

## Notice of the Annual General Meeting of MIPS AB (publ)

Shareholders of MIPS AB (publ), reg. no. 556609-0162, are hereby invited to attend the Annual General Meeting, to be held on Thursday 6 May 2021. Due to the Covid-19 pandemic, the meeting will be carried out only through postal voting pursuant to temporary legislation. It will not be possible to attend the meeting in person or by proxy.

A statement by the CEO, addressed to the shareholders of MIPS, will be posted on the company's website, [www.mipscorp.com](http://www.mipscorp.com), prior to the Annual General Meeting. The statement will be posted on or about 22 April 2021. The statement does not form part of the formal Annual General Meeting.

### Right to attend the meeting

Shareholders who wish to participate in the Annual General Meeting must be listed in the shareholders' register maintained by Euroclear Sweden AB on Wednesday 28 April 2021, and shall notify the company of their intention to attend the Annual General Meeting no later than on Wednesday 5 May 2021 (the weekday before the Annual General Meeting) by casting their postal vote in accordance with the instructions under the heading *Postal voting* below, so that the postal voting form is received by Euroclear Sweden AB no later than on Wednesday 5 May 2021.

### Nominee-registered shares

Shareholders whose shares are registered in the name of a nominee must have such shares temporarily registered in their own names in the shareholders' register maintained by Euroclear Sweden AB (so-called voting registration) to be able to attend the Annual General Meeting. The shareholders' register as of the record date on Wednesday 28 April 2021 will include voting registrations made no later than Friday 30 April 2021. Therefore, shareholders should inform their nominees well in advance before this date.

### Postal voting

The shareholders may exercise their voting rights at the meeting only by voting in advance, through 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 special form shall be used for postal voting. The form is available on MIPS' website, [www.mipscorp.com](http://www.mipscorp.com). The postal voting form is considered as the notification of participation at the meeting.

The completed voting form must be received by Euroclear Sweden AB, being the administrator of the forms for MIPS, no later than on Wednesday 5 May 2021. The completed form shall be sent to MIPS AB, "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm. The completed form may alternatively be submitted electronically either through BankID signing as per instructions available on <https://anmalan.vpc.se/euroclearproxy> or through sending the completed voting form by e-mail to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com). If a shareholder votes in advance by proxy, a power of attorney shall be enclosed with the form. The proxy form is available at [www.mipscorp.com](http://www.mipscorp.com). If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed with the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the postal vote in its entirety) is invalid. Further instructions and conditions are included in the form for postal voting.

### Proposed agenda

1. Election of the chairman of the Annual General Meeting
2. Drawing up and approval of voting list
3. Election of two persons to check and verify the minutes
4. Determination of whether the Annual General Meeting has been duly convened
5. Approval of the agenda
6. Presentation of the annual report and the auditor's report, and the consolidated financial statements and the auditor's report for the group, for the financial year 1 January – 31 December 2020
7. Adoption of the income statement and the balance sheet and the consolidated income statement and consolidated balance sheet

8. Resolution regarding disposition of the company's earnings in accordance with the adopted balance sheet, and record date for any dividend
9. Resolution regarding discharge from liability of the directors of the Board and the CEO
10. Presentation of remuneration report for approval
11. Determination of the number of directors of the Board
12. Determination of the remuneration to the Board and the auditors
13. Election of directors and chairman of the Board
14. Election of auditor
15. Resolution regarding guidelines for remuneration to the senior executives
16. Resolution on including a possibility of postal voting in the articles of association

#### **Proposals**

The nomination committee, consisting of Jan Dworsky, chairman (appointed by Swedbank Robur fonder), Henrik Söderberg (appointed by C WorldWide Asset Management), Tomas Risbecker (appointed by AMF Försäkring & Fonder), and Magnus Welander, chairman of the Board of MIPS AB, has submitted proposals to be resolved upon under items 1 and 11-14 on the agenda.

#### ***Item 1 – Election of the chairman of the Annual General Meeting***

The nomination committee proposes that Fredrik Lundén, member of the Swedish Bar Association, is elected as chairman of the meeting, or if he is prevented, a person assigned by the nomination committee.

#### ***Item 2 – Drawing up and approval of voting list***

The voting list which is proposed to be approved under item 2 shall be the voting list drawn up by Euroclear Sweden AB at the request of the company based on the meeting's share register and postal votes received. The list shall be controlled by the persons verifying the minutes.

#### ***Item 3 – Election of two persons to verify the minutes***

The Board proposes that Tomas Risbecker, representative of AMF Försäkring & Fonder, and Bengt Baron, or, if any or both of them are unable to attend the meeting, any of the persons assigned by the board of directors, shall verify the minutes. The persons verifying the minutes shall also control the voting list and that received postal votes are correctly reflected in the minutes.

#### ***Item 8 – Resolution regarding disposition of the company's earnings in accordance with the adopted balance sheet, and record date for any dividend***

The Board proposes a dividend of SEK 3.50 (3.00) per share. The record date for the dividend is proposed to be 10 May 2021. If the meeting resolves in accordance with the proposal, it is estimated that Euroclear Sweden AB will execute the payment on 14 May 2021, considering the Ascension Day on 13 May 2021.

#### ***Item 10 – Presentation of remuneration report for approval***

The Board proposes that the Annual General Meeting approves the remuneration report regarding remuneration to the CEO for the financial year 2020.

#### ***Item 11 – Determination of the number of directors of the Board***

The nomination committee proposes that the Board shall consist of five (5) members elected by the Annual General Meeting with no deputies.

#### ***Item 12 – Determination of the remuneration to the Board and the auditors***

The nomination committee proposes that the chairman of the Board shall be paid a fee of SEK 450,000 (previously SEK 400,000) and each of the other directors shall be paid a fee of SEK 225,000 (previously SEK 200,000). The nomination committee has further proposed that fees shall be payable to the chairman of the audit committee with SEK 100,000 (unchanged) and to each member of the audit committee with SEK 50,000 (unchanged). The nomination committee has further proposed that fees shall be payable to the chairman of the remuneration committee with SEK 35,000 (unchanged) and to each member of the remuneration committee with SEK 20,000 (unchanged). The proposal by the nomination committee results in total fees to the Board amounting to SEK 1,350,000, excluding fees for work on the committees (previously SEK 1,200,000) and SEK 1,555,000 including fees for work on the committees (previously SEK 1,405,000).

Further, the nomination committee proposes that the company's auditor shall be paid in accordance with approved invoices.

***Item 13 – Election of directors and chairman of the Board***

The nomination committee proposes that Magnus Welander, Jonas Rahmn, Jenny Rosberg and Pernilla Wiberg shall be re-elected as Board members. Pär Arvidsson has declined re-election. Thomas Bräutigam is proposed as new member of the Board. Further information regarding the proposed members of the Board is available on the company's website at [www.mipscorp.com](http://www.mipscorp.com).

The nomination committee proposes that Magnus Welander shall be re-elected as chairman of the Board.

***Item 14 – Election of auditor***

The nomination committee proposes that the registered accounting firm KPMG AB shall be re-elected as auditor for the period until the next Annual General Meeting. KPMG AB has informed the nomination committee that if KPMG AB is re-elected as auditor, it will appoint the authorised public accountant Tomas Gerhardsson as auditor-in-charge.

***Item 15 – Resolution regarding guidelines for remuneration to the senior executives***

The Board proposes the following guidelines for remuneration to the senior executives.

These guidelines cover the senior executives at MIPS, currently including the CEO, Chief Financial Officer, Head of Operations, Chief Science Officer, Chief Marketing Officer, Head of Sales and Head of Product Development of the company. The guidelines are applicable to remuneration that will be agreed, and amendments to remuneration already agreed, after the adoption of the guidelines by the 2021 Annual General Meeting. These guidelines do not apply to any remuneration resolved or approved by the General Meeting.

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

Briefly, the company's business strategy is as follows.

MIPS operates as an ingredient brand with a solution designed to improve helmet safety by reducing rotational motion that can arise in the event of an angled impact to the head. The company's long-term strategy is based on three main helmet categories comprising Sports, Moto and Safety, which together represent a focus market of more than 130 million helmets. As part of the company's business strategy the following long-term (2025) financial targets have been set:

- Net sales > SEK 1 billion
- Operating margin > 40%
- Dividend >50% of annual net earnings

For more information about the company's business strategy, see <https://mipscorp.com/en/about-us/business-model-and-strategy/>.

The company's position as a world-leading actor in its field is largely a result of the innovation, know-how and ability to get things done of a number of individuals affiliated with MIPS. In order to continue to successfully implement the company's business strategy and to safeguard the company's long-term interests, including its sustainability, the company must be able to recruit and retain qualified employees. Consequently, the company must be able to offer competitive remuneration, which these guidelines enable.

The company has established long-term share-based incentive programs that are based on warrants and performance share rights. For more information about these programs, see <https://mipscorp.com/en/corporate-governance/incentive-program/>.

*Types of remuneration, etc.*

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

The fixed salary for senior executives shall be adapted to market conditions, be competitive and be based on competence, responsibility and performance.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 75 percent of the fixed annual cash salary of the CEO and not more than 50 percent of the fixed annual cash salary for each of the other senior executives.

The variable cash remuneration shall be linked to predetermined and measurable criteria, which may be financial or non-financial. The criteria may also comprise individually and functionally adapted quantitative or qualitative targets. The criteria must be designed to promote the company's business strategy and long-term interests, including its sustainability, by, for example, being clearly linked to the business strategy or by promoting the senior executive's long-term development. The variable cash remuneration will mainly be dependent on the group's net sales and operating margin, which is in line with the company's long-term financial goals. Furthermore, the variable cash remuneration shall also be related to a sustainability goal set by the company. In addition, the remainder of the variable remuneration may be paid based on individual and function-specific targets.

The remuneration committee is responsible for the assessment of outcome regarding variable cash remuneration to the CEO, and the CEO is responsible for the evaluation regarding variable cash remuneration to the other senior executives. With regards to the financial targets, the assessment shall be based on the financial information made public by the company.

The Board shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

For all senior executives, pension benefits, including health insurance (Sw. *sjukförsäkring*), shall be defined-contribution schemes. Variable cash remuneration shall not qualify for pension benefits. The pension premiums to defined-contribution schemes shall amount to not more than 30 percent of the fixed annual cash salary. Other benefits may include, for example, life insurance, medical insurance (Sw. *sjukvårdsförsäkring*), and company cars. Such benefits may amount to not more than 10 percent of the fixed annual cash salary.

#### *Termination of employment*

In the event of termination by the company, the period of notice shall be a maximum of twelve months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for two years for the CEO and one year for other senior executives. When termination is made by the senior executive, the notice period may not exceed six months, without any right to severance pay.

Remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for any loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall amount to not more than 60 percent of the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective bargaining agreements, and be paid during the time the non-compete undertaking applies, however not for more than nine months following termination of employment.

#### *Salary and employment conditions for employees*

In the preparation of the Board's proposal for these guidelines for remuneration, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board's basis for decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to the CEO and remuneration to other employees will be disclosed in the company's remuneration report.

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

The Board has established a remuneration committee. The committee's tasks include preparing the Board's decision to propose guidelines for remuneration to the senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration to the senior management, the application of the guidelines for remuneration to the senior executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and the senior management.

The CEO and other members of senior management do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

*Derogation from the guidelines*

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the Board's resolutions in remuneration-related matters, which includes any resolutions to derogate from the guidelines.

**Item 16 – Resolution on including a possibility of postal voting in the articles of association**

The Board proposes that the Annual General Meeting shall resolve to amend the articles of association so that a new article 11, regarding postal voting, is included (with consequential changes to the numbering of subsequent articles). The new article 11 of the articles of association will have the following wording:

**§ 11 Postal voting**

Before a general meeting, the Board may decide that the shareholders shall be able to exercise their vote by post before the general meeting.

**Miscellaneous**

The Board proposes that the Board, the CEO or the person that any of them may appoint, shall be authorised to make the minor adjustments in the above resolutions as may be required in connection with registration at the Swedish Companies Registration Office and/or Euroclear Sweden AB.

**Majority rules**

The resolution proposed by the Board in item 16 of the agenda will only be validly adopted if shareholders holding no less than two thirds of both the votes cast and the shares represented at the meeting vote in favour of the resolution.

**Number of shares and votes**

At the time of issuing this notice there were in the aggregate 26,183,620 shares outstanding in MIPS AB. The total number of votes amounts to 26,183,620. MIPS held 5,749 shares in treasury at the time of issuing this notice.

**Shareholder's right to request information**

The Board and the CEO shall, if any shareholder so requests and the Board believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda or circumstances that may affect the assessment of the company's financial situation. A request for such information shall be made in writing to MIPS AB, "Annual General Meeting", Kemistvägen 1B, SE-183 79 Täby, Sweden, or per e-mail to [elin.bonnedahl@mipsprotection.com](mailto:elin.bonnedahl@mipsprotection.com), no later than on Monday 26 April 2021. The information is provided by the company by being kept available at the company and on [www.mipscorp.com](http://www.mipscorp.com), no later than on Saturday 1 May 2021. Within the same period of time, the information will also be sent to the shareholders who so request and who state their postal or e-mail address.

**Available documents**

The Board and the nomination committee's complete proposals, together with other documents that must be available in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance,

This is an in-house translation. In case of any discrepancies between the Swedish original and this translation, the Swedish original shall prevail.

will be kept available no later than on Thursday 15 April 2021 at the company's office and on the company's website, [www.mipscorp.com](http://www.mipscorp.com). The documents will also be sent to the shareholders who so request and who state their postal or e-mail address.

Prior to the Annual General Meeting 2021, the company will for the first time prepare a remuneration report. The report will be kept available in the same way as the above-mentioned documents.

**Processing of personal data**

For information regarding processing of your personal data, please refer to:

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

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Stockholm, March 2021  
MIPS AB (publ)  
*The Board of Directors*