

NIBE Industrier AB (publ)

NOTICE OF ANNUAL GENERAL MEETING

The shareholders of NIBE Industrier AB (publ) are hereby invited to attend the Annual General Meeting on Thursday 14 May 2020, at 5.00 p.m. in Sparbankshallen, Ola Mårtens väg 8, Markaryd.

Due to restrictions as a result of Covid-19 we cannot offer visits to our exhibitions this year and no food and drink will be served at the Annual General Meeting. We are monitoring the situation carefully and we are continuously updating all changes in relation to the Annual General Meeting on our web site www.nibe.com.

Right of attendance

A shareholder has the right to attend the Annual General Meeting if the shareholder is both recorded in its own name in the share register kept on behalf of the company by Euroclear Sweden AB ("Euroclear") on Friday 8 May 2020, and has registered for attendance of the meeting to the company no later than on Friday 8 May 2020.

A shareholder, which has its shares registered in the name of a nominee, must – in addition to registration for attendance – reregister the shares in its own name at Euroclear. Such a registration can be temporary and shall be made before Friday 8 May 2020. Request for such a registration must be submitted to the nominee in good time before Friday 8 May 2020 in order for the re-registration to be accomplished.

The Annual General Meeting will be held in Swedish.

Notification

Notification of attendance at the Annual General Meeting can be made in writing to the following address: NIBE Industrier AB, Årsstämma, c/o Euroclear Sweden, Box 191, 101 23 Stockholm, by phone +46 433 27 36 00 or by www.nibe.com.

When submitting notification of attendance please state name, personal identity number/corporate identity number, address and telephone number, number of shares and class of shares as well as number of advisors.

A shareholder which is represented by a representative, should forward a written and dated proxy together with the notification. The proxy may at the time of the meeting not be older than one year if a longer period of validity is not stated in the proxy, however not longer than five years from the date of issue of the proxy. A proxy form for this purpose is provided on www.nibe.com. The proxy form can also be ordered by phone as described above. If requested, the proxy shall be presented in original. A person representing a legal entity shall present a certificate of registration or a corresponding document of qualification showing person(s) authorized to sign for the legal entity. As a confirmation of the notification of attendance NIBE Industrier AB will send an admission card which shall be brought to the meeting and shown at the recording.

Proposed agenda

1. Opening of the meeting.
2. Election of chairman at the meeting.
3. Preparation and approval of a voting list.
4. Approval of the board of directors' proposed agenda.
5. Election of one or two persons to verify the minutes.
6. Examination if the meeting has been properly convened.
7. The managing director's statement.
8. Presentation of the annual report and the auditor's report, the group financial statement and the group auditor's report as well as the auditor's statement concerning the application of the guiding principles for remuneration to executive employees decided at the Annual General Meeting 2019.
9. Resolution in respect of
 - a) adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet,
 - b) allocation of the company's profit according to the adopted balance sheet,
 - c) discharge from liability of the board members and the managing director.
10. Determination of the number of board members and deputy board members to be elected by the meeting.
11. Determination of the number of auditors and deputy auditors or registered public accounting firms.
12. Determination of fees to the board members and the auditors.
13. Election of board members, chairman of the board and deputy board members, if any.
14. Election of auditors and deputy auditors, if any, or registered public accounting firms.
15. Resolution in respect of
 - a) the board of directors' proposal for change of the articles of association,
 - b) the class A-shareholders' proposal for change of the articles of association.
16. Resolution in respect of the board of directors' proposal to authorize the board of directors to decide on issue of new shares in connection with acquisitions of companies/business.
17. Resolution in respect of guiding principles for remuneration and other terms of employment for executive employees.
18. Closing of the meeting.

Proposed decisions

The class A-shareholders of the company, together representing approx. 67 % of the votes in the company, hereby give proposals for decision in accordance with items 2, 10, 11, 12, 13, 14 and 15 b) below. The board of directors, on its part, hereby gives proposals for decision in accordance with items 15 a), 16 and 17 below.

2 Proposal for election of chairman at the Annual General Meeting

It is proposed that Hans Linnarson shall be chairman at the Annual General Meeting.

10 Proposal for number of board members and deputy board members

It is proposed that 6 ordinary board members, without deputies, shall be elected.

11 Proposal for number of auditors and deputy auditors or registered public accounting firms

It is proposed that a registered public accounting firm is appointed.

12 Proposal for fees to the board members and the auditors

It is proposed that fees to the board of directors shall be paid with a total amount of 2,520,000 SEK, of which 840,000 SEK to the chairman of the board and 420,000 SEK to each one of the other board members elected by the general meeting, who are not employed in the group.

It is proposed that fees to the auditors shall be paid in accordance with approved invoices.

13 Proposal for election of board members and chairman of the board

It is proposed that the board members Georg Brunstam, Gerteric Lindquist, Hans Linnarson, Anders Pålsson and Jenny Sjö Dahl are re-elected as board members and that Jenny Larsson is newly elected. It is proposed that Hans Linnarson is re-elected as chairman of the board.

Helene Richmond, who has been a board member since 2015, was appointed as managing director of Enertech AB on 1 November 2019. Enertech AB is a part of the NIBE group. Under these circumstances, Helene Richmond has declined re-election at the Annual General Meeting.

Jenny Larsson is born in 1973 and is an engineer with a Master of Environmental and Water Engineering from the University of Uppsala. Jenny Larsson has great experience of business within the field of energy and solid industrial experience from a number of different positions within Vattenfall and ABB. Since January 2020, Jenny Larsson is managing director of ABB Power Grids Sweden AB. Jenny Larsson is also a board member of Stena Renewable AB and eGain Group AB.

14 Proposal for election of auditors and deputy auditors, if any, or registered public accounting firms

For the period up to the end of the Annual General Meeting 2021 it is proposed that KPMG AB is elected as registered public accounting firm. KPMG has announced that if the Annual General Meeting is voting in accordance with the proposal, KPMG will appoint authorized public accountant Dan Kjellqvist as auditor in charge.

15 Proposal for resolution in respect of change of the articles of association

a)

The board of directors proposes that the Annual General Meeting decides to change § 11 in the articles of association regarding time of record day for participation at general meeting as stated below due to proposed changes in the Swedish Companies Act.

Present wording

§ 11 Shareholder's and advisor's right to participate in a general meeting

A shareholder wishing to participate in a general meeting, shall on one hand be listed in the printout or other presentation of the full share register concerning the conditions five weekdays before the meeting, on the other notify the company at the latest by 4.00 p.m. on the day stipulated in the notice of the general meeting. Last-mentioned day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not occur any earlier than the fifth weekday prior to the meeting. Advisor of a shareholder may only accompany the shareholder if the shareholder informs the company in the abovementioned way and states the number of advisors, one or two, who will participate in the general meeting.

Proposed wording

§ 11 Shareholder's and advisor's right to participate in a general meeting

A shareholder wishing to participate in a general meeting, shall notify the company at the latest on the day stipulated in the notice of the general meeting. Last-mentioned day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not occur any earlier than the fifth weekday prior to the general meeting. Advisor of a shareholder may only accompany the shareholder if the shareholder informs the company in the abovementioned way and states the number of advisors, one or two, who will participate in the general meeting.

b)

The class A-shareholders of the company propose that the Annual General Meeting decides on change of the first paragraph in § 16 in the articles of association regarding post-transfer acquisition right as stated below. The proposal means that the company's long and successful tradition of being independent may continue through the possibility to transfer the company's class A-shares to future generations. Further, it is assessed that the group's independency, just as up to now, will be a vital positive factor regarding future company acquisitions as well as the ability to attract and keep key personnel.

Present wording

§ 16 Post-transfer acquisition right

If a share of class A ("A-share") is transferred from one shareholder to another shareholder in the company, or to someone who is not previously a shareholder in the company (the acquirer), the A-share shall immediately be offered by the acquirer for purchase pursuant to post-transfer acquisition rights to the other holders of A-shares by submission of a written notification to the company's board of directors. The acquisition of the A-share shall then be verified. In this paragraph, the transfer of shares also includes transfer by means of inheritance, a will, gift, division of marital property or other acquisition pursuant to family law.

Proposed wording

§ 16 Post-transfer acquisition right

If a share of class A ("A-share") is transferred from one shareholder to another shareholder in the company, or to someone who is not previously a shareholder in the company (the acquirer), in cases other than when the A-share is transferred to A-shareholder's child, grandchild or great grandchild by means of gift, inheritance or a will, the A-share shall immediately be offered by the acquirer for purchase pursuant to post-transfer acquisition rights to the other holders of A-shares by submission of a written notification to the company's board of directors. The acquisition of the A-share shall then be verified.

For a valid decision of the meeting in accordance with the proposals above it is required that the decision is supported by shareholders representing at least two thirds of the casted votes as well as of the shares represented at the meeting.

16 The board of directors' proposal to authorize the board of directors to decide on an issue of new shares in connection with acquisitions of companies/business

The board of directors of NIBE Industrier AB (publ) proposes that the Annual General Meeting decides to authorize the board of directors to decide, on one or several occasions during the time up to the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, on issue of new shares of class B in the company. The authorization shall also include right to decide on issue of shares with provision stating payment with non-cash consideration, that shares may be subscribed for with right of set-off or otherwise with conditions referred to in Chapter 13 Section 5 first paragraph 6 of the Swedish Companies Act. Share issue may only be decided if it concerns financing of acquisition of companies, part of a company or businesses. The authorization does not include a right for the board of directors to decide on cash issues with deviation from the shareholders' preferential right. The authorization shall be limited to a total issue of shares corresponding to a maximum of 10 % of the total number of outstanding shares at the time of the Annual General Meeting.

Further, the board of directors proposes that the Annual General Meeting decides that the managing director, or anyone authorized by the managing director, shall have the right to make such minor adjustments of the meeting's decision that may be necessary in connection with the registration with the Swedish Companies Registration Office and Euroclear respectively or due to other formal demands.

For a valid decision of the meeting in accordance with the board of directors' proposal as above it is required that the decision is supported by shareholders representing at least two thirds of the casted votes as well as of the shares represented at the meeting.

17 The board of directors' proposal for guiding principles for remuneration and other terms of employment to executive employees

The board of directors of NIBE Industrier AB (publ) proposes that the Annual General Meeting decides to adopt the following guiding principles.

The subject of the guidelines and the guidelines' applicability

These guidelines shall apply to the corporate group of NIBE's executive employees, which consist of the managing director/CEO, financial director/CFO and the three business area managers. These guidelines shall also apply regarding remuneration, if any, (for example consultant's fee) for work carried out by a board member, in addition to the board assignment, for the corporate group of NIBE or one of its associated companies. Unless otherwise stated below, the guidelines do not include board fees, which are decided by the Annual General Meeting.

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

In short, NIBE's business strategy is to deliver world-class sustainable energy solutions. For more information regarding the company's business strategy, visit www.nibe.com. A successful implementation of the company's business strategy and the procurement of NIBE's long-term interests, including sustainability, rely on NIBE's ability to attract and retain a management that is highly qualified and with the capacity to reach stated goals. Thus, the company needs to be able to offer remuneration terms that are competitive. These guidelines make it possible for the company to offer remuneration to executive employees on market terms and to be competitive in order to attract and keep personnel.

Forms of remuneration

It shall be possible to pay the remuneration as fixed salary, variable salary, pension and other benefits such as company car.

Board fees shall not be paid to executive employees, who are employed in the group.

All executive employees, who have not reached the age of 65, shall have retirement benefits corresponding to the defined benefit ITP-plan (supplementary pensions for salaried employees) (SW: ITP-planen), section 2, for salary parts up to 30 income base amounts (SW: inkomstbasbelopp). For salary parts exceeding 30 income base amounts, a premium with a fixed percentage of 30 % shall be paid, in accordance with the same principles as in the ITP-plan with fixed premium, section 1. The retirement premiums may, in total, amount to a maximum of 35 % of the total remuneration. Executive employees, who have reached the age of 65, are not entitled to retirement benefits.

Other benefits, e.g. medical insurance, life insurance and a company car, may, in total, amount to a maximum of 5 % of the total remuneration.

Criteria for payment of variable remuneration

Executive employees shall as incentive be able to have a variable salary part, which is paid if the goals that have been set are met. These goals are set by the board and shall be measurable and predetermined, e.g. percentage growth, operating margin and working capital reduction. The goals are set for one financial year at a time. By rewarding clear and measurable performance linked to the company's financial and operational development, the goals set shall promote to motivate the executive employees to achieve the goals set by the company regarding business strategies, long-term interests and sustainability.

The variable salary part shall be limited to four monthly salaries. In addition thereto, an extra monthly salary may be paid as remuneration, provided that the executive employee uses this extra remuneration and an additional monthly salary of his/her variable remuneration for acquisition of NIBE-shares. A condition for the extra remuneration is that the executive employee keeps the annually acquired NIBE-shares for at least three years. If the condition is not met, the company is entitled to recover this part of the remuneration. The purpose of the extra remuneration for acquisition of NIBE-shares is to increase the executive employees' long-term interests in the company and hence promoting the company's business strategy, long-term interests and sustainability. Normally, the executive employees' acquisition of NIBE-shares will be made once a year in February/March, with regard to applicable market abuse legislation. The managing director shall not be included in any incentive program.

Termination of employment

An executive employee shall be employed for an indefinite or fixed term.

Upon termination by the company, the term of notice for the managing director shall be six months. The managing director shall be entitled to severance payment corresponding to twelve monthly salaries.

Other executive employees shall receive salary during the term of notice, which varies between 6-12 months.

There shall be no special agreement stating that executive employees may terminate their employment before they have reached retirement age and until then receive a certain part of their salary.

Consideration of salary and terms of employment when preparing the guidelines

When preparing the board's proposal for these guidelines, the average salary and terms of employment of the employees at the Swedish companies within the NIBE group have been taken into account. This has been achieved by obtaining information regarding the employees' average salary and terms of employment as well as the increase and rate of remuneration over time during the employment. A very important additional factor has been the group's growth, with regard to the turnover as well as the result. Moreover, comparison has been made with other Swedish listed companies of the same size. This information has been part of the board's decision-making documentation in order to evaluate the reasonableness of the guidelines.

Processing of personal data

For information on how your personal data is processed, please see the privacy policy which is available on the company's website <https://www.nibe.com/governance/privacy-policy.html>.

Fees for consultancy services performed by board members.

In special cases, the company's board members elected by the Annual General Meeting shall be able to be remunerated for consultancy services within their respective fields of competence, which do not constitute the board assignment, for a limited time. For these services, the company shall offer remuneration on market terms.

How these guidelines have been prepared

These guidelines have been prepared by the board of directors. The managing director and other executive employees have not participated in the board's preparations and decisions regarding these guidelines.

The guidelines are subject to annual review through personal contact by the chairman of the board with the major shareholders.

Deviation from these guidelines

The board of directors may deviate from the guidelines if there are particular grounds therefor in an individual case and if it is necessary in order to meet the company's long-term interests and sustainability or to ensure the company's financial viability.

The proposal for guidelines is essentially in line with the guidelines approved at the 2019 Annual General Meeting. The guidelines have been supplemented due to new requirements in accordance with certain amendments to the Swedish Companies Act. The company has not received any views from the shareholders.

Miscellaneous

The annual report and the auditor's report, complete proposals for decision concerning items 15, 16 and 17, the auditor's statement according to Chapter 8 Section 54 of the Swedish Companies Act and other documents will be kept available for the shareholders at the company's premises in Markaryd and on the company's web site, www.nibe.com, as from 23 April 2020 and will be sent to shareholders requesting it and stating their address.

The shareholders are informed of their right to request information at the Annual General Meeting concerning conditions that may have an effect on the judgement of a matter on the agenda and conditions that may have an effect on the judgement of the company's financial position.

At the time of execution of this notice the total number of shares in the company amounts to 504,016,622, of which 58,532,590 shares of class A and 445,484,032 shares of class B. The total number of votes in the company amounts to 1,030,809,932.

Markaryd in April 2020
NIBE Industrier AB (publ)
The Board