

## **NOTICE OF GENERAL MEETING AT SCANDINAVIAN ENVIRO SYSTEMS AB (publ)**

*N.B. The English text is an in-house translation of the original Swedish text. Should there be any disparities between the Swedish and the English text, the Swedish text shall prevail.*

Shareholders of Scandinavian Enviro Systems AB (publ) (**the Company**), co. reg. no. 556605-6726, are hereby invited to the General Meeting on Thursday, May 20, 2021.

### **PRECAUTIONARY MEASURES DUE TO THE RISK OF SPREADING THE CORONAVIRUS INFECTION**

Due to the risk of the spread of COVID-19 and the authorities' regulations/advice on avoiding gatherings, the board of directors has decided that the general meeting will be held without physical presence, by shareholders exercising their voting rights only by postal voting. Information on the resolutions passed at the general meeting will be disclosed on Thursday, May 20, 2021, as soon as the outcome of the postal voting has been finally confirmed.

### **RIGHT TO PARTICIPATE AND NOTIFICATION**

Shareholders who wish to participate in the general meeting must:

- be recorded in the share register kept by Euroclear Sweden AB on the record date, Tuesday, May 11, 2021; and
- give notice of their intention to participate no later than Wednesday May 19, 2021, by submitting their postal votes in accordance with the instructions below, so that the postal voting form is received by the Company no later than May 19, 2021.

### **SHARES REGISTERED WITH NOMINEES**

For shareholders who have their shares registered through a bank or other nominee, the following applies in order to be entitled to participate in the meeting. In addition to giving notice of participation by submitting its postal vote, such shareholder must re-register its shares in its own name so that the shareholder is registered in the share register kept by Euroclear Sweden AB as of the record date Tuesday May 11, 2021. Such re-registration may be temporary (so-called voting rights registration). Shareholders who wish to register their shares in their own names must, in accordance with the respective nominee's routines, request that the nominee make such registration. Voting rights registration that have been requested by the shareholder at such time that the registration has been completed by the nominee no later than Friday May 14, 2021 will be taken into account in the preparation of the share register.

### **POSTAL VOTING**

Shareholders may only exercise their voting rights by voting in advance, so-called postal voting, in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A digital form must be used for the postal vote. The postal voting form is available on the Company's website, [www.envirosystems.se](http://www.envirosystems.se). Please note that a separate notice shall not be made, as the completed and signed postal voting form is considered as notice of participation at the meeting.

The completed form must be received by the Company no later than Wednesday May 19, 2021. If the shareholder submits its postal vote by proxy, a power of attorney must be attached to the postal voting form (see below). If the shareholder is a legal person, a registration certificate or other authorization document must be attached to the form.

Shareholders may not provide special instructions or conditions to the postal vote. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form.

Shareholders may in the postal voting form request that one or more of the items on the proposed agenda below be deferred to a continued general meeting, which may not be carried out solely through postal voting. Such continued general meeting shall take place if the extraordinary general meeting so resolves or if shareholders representing at least one-tenth of all shares in the Company so requests.

## **POWERS OF ATTORNEY**

Shareholders wishing to submit their postal votes by proxy must issue a written and dated power of attorney signed by the shareholder. Proxy forms are available on the Company's website, [www.envirosystems.se](http://www.envirosystems.se). If postal voting is made by proxy, a power of attorney must be attached to the postal voting form. If the shareholder is a legal person, a registration certificate or other authorization document must be attached to the form.

The power of attorney is valid for a maximum of one year from the date of issuance, unless a longer period of validity is specified in the power of attorney. Such longer period may, however, not exceed five years from the date of issuance.

## **PROPOSED AGENDA**

1. Opening of the meeting and election of the Chairman of the meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to verify the minutes
5. Consideration of whether the meeting has been duly convened
6. Submission of the annual report and the auditors' report and the consolidated financial statements and the auditors' report for the group;
7. Resolutions regarding:
  - a. adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
  - b. allocation of the company's profits or losses in accordance with the adopted balance sheet;
  - c. discharge of the members of the board of directors and the CEO from liability
8. Determination of fees for members of the board of directors and auditors
9. Election of Board members, auditors and, when applicable, deputy auditors
10. Resolution regarding changes in the articles of association
11. The nomination committee's proposal for principles for appointment of the nomination committee
12. Resolution regarding an incentive program (LTIP 2021)
  - a. Proposal from the board concerning an incentive program for management and key employees

- b. Proposal from the nomination committee concerning an incentive program for the board of directors
- 13. Determination of the principles of other fees for members of the board of directors
- 14. Resolution regarding a proxy for the board regarding new share issues
- 15. Closure of the meeting

#### **PROPOSAL FOR ADOPTION BY THE NOMINATION COMMITTEE**

Up to the General Meeting the Company's nomination committee has consisted of Peter Sandberg (representing Pegroco Invest AB and Pegroco Holding AB and also chairman of the nomination committee), Lennart Persson (representing himself), Sander Vermeulen (representing Michelin Ventures S.A.S.) and Chairman Alf Blomqvist. Shareholders, who, according to the principles of the nomination committee, have the right to appoint a representative in the nomination committee have all declined this possibility. The Nomination Committee has presented the following proposals for adoption.

#### **Item 1 - Election of Chairman at the general meeting**

The nomination committee proposes Alf Blomqvist for election as Chairman of the General Meeting.

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

The voting list proposed to be approved is the voting list prepared by the Company based on the general meeting share register and received postal votes, controlled and checked by the persons assigned to approve the minutes.

#### **Item 8 - Adoption of board and auditor fees**

The nomination committee proposes that a fee be paid to the board in the amount of SEK 875,000 (875,000), of which SEK 250,000 (250,000) is for the chairman of the board and SEK 125,000 (125,000) to five of the other board members. One board member has rejected to receive a board fee.

It is proposed that auditor fees shall be paid in accordance with approved invoice

#### **Item 9 - Election of board members, alternates, auditors and, when applicable, deputy auditors**

The nomination committee proposes that the Board comprise seven (7) (earlier six (7) regular members without alternates.

The nomination committee further proposes that a certified auditing firm will be appointed auditor without any deputy auditors.

The nomination committee proposes that : Alf Blomqvist, Jan Bruzelius, Nina Macpherson, Peter Möller, Björn Olausson, Stefan Tilk, och Sander Vermeulen are re-elected as board members until the end of the next annual General Meeting. Further Alf Blomqvist is proposed for election as chairman of the board until the end of the next annual General Meeting.

*Information about the proposed board members*

The other proposed board members, which are proposed to be re-elected are presented in the Annual Report as well as on the Company webpage, [www.envirosystems.se](http://www.envirosystems.se).

The auditing firm PwC is proposed for re-election as auditor for the time until the end of the next annual General Meeting. It is noted that the auditing firm has announced that the authorised public accountant Johan Palmgren will remain as the auditor in charge.

**Item 11 - Resolution regarding decision for the principles regarding the constitution of the nomination committee**

The nomination committee proposes that the General Meeting decides for the following principles for appointment of the nomination committee.

The nomination committee shall consist of four members, of which one member should be the Chairman of the Board, who summons to the first meeting. The other three members are to be appointed by the, per the last bank day of September, three biggest shareholders in number of votes in the company where a representative is appointed by each shareholder. Should one of these shareholders decline the possibility to appoint a member, this right will be brought over to the, in size of number of votes, next following biggest shareholder. The member that has been appointed by the, in number of votes, biggest shareholder is to be appointed chairman of the nomination committee unless the nomination committee decides to appoint somebody else. When the voting is equal the chairman of the nomination committee has a casting vote.

For the constitution of the nomination committee until the end of next coming General Meeting the Chairman of the Board is to ask the, in number of votes, three biggest shareholders according to above, for appointing three representatives to take part in the nomination committee.

The term of office for the nomination committee is until a new nomination committee has been appointed. If, during the term of office of the nomination committee, one or more of the shareholders that have appointed members in the nomination committee no longer belong to the three, in number of votes, shareholders, the members representing these shareholders should vacate their positions and the shareholder(s) that has (have) been added as the three, in number of votes, biggest shareholders shall have the right to appoint their representatives. If no special reasons are at hand no changes are to be made in the constitution of the nomination committee if only marginal changes in the number of votes have taken place or if the changes occur later than three months before the General Meeting. Shareholders that have been added among the three, in number of votes, biggest shareholders within three months before the General Meeting shall have the right to appoint a representative to co-opt in the nomination committee. A shareholder that has appointed a representative as member of the nomination committee have the right to dismiss such representative and appoint a new representative in the nomination committee or in connection with a representative's premature resignation appoint a new representative in the nomination committee. Changes in the constitution of the nomination committee are to be published as soon as they occur.

The company is to publish the constitution of the nomination committee via a press release at the webpage of the company as soon as the representatives have been appointed and no later than 6 months before the General Meeting.

When appointing the nomination committee items 2.3 and 2.4 in the Swedish Corporate Governance Code (Svensk Kod för bolagsstyrning (Koden)) is to be used.

No compensation is to be paid to the members of the nomination committee. The company is to disburse the nomination committee for reasonable costs such as consultancy, advisory or other costs that is necessary for nomination committee to fulfill its duties.

The nomination committee is to present suggestions/resolutions for decision for the following items to the General Meeting:

- Election of Chairman of the General Meeting
- Decision regarding number of board members and auditors
- Decisions regarding emolument to the board members, the chairman of the board, committee work and emolument to the auditor(s)
- Election of board members, board chairman and auditor(s)
- If any, adjustment regarding procedures for the coming nomination committee

**Item 12 b) Resolution regarding an incentive program (LTIP 2021) - Proposal from the nomination committee concerning an incentive program for the board of directors**

**Nomination committee proposal for an incentive program for the board members of Scandinavian Enviro Systems AB (publ) including resolutions on (A) a directed issue of warrants of series 2021/2025 and (B) transfers of warrants of series 2021/2025 to the board members**

*Background*

The nomination committee proposes that a new incentive program (the “**Director LTIP 2021**” or the “**Director Program**”) is implemented for 6 board members of the Company to be elected by the annual general meeting 2021 (the “**Directors**”), including the issue and subsequent transfer of not more than 8,973,764 warrants. The board member Sander Vermeulen, being a representative of the majority shareholder Michelin, will not participate in the Director Program. The chairman of the board of directors who will be offered participation in the Director Program has not participated in the nomination committee’s preparation of the proposal.

The purpose of the Director LTIP 2021 is to offer the Directors in a simple way, subject to own investment, the opportunity to receive a remuneration that is linked to and dependent on the long-term value growth for the Company’s shareholders, the creation of which the Directors contribute to in their capacity as board members and as actively involved in the operations of the Company. The nomination committee considers that the active involvement of the Directors in the operations of the Company justifies the implementation of a director incentive program and deems that it would be to the benefit of the Company and the Company’s shareholders that the Directors in this way, and in addition to the ordinary board remuneration resolved by the annual general meeting, are provided with a personal owner interest in the Company. The structure of the Director Program with a 3.5 year term of the warrants is considered to be instrumental in fulfilling the Company’s long-term business plan, strategy and financial targets. The nomination committee has also been informed that the board of directors will propose that the annual general meeting 2021 resolves on a similar program for the Company’s employees. The total dilution of the programs to the employees and the Directors to be proposed to the annual general meeting 2021 will be approximately 3 per cent.

### *The proposal in summary*

The warrants are proposed to be issued in one series (series 2021/2025) to the Company's wholly-owned subsidiary Tyre Recycling in Sweden AB (the "**Subsidiary**"), with subsequent transfers to the Directors at market price. Each warrant entitles to subscription of one share in the Company.

It is proposed that the Directors are divided in two categories, one category for the chairman of the board of directors and one category for other board members, where each Director is entitled to acquire a certain maximum number of warrants depending on which category the Director belongs to.

The price to be paid by the Directors for the warrants shall be determined as the market value for the warrants at the time of allotment as calculated by an independent party by applying the Black & Scholes valuation model.

In order to implement the Director LTIP 2021, the nomination committee proposes that the general meeting resolves on (A) a directed issue of warrants of series 2021/2025, and (B) transfers of warrants of series 2021/2025 to the Directors in accordance with the below.

#### *A. Directed issue of warrants of series 2021/2025*

The nomination committee proposes that the general meeting resolves on a directed issue of warrants, with deviation from the shareholders' pre-emptive rights, on the following terms and conditions.

1. The number of warrants to be issued shall amount to not more than 8,973,764.
2. The right to subscribe for warrants shall, with deviation from the shareholders' pre-emptive rights, be granted Tyre Recycling in Sweden AB, with right and obligation for the subsidiary to transfer the warrants to the Directors. The Subsidiary shall not be entitled to dispose of the warrants other than what is stated below under section B.
3. The warrants shall be issued against a subscription price corresponding to the market value for the warrants as of the business day immediately preceding the first day of the subscription period, which shall be determined as the market value for the warrants calculated by an independent party applying the Black & Scholes valuation model, however not lower than SEK 0.04 and not exceeding SEK 1.00 per warrant. The calculation of the market value for the warrants shall be based on the variables risk-free interest rate, expected future volatility, term of the warrants and strike price for subscription of new shares by virtue of warrants.
4. Subscription for the warrants shall be made against payment during the period 5 June 2021 to 7 June 2021, with the nomination committee reserving the right to extend or delay the time for subscription and payment. Over-subscription may not be made.
5. Each warrant shall entitle to subscription for one (1) new share in the Company.
6. The warrants entitle to subscription for new shares in the Company at a subscription price per share corresponding to 130 per cent of the volume-weighted average purchase price for the Company's share on Nasdaq First North Growth Market during the period 21 May 2021 to 3 June 2021, however not lower than the quota value of the share.

7. Subscription for shares by virtue of the warrants may be effected during the period 1 February 2025 to 30 March 2025.
8. If all warrants are subscribed for and are exercised for subscription of new shares, the Company's share capital may increase by not more than SEK 358,950.56.
9. The new shares issued shall entitle to dividend as from the first record date for dividends to occur after the registration of the new shares with the Swedish Companies Registration Office.
10. Where the subscription price for the shares subscribed for by virtue of the warrants exceeds the quota value of the shares, the excess amount shall be added to the unrestricted share premium reserve.
11. The terms and conditions for the warrants may be recalculated in accordance with customary recalculation principles due to e.g. a bonus issue, share split or consolidation, rights issue and/or any similar event.
12. The detailed terms and conditions for the warrants are set forth in the appendix "Terms and conditions for warrants of series 2021/2025 regarding subscription for shares in Scandinavian Enviro Systems AB (publ)" (see below under Documents).

*B. Transfers of warrants of series 2021/2025 to board members of the Company*

The nomination committee proposes that the general meeting resolves to transfer warrants from the Subsidiary to the Directors on the following terms and conditions.

1. Transfers may be made of not more than 8,973,764 warrants of series 2021/2025 in total.
2. The right to acquire warrants from the Subsidiary shall, with deviation from the shareholders' pre-emptive rights, be granted the Directors in accordance with the terms and conditions of Director LTIP 2021 and the principles set out in the table below. Each Director's right to acquire warrants from the Subsidiary shall be subject to that the Director is elected as board member by the annual general meeting 2021.

Category	Maximum number of warrants per person
Category 1 (chairman of the board of directors, 1 person)	2,563,934
Category 2 (other board members, 5 persons)	1,281,966

3. Transfer of warrants shall be made at a price corresponding to the market value for the warrants at the time of allotment, which shall be determined as the market value for the warrants calculated by an independent party applying the Black & Scholes valuation model. The calculation of the market value for the warrants shall be based on the variables risk-free interest rate, expected future volatility, term of the warrants and strike price for subscription of new shares by virtue of warrants.
4. Transfer of warrants to the Directors shall take place during June 2021, with the nomination committee reserving the right to extend or delay the time of allotment and transfer.

5. In connection with the transfer of the warrants to the Directors, the Directors shall enter into a warrant agreement with the Subsidiary, on standard terms and conditions determined by the nomination committee.

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*Reason for deviation from the shareholders' pre-emptive rights*

The reasons for the deviation from the shareholders' pre-emptive rights are that the nomination committee is of the opinion that an incentive program will be to the benefit of the Company and the Company's shareholders since the Directors are provided with a personal owner interest in the Company. The subscription price for the warrants is based on a calculation of the market value of the warrants at the time of subscription.

*Directors in other jurisdictions*

Participation in the Director Program presupposes that it is legally possible and adequate in the jurisdiction concerned and that such participation is considered possible with reasonable administrative and financial costs. The nomination committee shall be entitled to offer revised terms and conditions, including cash settlement, to Directors in jurisdictions where acquisition and/or exercise of warrants legally or adequately cannot be made.

*Majority requirement*

The resolution of the general meeting in accordance with the nomination committee's proposals under section A-B above is proposed to be adopted as one joint resolution. A valid resolution requires that shareholders representing at least nine tenths of the votes cast and shares represented at the general meeting support the resolution.

*Costs, dilution and effect on key ratios*

The Director LTIP 2021 is not expected to entail any significant costs for the Company. For that reason, no measures to hedge the program have been taken. Assuming that all 8,973,764 warrants in the Director LTIP 2021 are exercised for subscription of new shares, the Company's share capital will increase by SEK 358,950.56, resulting in a dilution effect equivalent to approximately 1.5 per cent. The key figure earnings per share for the full year 2020 had in such case been affected such that the earnings per share had been increased by approximately SEK 0.002 from SEK -0.092 to SEK -0.090.

Assuming that also all 8,973,764 warrants in the program for the Company's employees to be proposed by the board of directors before the annual general meeting 2021 are exercised for subscription of new shares, the Company's share capital would be in total increased by SEK 717,901.12, resulting in an aggregate dilution effect equivalent to approximately 3.0 per cent. As a result of the Director LTIP 2021 and the program for the Company's employees, the key figure earnings per share for the full year 2020 had been affected such that the earnings per share had been decreased by approximately SEK 0.006 from SEK -0.092 to SEK -0.098.

The above calculations are subject to any additional re-calculations of the warrants in accordance with the customary terms stated in the detailed terms and conditions. All dilution effects have been calculated as the number of new shares in proportion to the number of existing shares and new shares.

### *Other incentive programs in the Company*

The Company has no outstanding incentive programs, but the nomination committee has been informed that the board of directors will propose that the annual general meeting 2021 resolves on a similar program for the Company's employees.

### *Preparation of the proposal*

The Director Program has been prepared by the nomination committee, without the participation of the chairman of the board of directors, assisted by external advisers.

### *Authorisation*

The nomination committee proposes that the chairman of the nomination committee, or anyone appointed by him, shall be entitled to make the minor adjustments that may be required in connection with the registration of the resolutions herein with the Swedish Companies Registration Office and Euroclear Sweden AB.

### **Item 13 - Proposal of the nomination committee regarding determination of the principles of other fees for members of the board of directors**

In case a, by the General Meeting appointed, member of the board is conducting work on behalf of the company aside of the assignment of being a board member, an agreement is to be made at market conditions and a fee can be determinated by a decision by the board. The board is to conduct a review of this kind of agreements on a yearly basis. All board fees are specified in the Annual Report.

## **THE BOARD OF DIRECTORS PROPOSALS**

### **Item 4. Election of one or two person(s) to approve the minutes**

The board of directors proposes that Peter Sandberg (representing Pegroco Invest AB and Pegroco Holding AB) and Lennart Persson (representing himself) or, if one or both of them are prevented from participating, the person or persons appointed by the CEO, are appointed to approve the minutes together with the chairman of the meeting. The assignment to approve the minutes shall, in addition to signing the minutes together with the chairman of the meeting, include checking the voting list and that the received postal votes are correctly reflected in the minutes of the meeting.

### **Item 7b - Resolution of allocation of the company's profits or losses in accordance with the adopted balance sheet**

The board proposes that the result and free equity of the Company, will be allocated in accordance with the proposal of the board of directors in the director's report in the annual report, which will be published and held available on the Company website [www.envirosystems.se](http://www.envirosystems.se) as of Thursday, April 29, 2021.

### **Item 10 - The board of directors' proposal for resolution on amending the articles of association**

According to Chapter 7, Section 4 of the Swedish Companies Act (2005:551) the board of directors has the right to collect powers of attorney for the general meeting if it is specified in the articles of

association. According to Chapter 7, Section 4 a of the Swedish Companies Act it may also be stated in the articles of association that the board of directors may decide that the shareholders shall be able to exercise their voting rights in advance before the general meeting.

In order to be able to use the alternatives provided by the Swedish Companies Act to decide on the right to collect powers of attorney and postal voting, the board of directors proposes that a new article 8 is included in the Articles of Association, with the wording set out below, and that the following numbers are re-numbered so that the current article 8 becomes article 9, the current article 9 becomes article 10, the current article 10 becomes article 11 and the current article 11 becomes article 12. The board further proposes a few editorial amendments to the Articles of Association, as set out below.

<b>Current wording</b>	<b>Proposed wording</b>
<b>§1 Corporate name</b> The company's corporate name is Scandinavian Enviro Systems AB (publ).	<b>§1 Corporate name</b> The company's corporate name is Scandinavian Enviro Systems AB (publ).
<b>§7 Notice of general meeting</b> Notices of general meetings shall be published in the Swedish Official Gazette (Post- och Inrikes Tidningar) and shall also be made available on the company's website. At the time of the notice, an announcement with information about the notice being issued shall be published in Dagens Industri.  Shareholders who want to participate in the discussions at the general meeting must be registered as shareholder in a printout or other representation of the entire share register as regards the fact five weekdays prior to the meeting, and they must notify the company not later than the day specified in the notice of the meeting. The aforementioned day must not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and must not fall earlier than the fifth weekday prior to the meeting. Shareholders may only be joined by assistants at the general meeting if they report the number of assistants to the company in accordance with the procedure that applies to the shareholder's notice of participation in the general meeting.	<b>§7 Notice of general meeting</b> Notices of general meetings shall be published in the Swedish Official Gazette (Post- och Inrikes Tidningar) and shall also be made available on the company's website. At the time of the notice, an announcement with information about the notice being issued shall be published in Dagens Industri.
	<b>§ 8 Participation in general meeting</b> <i>Shareholders who want to participate in the discussions at the general meeting must notify the company not later than the day specified in the notice of the meeting. This day must not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and must not fall earlier than the fifth weekday prior to the meeting. Shareholders may only be joined by one or two assistants at the general meeting if they report the number of assistants to the company in</i>

	<p><i>accordance with the procedure that applies to the shareholder's notice of participation in the general meeting.</i></p> <p><i>The board of directors may decide that a person who is not a shareholder of the company shall, on terms that the board decides, have the right to participate or in another way follow the discussions on a general meeting.</i></p> <p><i>The board of directors has the right to collect powers of attorney as set out in Chapter 7, Section 4, second paragraph of the Swedish Companies Act. The board of directors may decide before a general meeting that the shareholders shall be able to exercise their voting rights in advance before the general meeting pursuant to the procedure stated in Chapter 7, Section 4 a of the Swedish Companies Act.</i></p>
<p><b>§ 8 Annual general meeting</b></p> <p>Annual general meetings are held every year, within six months of the end of the financial year.</p> <p>The following issues shall be raised at each annual general meeting:</p> <ol style="list-style-type: none"> <li>1. Election of chairperson for the meeting.</li> <li>2. Establishment and approval of electoral roll.</li> <li>3. Approval of agenda</li> <li>4. Selection of one or two persons to adjust the minutes.</li> <li>5. Determination of whether the meeting has been duly convened.</li> <li>6. Presentation of the submitted annual report and audit report and, where appropriate, consolidated financial statements and consolidated audit report.</li> <li>7. Resolutions <ul style="list-style-type: none"> <li>a. regarding the adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;</li> <li>b. regarding dispositions of the company's profits or losses, in accordance with the adopted balance sheet;</li> <li>c. regarding discharge of the members of the board of directors and CEO from liability, when applicable.</li> </ul> </li> <li>8. Adoption of the board- and auditor fees.</li> </ol>	<p><b>§ 9 Annual general meeting</b></p> <p>Annual general meetings are held every year, within six months of the end of the financial year.</p> <p>The following issues shall be raised at each annual general meeting:</p> <ol style="list-style-type: none"> <li>1. Election of chairperson for the meeting.</li> <li>2. Establishment and approval of electoral roll.</li> <li>3. Approval of agenda</li> <li>4. Selection of one or two persons to adjust the minutes.</li> <li>5. Determination of whether the meeting has been duly convened.</li> <li>6. Presentation of the submitted annual report and audit report and, where appropriate, consolidated financial statements and consolidated audit report.</li> <li>7. Resolutions <ul style="list-style-type: none"> <li>a. regarding the adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;</li> <li>b. regarding dispositions of the company's profits or losses, in accordance with the adopted balance sheet;</li> <li>c. regarding discharge of the members of the board of directors and CEO from liability, when applicable.</li> </ul> </li> <li>8. Adoption of the board- and auditor fees.</li> </ol>

<p>9. Election of the board and, where appropriate, of auditors and any deputy auditors.</p> <p>10. Other matters which arise at the meeting, as per the Swedish Companies Act or the company's articles of association.</p>	<p><b>9. <i>Adoption of the number of board members as well as number of auditors and any deputy auditors.</i></b></p> <p><b>10. Election of the board and, where appropriate, of auditors and any deputy auditors.</b></p> <p><b>11. Other matters which arise at the meeting, as per the Swedish Companies Act or the company's articles of association.</b></p>
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The board of directors, the CEO, or a person appointed by the board of directors, shall have the right to make such minor adjustments in this resolution that may be necessary in connection with the registration of the authorisation. A resolution in accordance with this proposal shall only be valid where supported by not less than two-thirds (2/3) of both the votes cast and the shares represented at the annual general meeting.

**Item 12 a) Resolution regarding an incentive program (LTIP 2021) - Proposal from the board concerning an incentive program for management and key employees**

**Board proposal for an incentive program for employees within the Scandinavian Enviro Systems group, including resolutions on (A) a directed issue of warrants of series 2021/2024, (B) transfers of warrants of series 2021/2024 to employees and (C) payments of stay-on bonus to employees**

*Background*

The board of directors proposes that a new incentive program (the "LTIP 2021" or the "Program") is implemented for 12 current employees, and potentially for future employees, within the Enviro group (the "Participants"), including the issue and subsequent transfer of not more than 8,973,764 warrants. The board of directors further proposes that payments of stay-on bonus are made for the purpose of financing Participants' participation in the Program.

The purpose of LTIP 2021 is to offer the Participants in a simple way the opportunity to receive a remuneration that is linked to and dependent on the long-term value growth for the Company's shareholders, the creation of which the Participants contribute to. The board of directors considers it to be to the benefit of the Company and the Company's shareholders that the Participants in this way are provided with a personal owner interest in the Company. An incentive program is also expected to improve the possibilities to recruit and retain competent, motivated and committed employees. The structure of the Program with a three-year term of the warrants is considered to be instrumental in fulfilling the Company's long-term business plan, strategy and financial targets. The board of directors has also been informed that the nomination committee will propose that the annual general meeting 2021 resolves on a similar program for the Company's board members. The total dilution of the programs to the employees and the board members to be proposed to the annual general meeting 2021 will be approximately 3 per cent. After having evaluated the Program, the board of directors intends to present a new proposal for a corresponding or an adjusted program for employees ahead of the annual general meetings 2022 and 2023, with the intention that the total dilution resulting from all outstanding incentive programs at each time shall not exceed 5 per cent.

### *The proposal in summary*

The warrants are proposed to be issued in one series (series 2021/2024) to the Company's wholly-owned subsidiary Tyre Recycling in Sweden AB (the "**Subsidiary**"), with subsequent transfers to the Participants at market price. Each warrant entitles to subscription of one share in the Company.

It is proposed that the Participants are divided in four categories: one category including the CEO, one category including the CFO, one category including other senior executives and one category including other key employees. Each Participant is entitled to acquire a certain maximum number of warrants depending on which category the Participant belongs to.

The price to be paid by the Participants for the warrants shall be determined as the market value for the warrants at the time of allotment as calculated by an independent party by applying the Black & Scholes valuation model.

In order to implement the LTIP 2021, the board of directors proposes that the general meeting resolves on (A) a directed issue of warrants of series 2021/2024, (B) transfers of warrants of series 2021/2024 to the Participants and (C) payments of stay-on bonus to employees in accordance with the below.

#### *A. Directed issue of warrants of series 2021/2024*

The board of directors proposes that the general meeting resolves on a directed issue of warrants, with deviation from the shareholders' pre-emptive rights, on the following terms and conditions.

1. The number of warrants to be issued shall amount to not more than 8,973,764.
2. The right to subscribe for warrants shall, with deviation from the shareholders' pre-emptive rights, be granted Tyre Recycling in Sweden AB, with right and obligation for the subsidiary to transfer the warrants to current and potential future employees within the Enviro group. The Subsidiary shall not be entitled to dispose of the warrants other than what is stated below under section B.
3. The warrants shall be issued against a subscription price corresponding to the market value for the warrants as of the business day immediately preceding the first day of the subscription period, which shall be determined as the market value for the warrants calculated by an independent party applying the Black & Scholes valuation model, however not lower than SEK 0.04 and not exceeding SEK 1.00 per warrant. The calculation of the market value for the warrants shall be based on the variables risk-free interest rate, expected future volatility, term of the warrants and strike price for subscription of new shares by virtue of warrants.
4. Subscription for the warrants shall be made against payment during the period 5 June 2021 to 7 June 2021, with the board of directors reserving the right to extend or delay the time for subscription and payment. Over-subscription may not be made.
5. Each warrant shall entitle to subscription for one (1) new share in the Company.
6. The warrants entitle to subscription for new shares in the Company at a subscription price per share corresponding to 130 per cent of the volume-weighted average purchase price for the Company's share on Nasdaq First North Growth Market during the period 21 May 2021 to 3 June 2021, however not lower than the quota value of the share.

7. Subscription for shares by virtue of the warrants may be effected during the period 1 August 2024 to 30 September 2024.
8. If all warrants are subscribed for and are exercised for subscription of new shares, the Company's share capital may increase by not more than SEK 358,950.56.
9. The new shares issued shall entitle to dividend as from the first record date for dividends to occur after the registration of the new shares with the Swedish Companies Registration Office.
10. Where the subscription price for the shares subscribed for by virtue of the warrants exceeds the quota value of the shares, the excess amount shall be added to the unrestricted share premium reserve.
11. The terms and conditions for the warrants may be recalculated in accordance with customary recalculation principles due to e.g. a bonus issue, share split or consolidation, rights issue and/or any similar event.
12. The detailed terms and conditions for the warrants are set forth in the appendix "Terms and conditions for warrants of series 2021/2024 regarding subscription for shares in Scandinavian Enviro Systems AB (publ)" (see below under Documents).

*B. Transfers of warrants of series 2021/2024 to current and potential future employees within the Enviro group*

The board of directors proposes that the general meeting resolves to transfer warrants from the Subsidiary to the Participants on the following terms and conditions.

1. Transfers may be made of not more than 8,973,764 warrants of series 2021/2024 in total.
2. The right to acquire warrants from the Subsidiary shall, with deviation from the shareholders' pre-emptive rights, be granted the Participants in accordance with the terms and conditions of LTIP 2021 and the principles set out in the table below.

Category	Maximum number of warrants per person
Category 1 (CEO, 1 person)	1,794,754
Category 2 (CFO, 1 person)	1,346,066
Category 3 (other senior executives, 3 persons)	897,376
Category 4 (other key employees, 7 persons)	448,688

3. In light of the Company's anticipated expansion during the coming year, any warrants that remain after allotment of the warrants in accordance with item B.2 above may be allotted and transferred to future employees. Before any allotment to future employees, the employees shall be designated any of the four categories set out in item B.2 and be subject to the maximum number of warrants per person set out in item B.2, whereby the number of employees in each category stated above will be adjusted.
4. Transfer of warrants shall be made at a price corresponding to the market value for the warrants at the time of allotment, which shall be determined as the market value for the warrants calculated by an independent party applying the Black & Scholes valuation model. The calculation of the market value for the warrants shall be based on the variables risk-free

interest rate, expected future volatility, term of the warrants and strike price for subscription of new shares by virtue of warrants.

5. Transfer of warrants to those Participants who at the time of implementation of LTIP 2021 are employed within the Enviro group shall take place during June 2021, with the board of directors reserving the right to extend or delay the time of allotment and transfer. Transfers to potential future Participants may take place until 31 December 2021.
6. In connection with the transfer of the warrants to the Participants, the Participants shall enter into a warrant agreement with the Subsidiary, on standard terms and conditions determined by the board of directors.

#### *C. Stay-on bonus*

As part of the LTIP 2021, the board of directors proposes that the Participants shall receive a stay-on bonus in the form of gross salary addition from the Company. The net amount of the stay-on bonus shall be equivalent to the total amount paid by the Participant for its warrants. The bonus shall be paid-out in three equal instalments on or around 1 June 2022, 1 June 2023, and 1 June 2024. Bonus pay-out shall only occur provided that the Participant at such time remains employed within the Enviro group. The board of directors may in individual cases resolve on an alternative payment date.

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#### *Reason for deviation from the shareholders' pre-emptive rights*

The reasons for the deviation from the shareholders' pre-emptive rights are that the board of directors is of the opinion that an incentive program will be to the benefit of the Company and the Company's shareholders since the employees are provided with a personal owner interest in the Company. An incentive program is also expected to improve the possibilities to recruit and retain competent, motivated and committed employees. The subscription price for the warrants is based on a calculation of the market value of the warrants at the time of subscription.

#### *Participants in other jurisdictions*

Participation in the Program presupposes that it is legally possible and adequate in the jurisdiction concerned and that such participation is considered possible with reasonable administrative and financial costs. The board of directors shall be entitled to offer revised terms and conditions, including cash settlement, to Participants in jurisdictions where acquisition and/or exercise of warrants legally or adequately cannot be made.

#### *Majority requirement*

The resolution of the general meeting in accordance with the board of directors' proposals under section A-C above is proposed to be adopted as one joint resolution. A valid resolution requires that shareholders representing at least nine tenths of the votes cast and shares represented at the general meeting support the resolution.

#### *Costs, dilution and effect on key ratios*

The Company's cost, including statutory social security contributions for the "stay-on bonus" to the Participants in accordance with section C above, is estimated, at full initial participation and at an assumed market value for the warrants of SEK 0.15, to amount to a maximum of approximately SEK 5 million. In addition, the Company may be charged minor costs relating to Participants in other

jurisdictions. Other than that, the LTIP 2021 is not expected to entail any significant costs for the Company. For that reason, no measures to hedge the program have been taken. Assuming that all 8,973,764 warrants in the LTIP 2021 are exercised for subscription of new shares, the Company's share capital will increase by SEK 358,950.56, resulting in a dilution effect equivalent to approximately 1.5 per cent. The key figure earnings per share for the full year 2020, when including the full cost for the stay on bonus, had in such case been affected such that the earnings per share had been decreased by approximately SEK 0.007 from SEK -0.092 to SEK -0.099.

The above calculations are subject to any additional re-calculations of the warrants in accordance with the customary terms stated in the detailed terms and conditions. All dilution effects have been calculated as the number of new shares in proportion to the number of existing shares and new shares.

#### *Other incentive programs in the Company*

The Company has no outstanding incentive programs.

#### *Preparation of the proposal*

The Program has been prepared by the board of directors assisted by external advisers.

#### *Authorisation*

The board of directors proposes that the board of directors, or anyone appointed by the board of directors, shall be entitled to make the minor adjustments that may be required in connection with the registration of the resolutions herein with the Swedish Companies Registration Office and Euroclear Sweden AB.

### **Item 14 - Resolution of an authorisation for the board of directors to resolve new share issues**

The board of directors proposes that the annual shareholders' meeting authorises the board to resolve – at one or several occasions and with or without deviation from the shareholders' preferential rights for the time period until the next annual shareholders' meeting – to increase the company's share capital by new share issues, to the extent that it corresponds to a dilution of not more than 20 percent of the share capital. Payment can be made in cash, issue in kind or by offset. Deviation from the shareholders' preferential rights can be made for, when applicable, strengthening the financial position of the company and to make a company acquisition possible. Upon such deviation from the shareholders' preferential rights, the new issue shall be made at market terms and conditions.

The board of directors or the CEO shall have the right to make such minor adjustments in this resolution that may be necessary in connection with the registration of the authorisation.

A resolution in accordance with this proposal shall only be valid where supported by not less than two-thirds (2/3) of both the votes cast and the shares represented at the meeting.

### **NUMBER OF SHARES AND VOTES IN THE COMPANY**

The total number of shares and votes in the Company at the time of this notice to attend is 580,826,115. There is only one type of share and the Company holds none of its own shares.

### **SHAREHOLDER'S RIGHT TO REQUEST INFORMATION**

Should any shareholder so request, the board of directors and the managing director must, under

Chapter 7 § 32 of the Swedish Companies Act, provide information at the meeting about conditions that may affect the assessment of items on the agenda given that this will not cause material harm to the Company. This duty of disclosure also includes consolidated financial statements, the Company's relationship to other group companies and conditions concerning subsidiaries referred to in the previous sentence.

## **DOCUMENTS**

The board of directors' complete proposals, including terms and conditions for the warrants of series 2021/2024 and 2021/2025 that are proposed to be issued in accordance with item 7, accounting documents, auditor's report, proxy form and postal mail voting form as well as other relevant documents for the annual general meeting, will be presented by being available at the Company's office and at the Company's webpage, [www.envirosystems.se](http://www.envirosystems.se), no later than three weeks before the annual general meeting and will be sent free of charge to the shareholder who so request and provide their mailing address.

## **TREATMENT OF PERSONAL DATA**

For information on how your personal data is processed, see the integrity policy that is available at Euroclear Sweden AB's website, <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Gothenburg, April 2021

*Board of Directors*

Mangold Fondkommission AB, +46 8 503 01 550, [ca@mangold.se](mailto:ca@mangold.se), is the Certified Adviser of Enviro at Nasdaq First North Growth Market, Stockholm.