

Notice of the Annual General Meeting in Hoist Finance AB (publ)

Shareholders of Hoist Finance AB (publ), reg. no. 556012-8489, are hereby invited to attend the Annual General Meeting, to be held on Thursday 14 May 2020, at 11:00 a.m. at GT30, Grev Turegatan 30, in Stockholm. Registration will open at 10:30 a.m.

Notification of attendance

Shareholders who wish to attend the Annual General Meeting shall both, be listed in the shareholders' register maintained by Euroclear Sweden AB (the Swedish Central Securities Depository), on Friday 8 May 2020, and, notify the company of their intention to attend the meeting no later than Friday 8 May 2020.

Notification shall be given in writing and sent to:

Hoist Finance AB (publ)
Annual General Meeting
Box 7848
103 99 Stockholm
Sweden
or arsstamma@hoistfinance.com

The notification must include the shareholder's name, personal identification number/registration number, address, telephone number and the number of shares held and, if any, the number (maximum two) and name of accompanying assistants.

Representatives of minors and corporate representatives shall submit authorisation documents to the company well in advance of the Annual General Meeting. A certificate of registration (or equivalent documents) evidencing the authority to issue the power of attorney, shall be enclosed if the power of attorney is issued by a legal entity. Power of attorney forms will be available on the company's webpage, www.hoistfinance.com.

To be able to attend and vote at the Annual General Meeting, the shareholders whose shares are registered in the name of a nominee must have such shares temporarily registered in their own names, in the shareholders' register maintained by Euroclear Sweden AB. This procedure, so-called voting rights registration, must have effect on Friday 8 May 2020 and should be requested from the nominee well in advance of this date.

Precautionary measures in relation to Covid-19

With the purpose to minimize the risk of spreading the coronavirus that causes Covid-19, the Swedish Parliament has adopted a new law including temporary provisions that extend the possibilities of proxy collection and postal voting at general meetings. The law entails, in short, that the company's Board may resolve that shareholders who choose not to attend the meeting in person, may exercise their voting rights at the meeting either by giving a person appointed by the company a proxy or by postal voting. The new law will come into force on 15 April 2020. The company intends to provide the possibility to collect proxies and/or vote by post and further information on this will be made public through a press release and later be available on the company website.

Hoist Finance advises shareholders, in particular shareholders belonging to a risk group, to not attend the Annual General Meeting in person.

The company has also taken the following precautionary measures:

- The Annual General Meeting will be as short and concise as possible
- The presentation by the CEO will be held separately and be made available on the company's website
- The participation of the Board members and the executive management team will be minimised
- No coffee or refreshments will be served
- Shareholders are encouraged to submit potential questions as far ahead of the Annual General Meeting as possible to the address stated under the heading "Shareholders' right to request information" below

Hoist Finance monitors the development of the coronavirus and the authorities' recommendations and may update the measures described above.

Shareholders' right to request information

In accordance with the Swedish Companies Act Ch. 7 Sec. 32, the shareholders have the right to ask questions at the Annual General Meeting regarding the items on the agenda and about the financial situation of the company and the group. Shareholders, who wish to submit questions ahead of the Annual General Meeting, shall send these to:

Hoist Finance AB (publ),
Annual General Meeting
Box 7848
103 99 Stockholm

Sweden

or arsstamma@hoistfinance.com

Proposed agenda

1. Opening of the meeting
2. Election of the Chairman of the meeting
3. Drawing up and approval of voting list
4. Approval of the agenda
5. Election of two persons to verify the minutes
6. Determination as to whether the meeting has been duly convened
7. Presentation of the Annual Report and the auditor's report, and the consolidated financial statements and the consolidated audit report, for the financial year 1 January – 31 December 2019
8. Resolution on adoption of the income statement and the balance sheet as well as the consolidated income statement and consolidated balance sheet
9. Resolution on disposition of the company's earnings according to the approved balance sheet
10. Resolution on discharge from personal liability of the Directors and the CEO
11. Resolution on the number of Directors, remuneration to be paid to the Directors and to the auditor, election of Directors, the Chairman of the Board and election of auditor
12. Proposal regarding the guidelines for remuneration to senior executives
13. Proposal for approval of the Board of Directors' resolution on deferred variable remuneration in the form of shares in accordance with the Deferred Bonus Plan 2020
14. Proposal for authorisation to the Board of Directors to resolve on new share issue
15. Proposal for authorisation to the Board of Directors to resolve on acquisition of own shares
16. Closing of the meeting

Proposals

The Nomination Committee consisting of Jan Andersson, Chairman (Swedbank Robur Fonder), Erik Selin (Erik Selin Fastigheter AB), Peter Thelin (Carve Capital AB) and Ingrid Bonde, the Chairman of the Board in Hoist Finance AB (publ), have submitted proposals to be resolved upon under items 2 and 11 on the agenda.

The Board of Directors has submitted proposals to be resolved upon under items 9 and 12-15 on the agenda.

Item 2 – Election of the Chairman of the Annual General Meeting

The Nomination Committee proposes the Chairman of the Board, Ingrid Bonde, to be elected as Chairman of the Annual General Meeting 2020.

Item 9 – Resolution on disposition of the company's earnings according to the approved balance sheet

The Board of Directors proposes that the Annual General Meeting 2020 resolves to not distribute a dividend to the shareholders of Hoist Finance for the financial year 1 January – 31 December 2019.

Item 11 – Resolution on the number of Directors, remuneration to be paid to the Directors and to the auditor, election of Directors, the Chairman of the Board and election of auditor

The Nomination Committee proposes the following:

- Seven (7) members to be elected by the Annual General Meeting, no deputy members of the Board of Directors;
- Re-election of Ingrid Bonde, Cecilia Daun Wennborg, Malin Eriksson, Liselotte Hjorth, Robert Kraal and Lars Wollung as members of the Board of Directors;
- Election of Henrik Käll as a new member of the Board of Directors; and
- Re-election of Ingrid Bonde as Chairman of the Board of Directors.

Marcial Portela and Joakim Rubin have informed the Nomination Committee that they are not available for re-election.

A presentation of the persons proposed to be elected and re-elected as Board members will be available at the company's website, www.hoistfinance.com.

The Nomination Committee proposes no change to the Board fees compared to 2019:

Chairman of the Board of Directors: SEK 1,475,000
Member of the Board of Directors: SEK 490,000
Chairman of the Risk- and Audit Committee: SEK 200,000
Member of the Risk and Audit Committee SEK 125,000
Chairman of the Investment Committee: SEK 175,000
Member of the Investment Committee: SEK 100,000
Chairman of the Remuneration Committee: SEK 50,000
Member of the Remuneration Committee: SEK 50,000

The Nomination Committee proposes, in accordance with the recommendation from the board's Risk and Audit Committee, to elect EY as auditor until the end of the Annual General Meeting 2021. EY has informed that, if the Annual General Meeting resolves in accordance with the Nomination Committee's proposal, the authorized public accountant Daniel Eriksson will be the auditor in charge.

The Nomination Committee proposes that the auditor shall be entitled to a fee in accordance with approved invoices.

Item 12 – Proposal regarding the guidelines for remuneration to senior executives

The Board of Directors proposes the following guidelines for remuneration to senior executives:

These guidelines cover senior executives in Hoist Finance AB (publ) ("**Hoist Finance**" or the "**Company**"). The term senior executives shall in this context mean the CEO and the other members of the executive management team, and board members to the extent they receive remuneration for services performed outside of their Board duties. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after the adoption of the guidelines by the Annual General Meeting 2020. The guidelines do not apply to any remuneration decided by the General Meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

The remuneration in Hoist Finance shall encourage senior executives to promote the Company's business strategy, long-term interests and sustainability and a behaviour in line with the Company's ethical code of conduct and values. The remuneration shall also be structured to enable Hoist Finance to attract, retain and motivate employees who have the requisite skills. The remuneration shall encourage good performance, prudent behaviour and risk-taking aligned with customer and shareholder expectations. Hoist Finance's business strategy, long-term interests and sustainability work are described on the Company's webpage, www.hoistfinance.com.

Types of remuneration

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the General Meeting may, irrespective of these guidelines, resolve on, among other things, share-related or share price-related remuneration.

Fixed cash salary

Salaries shall be gender- and age-neutral and cannot be discriminatory. Hoist Finance views remuneration from a comprehensive perspective and, accordingly, takes all remuneration components into account. Remuneration is weighted in favour of fixed salary, which is based on the position's complexity and level of responsibility, prevailing market conditions and individual performance.

Variable cash remuneration

Variable remuneration for senior executives shall not exceed 100 per cent of the fixed annual cash salary. The variable remuneration consists to 40 per cent of cash remuneration and to 60 per cent of a long-term share-based incentive program, a so-called LTIP. Since LTIP is resolved by the General Meeting it is excluded from the scope of these guidelines. Variable remuneration is based on various financial and non-financial criteria, and is linked to the performance of the Hoist Finance group and the relevant business unit respectively, and to individual targets. It is hence distinctly linked to the business strategy and thereby to the Company's long-term value creation, including its sustainability.

Variable remuneration takes into account the risks involved in the Company's operations and is proportional to the group's earning capacity, capital requirements, profit/loss and financial position. The payment of variable remuneration must not undermine the group's long-term interests and is contingent upon the recipient's compliance with internal rules and procedures. Variable remuneration is not paid to a senior executive who has participated in or been responsible for any action resulting in significant financial loss for the group or the relevant business unit.

For senior executives, payment of 60 per cent of the variable remuneration is deferred for a period of at least three years. Variable remuneration, including deferred remuneration, is only paid to the extent warranted by the group's financial situation and the performance of the group and the relevant business unit, and the senior executive's achievements.

The fulfilment of the criteria for payment of variable cash remuneration shall be measured during a period of one year. When the measurement period for the fulfilment of the criteria for the payment of variable cash remuneration has ended it shall be evaluated/determined to which extent the criteria have been fulfilled. The Remuneration Committee, and the Board of Directors with respect to remuneration to the CEO, are responsible for the assessment.

Pension benefits and other benefits

Pension and insurance are offered pursuant to national laws, regulations and market practices and are structured as collective agreements, company-specific plans or a combination of the

two. Hoist Finance has defined-contribution pension plans. A few senior executives receive gross salary; in these instances, the Company does not make pension contributions. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to no more than 30 per cent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance (*Sw. sjukvårdsförsäkring*) and company cars. Other benefits are designed to be competitive in relation to similar operations in each respective country. Such benefits may amount to no more than 10 per cent of the fixed annual cash salary.

For employments governed by other rules than Swedish rules, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Sign-on bonus

Remuneration for new hires, so-called "sign-on bonus", is only offered in exceptional cases and then only to compensate for the lack of variable remuneration in the senior executive's previous employment contract. Sign-on bonuses are paid during the year in which the senior executive begins to work. Decisions on exceptional cases are made in accordance with the decision-making process for variable remuneration.

Loans

Issuing loans to senior executives is not permitted.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and the increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The committee's tasks include the preparation of the Board of Director's decision on the proposal of guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall remain in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive

management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the Remuneration Committee are independent of the Company and its executive management team. The CEO and other members of the executive management team do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Termination of employment

Upon the group's termination of an employment contract, the maximum notice period is twelve months and no severance payment is made.

Remuneration to board members for services performed outside of their Board duties

Directors, elected at General Meetings, may in certain cases receive remuneration for services performed within their respective areas of expertise, outside of their Board duties. Compensation for these services shall be paid at market terms and be approved by the Board of Directors. Remuneration may be payable up to SEK 50,000 for a Director's work in the board of a subsidiary.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interest, including its sustainability, or to ensure the Company's financial viability. Since the Remuneration Committee's tasks include the preparation of the Board of Directors' resolution in remuneration-related matters, any resolutions to derogate from the guidelines shall also be prepared by the Remuneration Committee.

Information on remuneration resolved but not yet due

In the annual report 2019, note 7 "Personnel expenses", the total remuneration expensed to senior executives per 31 December 2019 is presented, including previous payment undertakings which are not yet due.

Information on derogations from the remuneration guidelines resolved by the previous Annual General Meeting

The Remuneration Committee has confirmed that Hoist Finance has complied with the guidelines adopted by the previous Annual General Meeting with one exception. The exception relates to the payment of severance pay amounting to SEK 3 588 000 to a former member of the executive management team. The reason for the exception is that the Remuneration

Committee and the Board of Directors deem that the severance pay was necessary in order to avoid further claims for remuneration from the person.

Item 13 – Proposal for approval of the Board of Directors resolution on deferred variable remuneration in the form of shares in accordance with the Deferred Bonus Plan 2020

The Annual General Meeting 2019 in Hoist Finance AB (publ) (“**Hoist Finance**”) resolved on a restructured performance- and share based remuneration program for 2019, comprising the management team, senior executives and key employees, called *Hoist Finance Global Executive Deferred Bonus Plan* (the “**Deferred Bonus Plan 2019**”).

It is the opinion of the Board of Directors that the Deferred Bonus Plan 2019 has been appropriate and has encouraged increased shareholder value while attracting and retaining senior executives and key employees considered essential for Hoist Finance’s long-term success, as well as aligning the interests of participants with those of the company’s shareholders.

The Board hence proposes that the Annual General Meeting 2020 resolves on a new Deferred Bonus Plan 2020 (the “**Deferred Bonus Plan**”), on terms that essentially correspond to the terms of the Deferred Bonus Plan 2019. The proposal mainly means that 60 per cent of the variable remuneration to senior executives included in the Deferred Bonus Plan, which shall be deferred over three years, is paid out as ordinary shares in Hoist Finance.

It is the Board of Directors’ intention that share based deferred bonus plans shall be annual and that the Board of Directors, after evaluation, intend to return with a corresponding proposal for forthcoming financial years.

A ***Proposal for approval of the Board of Directors’ resolution on deferred variable pay in the form of shares according to the Deferred Bonus Plan***

1. Terms and conditions for the Deferred Bonus Plan

The Board of Directors proposes that the Annual General Meeting resolves on deferred variable remuneration in the form of shares pursuant to the Deferred Bonus Plan in accordance with the below.

- i. The Deferred Bonus Plan shall comprise approximately 15 to 25 employees, comprising senior executives, executive management and a number of key employees within the Hoist Finance group.
- ii. The performance targets for the Deferred Bonus Plan are based on the improvement of results and have been determined according to the local business activities and aim

to strengthen the group's long-term profitability. The performance targets vary depending on which part of the business that the participant is working in and also include a financial performance target that is based on the return on equity for Hoist Finance. The performance improvement compared to last year's result, which is required to achieve a maximum bonus, varies for different entities throughout the group.

- iii. Provided that applicable performance criteria are met, the annual bonus outcome will be determined in the beginning of 2021 and be payable as follows.
 - a) 40 per cent of the bonus will be paid in cash after the Annual General Meeting's approval of the annual report for 2020; and
 - b) 60 per cent of the bonus will be paid in ordinary shares in Hoist Finance ("**Bonus Shares**"), by one third each for the following three years. The number of Bonus Shares each participant receives shall be determined based on the volume-weighted average price paid for the company's shares during the period of five trading days immediately after publication of the 2020 year-end report, but as a minimum SEK 20.
- iv. Payment of the deferred remuneration by transfer of Bonus Shares as described above is conditional upon the participant still being employed in Hoist Finance at the time of the transfer of Bonus Shares, except where the employee has left his/her employment due to retirement, death, long-term illness, or other common exceptions, in which case the employee shall have a continued right to receive Bonus Shares.
- v. Prior to payment of deferred remuneration by transfer of Bonus Shares as described above, the employee will not be granted any rights (e.g. voting rights or right to dividend) connected to the Bonus Shares. At transfer of the Bonus Shares to the participant in accordance with the above, the participant shall, however, be entitled to a cash consideration for the possible ordinary dividend paid per earned Bonus Share during the period from a resolution on bonus has been made until the Bonus Shares have been transferred to the participant.
- vi. The number of Bonus Shares to be obtained and the price set out in section 1(iii)(b) above may be subject to re-calculation due to new share issues, split, reverse share split and similar measures.
- vii. Participation in the Deferred Bonus Plan should normally include a requirement that participants during their employment in the Hoist Finance group shall retain Bonus

Shares received net of tax until the holding equals at least 50 per cent of the fixed annual salary (net of tax). The Board of Directors may decide on exceptions from this requirement if deemed necessary or otherwise appropriate for legal, administrative or similar reasons.

- viii. The Board of Directors shall be entitled to resolve on a reduction of the allotment of Bonus Shares if allotment in accordance with the above conditions – considering Hoist Finance’s result and financial position, other circumstances regarding the group’s development and the conditions on the stock market – would be clearly unreasonable. In addition, the Board of Directors may decide that the Bonus Shares will instead be replaced by a cash amount corresponding to the value of the Bonus Shares if deemed necessary or otherwise appropriate for legal, administrative or similar reasons.
- ix. Participation in the Deferred Bonus Plan presumes that such participation is lawful and that such participation in Hoist Finance’s opinion can take place with reasonable administrative costs and economic efforts.
- x. The Board of Directors shall be responsible for the particulars and the handling of the Deferred Bonus Plan within the frame of the above principal guidelines and shall also be entitled to make such minor adjustments which may prove necessary due to legal or administrative circumstances. The Board of Directors shall have the right to delegate its task to the Remuneration Committee.

2. Scope and dilution

The maximum number of Bonus Shares that may be allotted to the participants under the Deferred Bonus Plan amounts to 1,000,000 shares which corresponds to 1.1 per cent of the share capital and votes in the company as of 26 March 2020.¹ The intention of the Board is to hedge the delivery of the shares via a so-called share swap, and no dilution will hence occur.

3. Estimated costs and effects on key ratios

The total costs for the Deferred Bonus Plan, of which 40 per cent relate to cash awards and 60 per cent to Bonus Share awards, are together estimated to approximately SEK 39,000,000, provided that the performance conditions are fully met. Of these costs, approximately

¹ The number of Bonus Shares and minimum price set out in section 1(iii)(b) under the Deferred Bonus Plan shall, however, according to further conditions resolved by the Board of Directors, be subject to recalculation if Hoist Finance carries out a new share issue, split of shares, consolidation of shares or similar actions, taking into account general practice for an equivalent incentive program.

SEK 9,000,000 relate to other costs, in particular social security contributions, including those relating to Bonus Share awards hedged through the share swap agreement.

Given the full-year result of 2019, the costs for the Deferred Bonus Plan would have resulted in a reduction of earnings per share of SEK 0.44. However, the Board of Directors believes that the expected positive effects on Hoist Finance's financial results of meeting all the performance conditions of the Deferred Bonus Plan will outweigh the costs of the program.

4. Preparation of the proposal

The above proposal for the Deferred Bonus Plan has been prepared and processed by the Board of Directors and the Remuneration Committee in consultation with major shareholders.

5. Other incentive programs in Hoist Finance

At present, Hoist Finance has no existing share based incentive programs other than the Deferred Bonus Plan 2019. The number of Bonus Shares that have been earned under the Deferred Bonus Plan 2019 is a maximum of 118 242 shares which corresponds to 0.13 per cent of the total amount of outstanding shares and votes in the company. However, due to the current uncertainty caused by Covid-19, the company has decided that no variable pay for 2019 is paid out to the members of the executive management team and the country managers (the Group Management Team) in 2020.

B Costs of the Deferred Bonus Plan and hedging activity based on the entering into of a share swap agreement

Beyond what is stated below on the share swap agreement, the fact that parts of the bonus is share related will not add any material costs other than the costs, such as salary costs and social expenses, that would have been added even if the Deferred Bonus Plan had been carried out as a cash bonus program.

The delivery of Bonus shares and the financial exposure of the Deferred Bonus Plan is proposed to be hedged by Hoist Finance entering into a share swap agreement with a third party, according to which the third party under its own name acquires and transfers shares in the company to employees who are participating in the program. The cost of entering into the share swap agreement is estimated to approximately SEK 100,000.

Item 14 – Proposal for authorisation to the Board of Directors to resolve on new share issue

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to resolve, until the next Annual General Meeting, on one or several

occasions, with or without deviating from the shareholders' preferential rights, against cash payment, through set-off or against consideration in kind, on issuance of new ordinary shares.

The number of shares in the company may, by virtue of this authorisation, not exceed an increase of ten (10) per cent of the number of shares on the date of the Annual General Meeting.

The purpose of this authorisation is solely to enable the raising of capital for financing of acquisitions of companies or businesses and larger portfolio investments.

The subscription price shall be marketable and determined in accordance with the prevailing market conditions at the time the shares are issued.

The Board of Directors also proposes that a resolution is adopted at the Annual General Meeting granting the CEO, or an individual appointed by the CEO, the authority to make any minor adjustments to the shareholders' resolution as may prove necessary in conjunction with the registration of the resolution.

For a valid resolution in accordance with the Board of Directors' proposal as per above, the resolution must be supported by shareholders representing at least two thirds of both the votes made and the shares represented at the Annual General Meeting.

Item 15 – Proposal for authorisation to the Board of Directors to resolve on acquisition of own shares

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to resolve, until the next Annual General Meeting, on one or several occasions, subject to applicable capital adequacy requirements at any given time, on acquisition of own shares according to the following terms and conditions:

- Acquisitions of own shares may be made of no more than so many shares that the company's holding of treasury shares at any given time amounts to no more than ten (10) per cent of the total number of shares in the company.
- Acquisitions of own shares may only be made on Nasdaq Stockholm and in accordance with the Nasdaq Stockholm Rulebook for Issuers.
- Acquisitions of own shares may only be made at a price per share within the spread registered on Nasdaq Stockholm from time to time, meaning the spread between the highest bid price and the lowest ask price.
- Payment for the shares shall be made in cash.

The mandate to repurchase the company's own shares provides the Board of Directors with an efficient tool to improve flexibility in the management of the capital structure and thus contribute to increasing shareholder value.

For a valid resolution in accordance with the Board of Directors' proposal as per above, the resolution must be supported by shareholders representing at least two thirds of both the votes made and the shares represented at the Annual General Meeting.

Number of shares and votes

At the time of issuing this notice there were in total 89,303,000 shares and votes in Hoist Finance AB (publ). The company held, at the time of issuing this notice, no own shares in treasury.

Available documents

The accounts, the auditor's report and the auditor's statement regarding compliance with the previous guidelines for remuneration to the senior executives as well as the complete proposals for decisions under items 2, 9, and 11-15 will be available to the shareholders at the company's office and at the company's website www.hoistfinance.com no later than Thursday 23 April 2020, and will also be distributed to shareholders who have notified their wish to receive the documents and have informed of their postal address.

Personal Data

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Stockholm, April 2020
Hoist Finance AB (publ)
The Board of Directors

For further information please contact:

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