

## Notice to the Annual General Meeting in Mycronic AB (publ)

**The shareholders in Mycronic AB (publ) are hereby given notice of the Annual General Meeting to be held on Wednesday, May 8, 2024, at 5:00 p.m. at the company's premises at Nytorpsvägen 9 in Täby. The entrance will open at 4:00 p.m.**

### **Notification of participation in a guided tour of the company's premises**

After the Annual General Meeting, there will be an opportunity for the shareholders who participated physically at the general meeting to participate in a guided tour of Mycronic's production premises. Those who wish to participate in the guided tour must no later than 12:00 p.m. on Thursday, May 2, 2024, notify their intention to participate in the guided tour in one of the ways specified under the heading "*Notification of physical participation or participation through a representative*". There is a limited number of places on the guided tour. Participating in the guided tour therefore requires notification in advance in accordance with the above. The guided tour is free of charge. A guided tour takes approximately one hour. Mycronic takes ongoing measures to improve accessibility so that everyone can visit the company's premises without obstructions. However, the guided tour of the production premises does require some mobility. It is not permitted to take photographs in the company's premises during the guided tour.

In accordance with the provisions of Chapter 7, Section 4 a of the Swedish Companies Act and the company's Articles of Association, the Board has decided that shareholders before the meeting shall have the opportunity to exercise their voting rights by postal voting. Shareholders can thus choose to attend the meeting physically, by proxy or by postal voting.

### **Exercise of the right to vote**

Shareholders who wish to exercise their voting rights at the Annual General Meeting must

- be recorded in the share register kept by Euroclear Sweden AB on Monday, April 29, 2024,
- notify their intention to participate to the company according to the instructions under the heading "*Notification of physical participation or participation through a representative*" or cast their postal vote according to the instructions under the heading "*Instructions for postal voting*" no later than 12:00 p.m. on Thursday, May 2, 2024.

For shareholders who have their shares nominee-registered through a bank or other nominee, the following applies in order to be entitled to participate in the meeting. In addition to registering, such shareholders must re-register their shares in their own name so that the shareholder is registered in the share register kept by Euroclear Sweden AB as of the record date on Monday, April 29, 2024. Such re-registration may be temporary (so-called voting rights registration). Shareholders who wish to register their shares in their own name must, in accordance with the respective nominee's procedures, request that the nominee make such registration. Registration of voting rights requested by shareholders at such a time that the registration has been made by the nominee no later than Thursday, May 2, 2024, will be taken into account in the preparation of the share register.

## **Notification of physical participation or participation through a representative**

Anyone wishing to attend the meeting physically or through a representative must no later than 12:00 p.m. on Thursday, May 2, 2024, notify the company in one of the following ways;

- On the website [www.mycronic.com](http://www.mycronic.com)
- By telephone +46 8 518 01 551
- By mail to Computershare AB, "Mycronic's Annual General Meeting", P.O. Box 5267, 102 46 Stockholm, Sweden
- By e-mail to [proxy@computershare.se](mailto:proxy@computershare.se)

The notification shall state name, personal ID number or corporate registration number, address and telephone number, number of shares held and names of any advisors (maximum two).

Anyone who does not wish to attend in person or exercise their voting right by postal vote may exercise their right at the meeting by proxy with a written, signed and dated power of attorney. If the power of attorney has been issued by a legal entity, a copy of the registration certificate or equivalent authorization document for the legal entity must be attached.

To facilitate access to the meeting, proxies, registration certificates and other authorization documents should be sent to the company at the address Computershare AB, "Mycronic's Annual General Meeting", P.O. Box 5267, 102 46 Stockholm, Sweden no later than Thursday, May 2, 2024.

Please note that notification of participation in the meeting must be made even if the shareholder wishes to exercise his or her voting rights at the meeting through a proxy. A submitted power of attorney does not apply as notification to the meeting.

## **Instructions for postal voting**

Shareholders who wish to exercise their voting right by postal voting must use the postal voting form and follow the instructions available on the company's website [www.mycronic.com](http://www.mycronic.com). Postal voting forms can also be provided by post to shareholders who request it by phone +46 8 518 01 551, weekdays at 09:00 a.m. – 16:00 p.m.

Completed and signed postal voting forms can be sent either by post to Computershare AB, "Mycronic's Annual General Meeting", P.O. Box 5267, 102 46 Stockholm, Sweden or by e-mail to [proxy@computershare.se](mailto:proxy@computershare.se). The completed form must be received by Computershare no later than Thursday, May 2, 2024.

Shareholders who are natural persons can also cast a postal vote electronically through verification with BankID via the company's website [www.mycronic.com](http://www.mycronic.com). Such electronic votes must be cast no later than Thursday, May 2, 2024.

The shareholder may not provide the postal vote with special instructions or conditions. If this happens, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form.

If a shareholder submits its postal vote by proxy, a written and dated power of attorney signed by the shareholder must be attached to the postal voting form. Proxy forms are available on the company's website [www.mycronic.com](http://www.mycronic.com). If the shareholder is a legal entity, a registration certificate or other authorization document must be attached to the form.

Anyone wishing to revoke a postal vote and instead exercise their right to vote by attending the meeting physically or by proxy must notify the secretariat of the meeting before the meeting opens.

## **Proposed Agenda for the Annual General Meeting**

1. Election of Chairman of the Annual General Meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons who shall approve the minutes of the meeting
5. Consideration of whether the meeting has been duly convened
6. Presentation of annual report and auditor's report as well as of the consolidated financial statements and the auditor's report for the group
7. Resolutions regarding the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet
8. Resolution regarding appropriation of the company's profit or loss in accordance with the adopted balance sheet
9. Resolution regarding discharge from liability of members of the Board of Directors and the CEO
10. Resolution regarding number of Board members and deputy Board members and auditors
11. Determination of fees for the members of the Board of Directors and the auditors
12. Election of members of the Board of Directors and Chairman of the Board of Directors
13. Election of auditor
14. Resolution regarding approval of the remuneration report
15. The Board of Directors' proposal regarding guidelines for remuneration to the executive management
16. Proposal regarding composition of nomination committee
17. The Board of Directors' proposal on authorization of the Board of Directors to resolve to issue new shares
18. The Board of Directors' proposal on authorization of the Board of Directors to resolve for the company to acquire the company's own shares
19. The Board of Directors' proposal regarding Long Term Incentive Program 2024 (LTIP 2024)

## **This year's nomination committee**

The nomination committee for the 2024 Annual General Meeting is composed of Henrik Blomquist (Bure Equity), Patrik Jönsson (SEB Funds), Thomas Ehlin (the Fourth Swedish National Pension Fund) and Patrik Tigerschiöld (Chairman of the Board).

## **Item 1: Election of Chairman of the Annual General Meeting**

The nomination committee proposes that the Chairman of the Board, Patrik Tigerschiöld, or the person proposed by the Board of Directors if he has an impediment to attend, is elected Chairman of the Annual General Meeting and that Niklas Larsson, Wistrand Advokatbyrå, or the person proposed by the Board of Directors if he has an impediment to attend, is elected keeper of the minutes of the Annual General Meeting.

## **Item 2: Preparation and approval of the voting list**

The voting list proposed for approval is the voting list drawn up by the Chairman at the Annual General Meeting, based on the general meeting's share register, present shareholder, proxies and advisors who have notified their intention to participate in the Annual General Meeting as well as advance votes received.

## **Item 3: Approval of the agenda**

The Board of Directors proposes that the agenda, which is included in this notice to the Annual General Meeting, be approved as the agenda at the Annual General Meeting.

## **Item 4: Election of one or two persons who shall approve the minutes of the meeting**

It is proposed that one person is appointed to approve the minutes. Julia Lamers, representing SEB Funds, or the person proposed by the Board of Directors if she has an impediment to attend, is proposed to be elected to approve the minutes of the Annual General Meeting together with the Chairman.

**Item 5: Consideration of whether the meeting has been duly convened**

It is proposed that the general meeting approve the convening of the Annual General Meeting.

**Item 8: Resolution regarding appropriation of the company's profit or loss in accordance with the adopted balance sheet**

The Board of Directors proposes an ordinary dividend for the financial year 2023 of SEK 4.50 per share. Record date is proposed to be May 13, 2024 and disbursement day is estimated to be May 16, 2024.

**Item 10: Resolution regarding number of Board members and deputy Board members and auditors**

The nomination committee proposes that the Board of Directors for the period running up until the end of the next Annual General Meeting shall be composed of seven members with no deputy members and that one registered accounting firm is elected as auditor.

**Item 11: Determination of fees for the members of the Board of Directors and the auditor**

The nomination committee proposes a total remuneration to the Board of Directors amounting to SEK 3,715,000 for the period running until the end of the next Annual General Meeting. The nomination committee proposes a raise in remuneration to the Chairman of the Board to SEK 925,000, and a raise in remuneration to each of the six other members of the Board to SEK 370,000. Furthermore, the nomination committee proposes a raise in remuneration to the Chairman of the audit committee to SEK 150,000, and a raise in remuneration to each of the other members of the audit committee to SEK 85,000. In addition, the nomination committee proposes an unchanged remuneration to the Chairman of the remuneration committee amounting to SEK 110,000, and an unchanged remuneration to each of the other members of the remuneration committee amounting to SEK 70,000.

The nomination committee also proposes that the auditor's fee for the period running until the end of the next Annual General Meeting is taken on current account.

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

The nomination committee proposes re-election of Patrik Tigerschiöld, Arun Bansal, Anna Belfrage, Katarina Bonde, Staffan Dahlström and Bo Risberg and election of Jens Hinrichsen. The Nomination Committee furthermore proposes the re-election of Patrik Tigerschiöld as Chairman of the Board.

**Item 13: Election of auditor**

The nomination committee proposes re-election of Ernst & Young AB as auditor for the period running until the end of the Annual General Meeting 2025. Ernst & Young AB has announced that the Authorized Public Accountant Anna Svanberg will be the responsible auditor.

**Item 14: Resolution regarding approval of the remuneration report**

The Board of Directors proposes that the Annual General Meeting resolves to approve the remuneration report in accordance with Chapter 8, Section 53 a of the Swedish Companies Act.

**Item 15: The Board of Directors' proposal regarding guidelines for remuneration to the executive management**

The Board of Directors proposes that the Annual General Meeting resolves to adopt the following guidelines for remuneration to the executive management.

## **Guidelines for Remuneration to the Executive Management**

**Introduction**

These Guidelines for Remuneration to the Executive Management (the "Guidelines") are applicable to remuneration agreed, and amendments to remuneration already agreed, after the adoption of the Guidelines by the Annual General Meeting on May 8, 2024. These Guidelines encompass remuneration

to the Board of Directors, the CEO and the executive management, however, these Guidelines do not apply to any remuneration decided or approved by the General Meeting.

The Board of Directors shall be entitled to temporarily depart from these Guidelines, in whole or in part, if special reasons justify doing so in an individual case and such deviation is necessary in order to meet the company's long-term interests and sustainability or to ensure the company's financial viability. If such a departure occurs, it must be reported in the remuneration report before the next Annual General Meeting. These Guidelines pertain to the period starting from the Annual General Meeting on May 8, 2024. Any issue regarding departure from these Guidelines shall be prepared by the Remuneration Committee and decided by the Board of Directors.

### **The Guidelines' promotion of the company's business strategy, long-term interest and sustainability**

Mycronic's strategy is to be a market-leading solutions provider within defined niches of the electronics industry. We create value by focusing on innovations that help drive the transition to a more sustainable electronics industry. This strategy will allow us to achieve our vision of being the most trusted partner to the creators of tomorrow's electronics – delivering value for employees, customers, shareholders and society.

The Board of Directors considers that it is critical for the successful implementation of the company's business strategy and safeguarding of its long-term interests, that the company is able to recruit and retain members of the executive management with the competence and capacity to achieve specified goals. To this end, the company must offer competitive remuneration to motivate the executive management. Short-term variable pay covered by these Guidelines shall be based on criteria that aim at promoting the company's business strategy and long-term interests, including its sustainability, and where the fulfillment of the criteria is determined by the method set out below.

### **Forms of remuneration, etc.**

The remuneration and other terms of employment for members of the executive management shall be based on market terms. Total remuneration consists of base salary and variable pay, pension and other benefits. In addition, the General Meeting may – regardless of these Guidelines – resolve on, inter alia, share-related or share-price related remuneration. Such pay is therefore excluded in the calculation of the total remuneration and the relative proportion of the remuneration components.

### **Fixed remuneration**

In establishing the base salary for the CEO and members of the executive management, the scope and complexity of the position in question, as well as the individual's performance is taken into account. The executive managements' salaries are, like the other components of remuneration, subject to annual review by the Remuneration Committee. The base salary constitutes a maximum of 65 percent of total remuneration in the event of a maximum outcome of short-term variable pay.

### **Short-term variable remuneration**

The short-term variable pay covered by these Guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability. The short-term variable pay shall be dependent upon either the company's and/or the individual's fulfillment of criteria set annually or with another periodicity. In that way the short-term variable pay is clearly related to the company's development and/or the work contributions and performance of the individual. The criteria can be financial or non-financial, qualitative or quantitative, and shall be based on factors which support the company's business strategy and long-term interests. Examples of financial criteria that may be applied are order intake, cost control and EBIT. Examples of non-financial criteria that may be applied are diversity, reduced carbon footprint, reduced energy consumption and increased use of environmentally friendly and sustainable materials. Short-term variable pay may also be awarded in extraordinary circumstances, provided that such extraordinary arrangements are applied on an individual basis only, either for the purpose of recruiting or retaining members of the executive management, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. The outcome is

prepared by the Remuneration Committee and approved by the Board of Directors in connection with the end of the qualification period or after or in connection with an extraordinary circumstance or event. The remuneration is thereafter paid out. The short-term variable pay can amount to a maximum of 120 percent of base salary and 55 percent of total remuneration. Variable pay shall not be pensionable, unless otherwise provided by mandatory law or obligations in applicable collective bargaining agreements. The company has no contractual right to recover the remuneration.

### **Long-term variable remuneration**

Members of the executive management can be offered incentive programs, which mainly should be share-related or share-price-related. An incentive program is intended to improve the participants' commitment to the company's development and shall be introduced on market-based terms. Resolutions on share-related or share-price-related incentive programs must be passed at a General Meeting and are therefore not covered by these Guidelines.

#### *Other long-term remuneration*

There are already existing agreements on long-term variable pay linked to continued employment for certain members of the executive management.

### **Benefits**

#### *Pension*

Members of the executive management employed in Sweden after 2012 are covered by the contribution-defined plan under ITP1. Members of the executive management employed prior to January 1, 2022 have a supplementary contribution-defined pension plan in addition to the ITP plan. The retirement age for members of the executive management employed in Sweden is 65 years. For members of the executive management employed outside of Sweden, locally competitive pension plans and retirement ages are applied.

#### *Other benefits*

Other benefits e.g. car benefits and health care plans are established based on them being competitive in the local market.

Pension and other benefits constitute a maximum of 40 percent of total remuneration in the event of a maximum outcome of short-term variable pay.

### **Expat arrangements etc.**

Members of the executive management who are required to relocate (expatriates) and/or commute internationally to execute the requirements of their role, may receive additional benefits and/or allowances to the extent reasonable in light of the special circumstances associated with such international relocation and/or commuting arrangements. Such additional benefits and/or allowances shall be decided by the CEO provided that the benefits and/or allowances is in accordance with the company's policy regarding international relocation and/ or commuting as adopted by the Board of Directors from time to time. The aforementioned benefits and/or allowances may include (but is not limited to) commuting or relocation costs, cost of living adjustments, housing, home travel or education allowance, tax and social security equalization assistance.

### **Additional arrangements**

In addition, it may on a case-by-case basis be proposed by the Remuneration Committee and approved by the Board of Directors to compensate an individual for remuneration forfeited from a previous employer during recruitment. The Remuneration Committee and the Board of Directors will consider on a case-by-case basis if all or some of the remuneration, including incentives forfeited need to be "bought-out".

If there is a buy-out of forfeited incentives, this will take into account relevant factors including the form they were granted (cash vs. shares), performance conditions attached to these awards and the time

they would have vested/paid. Generally, buy-out awards will be made on a comparable basis to those forfeited.

In the event of an internal candidate being promoted to the executive management, legacy terms and conditions may be honored, including pension and benefits entitlements and any outstanding incentive awards. If a member of the executive management is appointed following a merger or acquisition with/of another company, legacy terms and conditions may be honored.

### **Special adjustments**

Regarding employment contracts governed by rules other than those applying in Sweden, appropriate adjustments may be made in order to comply with such mandatory rules or local practices in the individual's country of employment, taking into account, to the extent possible, the overall purpose of these Guidelines.

### **Notice of termination and severance pay**

The employment or contractual agreements of members of the executive management shall be valid until further notice or for a specified period of time. For the CEO, in the event of termination by the company, a twelve months' notice period and twelve months' severance pay apply. For members of the executive management employed in Sweden, the mutual notice period is a maximum of six months. Upon termination by the company, six months' severance pay also applies. During the notice period, the current employment contract runs with associated benefits. In cases where severance pay would be paid, no other benefits will be paid after the expiry of the notice period. For members of the executive management who are locally employed outside of Sweden, employment or contractual agreements shall comply with mandatory rules applicable in the relevant jurisdiction or local practices in the individual's country of employment, entailing that e.g. other term of the employment (or term of contract as the case may be), other notice periods and other agreements on severance pay may be applicable in the individual case.

### **Salary and terms of employment**

In preparing the Board of Directors' proposal for these Guidelines, the salaries and terms of employment for the company's other employees have been taken into account. Information about the executive managements' total remuneration, components of their remuneration, as well as increases in remuneration and rates of increase over time have been obtained and have constituted a part of the Remuneration Committee's and the Board of Directors' decision basis in their evaluation of the fairness of these Guidelines and the limitations arising from them.

### **The resolution process**

The Board of Directors shall prepare a proposal for new guidelines when there is a need for significant changes to the Guidelines, however at least every four years. The Board of Directors' proposal is prepared by the Remuneration Committee. The Chairman of the Board of Directors may also be Chairman of the Remuneration Committee. In order to manage conflicts of interest, other members of the Remuneration Committee who are elected by the Annual General Meeting must be independent in relation to the company and the members of the executive management.

The Remuneration Committee shall, inter alia, monitor and evaluate the application of these Guidelines resolved by the Annual General Meeting. When the Remuneration Committee has prepared the proposal, it is submitted to the Board of Directors for decision. The CEO or other members of the executive management shall not be present while the Board of Directors addresses issues related to remuneration and passes resolutions about them, insofar as they are affected by the issues.

If the General Meeting resolves not to adopt guidelines when there is a proposal for such, the Board of Directors shall submit a new proposal no later than at the next Annual General Meeting. In such cases, remuneration shall be paid in accordance with the current Guidelines or, if no guidelines exist, in accordance with the company's practice.

External advisors are used in the preparation of these matters when deemed necessary.

## **Review of the Guidelines**

The guidelines were reviewed ahead of the Annual General Meeting on May 8, 2024, and the review has primarily resulted in the possibility to apply, inter alia, individual criteria that is clearly linked to the individual's contributions and performance and a clarification of the application of these Guidelines in connection with, inter alia, international relocation and/or commuting arrangements. In addition to the above, the review has resulted in certain editorial changes. The aforementioned changes are not expected to entail any significant change in the remuneration paid in accordance with the current guidelines.

## **Item 16: Proposal regarding composition of nomination committee**

The nomination committee proposes that a new nomination committee for the 2025 Annual General Meeting is appointed by the Chairman of the Board – at the latest by the end of the third quarter of 2024 – contacting the three largest or otherwise known shareholders per August 31, 2024. The term of office shall run until a new nomination committee commences its service.

The composition of the nomination committee shall be published no later than six months before the company's Annual General Meeting.

The responsibility of the nomination committee regarding the 2025 Annual General Meeting includes proposing (i) chairman of the meeting, (ii) the number of Board members, (iii) election of members of the Board and Chairman of the Board and remuneration to Board members and the Chairman of the Board and remuneration to members of Board committees, (iv) election of auditor and remuneration to auditor and (v) the process for appointment of a new nomination committee.

The nomination committee proposes that the Annual General Meeting decides that the instruction to the nomination committee shall be the same as last year.

## **Item 17: The Board of Directors' proposal on authorization of the Board of Directors to resolve to issue new shares**

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, for the period up until the 2025 Annual General Meeting, whether on one or several occasions, to adopt resolutions to issue new shares, with deviation from the shareholders' preferential rights. Such new issue resolutions may include provisions of payment in cash and/or payment by way of contribution of non-cash consideration or by set-off of a claim or that subscription shall be subject to other conditions. The Board of Directors may otherwise set the terms of such new issue resolutions. The issue price shall be determined on marketable grounds and the number of issued shares may not exceed ten percent of the total amount of outstanding shares in the company per the day of this notice.

The reason for the deviation from the shareholders' preferential rights and the right to decide on payment in cash and/or payment by way of contribution of non-cash consideration or by set-off of a claim or that subscription shall be subject to other conditions is to enable the company to issue shares in order to acquire shares, business or product rights.

### *Majority requirements*

A valid resolution under item 17 above requires that shareholders representing not less than two-thirds (2/3) of the votes cast as well as the shares represented at the Annual General Meeting approve the resolution.

## **Item 18: The Board of Directors' proposal on authorization of the Board of Directors to resolve for the company to acquire the company's own shares**

The Board of Directors shall be authorized, during the period until the 2025 Annual General Meeting, to decide to acquire the company's own shares in accordance with the following.

1. Acquisition may only be made by a maximum of so many shares that, at any given time, the company's own holdings do not exceed five percent of all shares in the company
2. Acquisition of shares in the company may only be made on Nasdaq Stockholm (the "Exchange")
3. Acquisition of shares on the Exchange may only take place at a price within the price range recorded on the Exchange at any given time
4. The payment for the shares shall be paid in cash
5. The authorization may be used on one or several occasions up until the 2025 Annual General Meeting

The purpose of the above authorization to acquire shares is to enable delivery of shares to participants in LTIP 2024 (the introduction of a new long term incentive program, LTIP 2024, is subject to a separate resolution in item 19 in the notice for the 2024 Annual General Meeting) and to be able to continuously adjust the company's capital structure to the company's capital requirements.

Shares that have been acquired by the company and which have not been reserved in order to secure the company's delivery of shares under LTIP 2024 are intended to be canceled following a resolution thereof at the 2025 Annual General Meeting.

#### *Majority requirements*

A valid resolution under item 18 above requires that shareholders representing not less than two-thirds (2/3) of the votes cast as well as the shares represented at the Annual General Meeting approve the resolution.

### **Item 19: The Board of Directors' proposal regarding Long Term Incentive Program 2024 (LTIP 2024)**

Mycronic's Board of Directors proposes that the Annual General Meeting passes a resolution on the implementation of a Long Term Incentive Program 2024 (LTIP 2024). This proposal is divided into four items:

- A. Terms of LTIP 2024
- B. Transfer of the company's own shares under LTIP 2024 and hedging activities
- C. Hedging of LTIP 2024 via an equity swap agreement with a third party
- D. Other matters related to LTIP 2024

#### **A. Terms of LTIP 2024**

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

The Board wishes to establish a long-term incentive program for certain key employees in order to encourage personal long-term ownership of Mycronic shares as well as to increase and enhance its ability to recruit, retain and motivate employees. The Board therefore proposes that the Annual General Meeting resolves to implement a long-term performance share program 2024 ("LTIP 2024"). The intention is also to use LTIP 2024 to unite the interest of the employees with the interests of shareholders.

Participants may, after a qualifying period, receive allotments of Mycronic ordinary shares without consideration. The number of allotted shares will depend on the fulfilment of certain performance targets. The term of LTIP 2024 is more than three years.

## **A.2 Basic features of LTIP 2024**

LTIP 2024 will be directed towards certain key employees in the Mycronic Group. The participants are based in Sweden and other countries where the Mycronic Group is active. Each participant may be entitled, after a certain qualification period (defined below), provided continued employment during the entire period (except from "Good Leavers"), and depending on the fulfilment of certain performance targets linked to Mycronic's earnings per share ("EPS") and CO<sub>2</sub> equivalents emission level ("CO<sub>2</sub>e"), to receive allotment of Mycronic shares ("Performance Shares"). The participant shall not pay any consideration for the allotted Performance Shares. Performance Shares are Mycronic ordinary shares.

## **A.3 Participation in LTIP 2024**

LTIP 2024 is directed towards a maximum of eighty-five (85) employees, who are divided into four (4) categories of participants: the CEO (a maximum of one (1) person), hereinafter referred to as "Category A", members of the executive management (a maximum of nine (9) persons), hereinafter referred to as "Category B", members of the executive management based in the United States - (a maximum of one (1) person), hereinafter referred to as "Category C", and Other Employees (a maximum of seventy-four (74) persons), hereinafter referred to as "Category D".

The maximum number of Performance Shares per participant ("MPS") shall be based on maximum performance values for each category of participants. The maximum performance value for participants in Category A will be seventy (70) percent of the participants annual base salary for 2024 established on July 1, 2024, for participants in Category B, fifty (50) percent of the participants annual base salary for 2024 established on July 1, 2024, for participants in Category C, seventy (70) percent of the participants annual base salary for 2024 established on July 1, 2024, and for participants in Category D, twenty (20) percent of the participants annual base salary for 2024 established on July 1, 2024.

The performance value determined in accordance with the above shall be converted into a maximum number of Performance Shares per participant (MPS), by dividing the performance value per participant with the volume-weighted average price according to Nasdaq Stockholm's official price list for the share during twenty (20) trading days following the publication of the fourth quarterly report for the last quarter of 2023. Notwithstanding the above, the MPS cannot be less than seven hundred (700) Performance Shares.

Any resolution on participation or implementation of LTIP 2024 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 Performance Shares**

Allotment of Performance Shares within LTIP 2024 will be made during a limited period of time following the Annual General Meeting 2027. The period up to this date is referred to as the qualification period (vesting period). In the event that the participant and/or the company is prevented from carrying out the allotment of Performance Shares due to, for example, insider information, the participant and/or the company has the right to extend the period for allotment so that it runs until a date when such obstacle has ceased and allotment can take place.

A condition for the participant to receive allotment of Performance Shares is that the participant remains an employee of the Mycronic Group during the full qualification period up until allotment. Allotment of Performance Shares also requires that the EPS and/or CO<sub>2</sub>e performance targets are fulfilled. The Board shall establish a customary definition of Good Leavers and determine whether any allocation shall be made to participants who are considered Good Leavers. Seventy-five (75) percent of the MPS shall be linked to the fulfillment of the performance target regarding EPS and twenty-five (25) percent of the MPS shall be linked to the fulfillment of the performance target regarding CO<sub>2</sub>e.

The performance targets is Mycronic's EPS and CO<sub>2</sub>e, defined as green house gas emissions from Scope 1 and Scope 2 of the Greenhouse Gas Protocol, and the aforementioned performance targets shall be established by the Board. No allotment of Performance Shares linked to a certain performance target will take place below the threshold level for such performance target. Full allotment of Performance

Shares linked to a certain performance target will take place at or above the stretch level of such performance target. Partial fulfilment of a certain performance target will result in partial allotment of Performance Shares. Information on the performance targets and the outcome will be communicated to the shareholders after the allotment of Performance Shares to participants.

Prior to the allotment of 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. If significant changes take place within the Mycronic Group, or on the market, which, by the assessment of the Board, would mean that the terms for allocation/transfer of shares according to LTIP 2024 is no longer reasonable, the Board shall have the right to implement an adjustment to LTIP 2024, including, among others, the right to change the performance targets, the right to reduce the number of Performance Shares allotted, or not to allot Performance Shares at all, or make such other adjustments which are in accordance with applicable rules in force from time-to-time.

The company uses the methodology of the Greenhouse Gas Protocol to report greenhouse gas emissions (measured in CO<sub>2</sub>e) from Scope 1 and Scope 2 of the aforementioned Protocol. Estimates may be used for some data points. The company regularly reassesses its use of estimates and judgements based on experience, the development of reporting such data points, and a number of other factors. The Board of Directors monitors and oversees progress related to the aforementioned reporting. If significant changes in the company's reporting of CO<sub>2</sub>e take place or if the market practice of such reporting significantly changes, which, by the assessment of the Board, would mean that the terms for allocation/transfer of shares according to LTIP 2024 is no longer reasonable, the Board shall have the right to implement an adjustment to LTIP 2024 in accordance with the above.

## **A.5 Implementation and administration etcetera**

The Board, with the assistance of the remuneration committee, shall in accordance with the resolutions by the Annual General Meeting set forth herein be responsible for the detailed design and implementation of LTIP 2024. The Board may also decide on the implementation of an alternative cash based incentive for participants in countries where the allotment of Performance Shares is not possible, as well as if otherwise considered appropriate. Such alternative incentive shall to the extent practically possible be designed to correspond to the terms of LTIP 2024. The intention is that the Board shall launch LTIP 2024 as soon as practically possible after the Annual General Meeting.

In the event that the general meeting does not resolve in accordance with item B with the required majority, the Company shall hedge itself against the financial exposure that LTIP 2024 is expected to entail, by the company entering into a share swap agreement with a third party in accordance with what is stated in item C below.

## **B. Transfer of the company's own shares under LTIP 2024 and hedging activities.**

### **B1. Number of shares**

The Board proposes that the Annual General Meeting resolves that transfer of up to 138,826 Mycronic shares under LTIP 2024 may be made in accordance with the below. The number of shares is calculated on the basis of maximum participation and maximum fulfilment of performance targets.

### **B2. Other conditions for transfer of Mycronic shares**

Mycronic shares may be transferred to the participants in LTIP 2024.

Share transfers to participants in LTIP 2024 shall be made without the participants paying consideration and shall be carried out at the time and subject to the other conditions under which participants in LTIP 2024 have the right to be allotted shares.

The number of Mycronic shares that might be transferred under LTIP 2024 shall be subject to customary re-calculation principles and may, consequently, be subject to re-calculation due to a bonus issue, share

split, dividends and/or other similar events. Resolutions resolved upon by the Annual General Meeting 2024 shall not be included in a re-calculation of the number of shares.

### **B.3 Grounds for the Board's proposal and alternative hedging via an equity swap agreement with a third party etcetera**

Since the Board believes that the most cost efficient and flexible method to transfer Mycronic shares under LTIP 2024 is obtained through transfer of own shares, the Board proposes that transfers are secured as described above in this item B. Should the necessary majority not be obtained for the proposal in item B, the Board will enter into a share swap agreement, in accordance with item C below.

A share swap agreement will also be relevant should this be more appropriate, for example due to the fact that the acquisition of own shares cannot be made to the extent required to be able to transfer shares under LTIP 2024.

The reason for the deviation from the shareholders' pre-emption rights to acquire the own shares is that the company shall be able to secure the delivery of shares under LTIP 2024.

### **C. Hedge of LTIP 2024 via an equity swap agreement with a third party**

In the event that the necessary majority is not obtained for item B above, the company will hedge itself against the financial exposure that LTIP 2024 is expected to entail, 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 under LTIP 2024. The relevant number of shares shall correspond to the number of shares proposed under item B above.

The Board believes that the most cost efficient and flexible method to transfer Mycronic shares under LTIP 2024 is obtained through transfer of own shares pursuant to item B above. The cost of hedging by entering into an equity swap agreement with a third party is significantly higher and will be based on an interest base with an addition for the company's lending costs, taking into account the structure of the share swap derivative.

## **D. Other matters in relation to LTIP 2024**

### **D.1 Majority requirements etc.**

The resolution according to item A above shall require a majority of more than half of the votes cast at the Annual General Meeting. 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 Annual General Meeting approve the resolution.

### **D.2 Estimated costs, expenses and financial effects of LTIP 2024**

LTIP 2024 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 contributions will be recognized as an expense in the income statement through regular provisions in accordance with generally accepted accounting principles. The amount of these regular provisions will be revalued in line with the trend in the value of the right to Performance Shares, and the contributions payable on the allotment of Performance Shares.

Assuming a share price at the time of implementation of SEK 333.65, and that the performance targets are achieved so that 50 percent of the maximum number of Performance Shares vest, including a share price increase of 50 percent during the qualification period and an annual employee turnover of 5 percent, the total cost for LTIP 2024, including social security costs, is estimated to SEK 29.2 million before tax, corresponding to an estimated annual cost of SEK 9.7 million before tax.

Assuming that the performance targets are achieved so that 100 percent of the maximum number of Performance Shares vest, and otherwise the same assumptions as above, the total cost for LTIP 2024,

including social security costs, is estimated to SEK 58.4 million before tax, corresponding to an estimated annual cost of SEK 19.5 million before tax.

LTIP 2024 will comprise maximum 138,826 shares in total, which corresponds to 0.14 percent of the total outstanding shares and votes in the company on a fully diluted basis.

The above calculations are based on a decision on hedging in accordance with item B.

In the view of the Board, the positive effects expected to arise from LTIP 2024, outweigh the costs associated with LTIP 2024.

### **D.3 The Board's explanatory statement**

An individual long-term ownership commitment among the participants in LTIP 2024 is expected to stimulate greater interest and motivation in the company's business operations, results and strategy. Moreover, the Board wishes to increase the ability of Mycronic to retain important key employees. The Board believes that the implementation of LTIP 2024 will benefit Mycronic and its shareholders. LTIP 2024 will provide a competitive and motivation-improving incentive for executives and other key employees within the Group.

LTIP 2024 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. By linking the employees' remuneration to the development of Mycronic's results and value, the long-term value growth of Mycronic is rewarded. Based on these circumstances, the Board considers that the implementation of LTIP 2024 will have a positive effect on the Mycronic Group's continued development, and will therefore be beneficial to the shareholders and Mycronic.

### **D.4 Other share-related incentive programs**

The company's share-related incentive programs are described on page 74 in the company's annual and sustainability report.

### **D.5 Preparation of the item**

The basis for LTIP 2024 has been prepared by the Board of the company. The work has been supported by external advisors and has been made in consultation with shareholders. The Board has thereafter decided to present this proposal for the general meeting. Except for the staff that have prepared the matter upon instruction from the Board, no employee that may be a participant of LTIP 2024 has participated in the preparations of the program's terms.

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The financial statements and the audit report regarding the financial year 2023, as well as the nomination committee's and the Board of Directors' complete proposals including related documentation will be available at the company at Nytorpsvägen 9 in Täby not later than by April 17, 2024, on the company website and will also be sent by post to shareholders requesting so and stating their postal address. The same applies to the Board of Directors report in accordance with Chapter 8, Section 53 a of the Swedish Companies Act (2005:551) and the auditor's opinion in accordance with Chapter 8, Section 54 of the same law.

The total number of shares and votes in the company amounts to 97,916,509. The company holds 319,100 own shares. Shareholders are reminded of the right to, at the Annual General Meeting, ask questions to the Board of Directors and the Chief Executive Officer (CEO) in accordance with the Swedish Companies Act, Chapter 7, Section 32.



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Täby in April 2024

**Mycronic AB (publ)**

*The Board of Directors*

*N.B. This English version of the AGM notice is an unofficial translation. In case of any discrepancies in relation to the Swedish version of the notice, the Swedish version shall prevail.*

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**About Mycronic**

Mycronic is a Swedish high-tech company engaged in the development, manufacture and marketing of production equipment with high precision and flexibility requirements for the electronics industry. Mycronic's headquarters are located in Täby, north of Stockholm and the Group has subsidiaries in China, France, Germany, Japan, Mexico, the Netherlands, Singapore, South Korea, United Kingdom, United States and Vietnam. Mycronic is listed on Nasdaq Stockholm. [www.mycronic.com](http://www.mycronic.com)