourage participation in the Programme, a subsidy in the form of a cash remuneration equivalent to the premium paid for each call option shall be paid to the option holder. The subsidy will be paid in September 2015 provided that the option holder's employment with the Group has not been terminated or that the call options acquired from the Company have not been divested before this date.
- m) Within the framework of the terms and guidelines above, the Board will be responsible for the detailed design and administration of the Programme.
- n) Refer to Appendix 1 for the complete terms for the options on the Company's website [www.bbtools.com](http://www.bbtools.com).\*

The costs of the Programme comprise the subsidy to be paid in September 2015 as above, and the social security fees that will accrue on this subsidy. The total cost of the subsidy, including social security fees, is estimated at MSEK 1.7 after corporate tax (based on the market conditions on 8 July 2013). Offsetting the subsidy is the option premium totalling approximately MSEK 1.7, which the Company will receive when transferring the call options, as a result of which the Programme does not entail any net charge to the Company's equity.

The reasons for the deviation from the shareholders' preferential rights and the Board's motive for implementing the Programme is to allow senior executives of the B&B TOOLS Group to capitalise on and pursue, through their own investment, a positive development for the value of the Company's shares, and thus more closely aligning the interest of senior executives and the Company's shareholders. The Programme also aims to contribute to senior executives increasing their shareholding in B&B TOOLS in the long term. The Programme is also expected to create additional means to retain and recruit skilled personnel to the B&B TOOLS Group, provide competitive compensation and to align the interests of shareholders and senior executives. The senior executives that the Programme will encompass is the group that, in an otherwise decentralised organisation, has the capacity to create a positive impact on earnings through cooperation and efficiency enhancements. In light of this, the Board believes that the implementation of the Programme will have a positive impact on the B&B TOOLS Group's continued progress and that the Programme will benefit both shareholders and the Company.

A resolution on the Board's proposal in accordance with item 15 requires the support of shareholders representing at least nine-tenths of the votes cast and the shares represented at the Annual General Meeting.

\* Please note that the complete terms for the options are only available in Swedish since all participants of the Programme are based in the Nordic region.

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The Company's financial statements and Audit Report, as well as the complete motions by the Board of Directors regarding items 9b (including the Board's statement pursuant to chapter 18 section 4 of the Swedish Companies Act), 14 (including the Auditor's statements pursuant to chapter 8 section 54 of the Swedish Companies Act, and the Compensation Committee's evaluation of the application of the guidelines for remuneration to senior executives as adopted by the Annual General Meeting) and 15 (including the complete terms for the options in Swedish) on the agenda will be available at the Company's offices and on the Company's website [www.bbtools.com](http://www.bbtools.com) from Thursday 1 August 2013, and will be sent to the shareholders who so request and who provide their mailing address. The Election Committee's proposal to the Board and its statement of explanation under item 12 on the agenda will be available on the Company's website [www.bbtools.com](http://www.bbtools.com) from Thursday, 18 July 2013.

Stockholm, July 2013

## THE BOARD OF DIRECTORS

*This document is in all respects a translation of the Swedish original. In the event of any differences between this translation and the Swedish original, the latter shall prevail.*

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*This information is such that it shall be disclosed by B&B TOOLS in accordance with the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act or requirements imposed in the Rulebook for Issuers on NASDAQ OMX Stockholm. This information was submitted for publication on 18 July 2013 at 08:00 a.m.*