

NIBE Industrier AB (publ)

NOTICE OF ANNUAL GENERAL MEETING

The shareholders of NIBE Industrier AB (publ) are hereby invited to attend the Annual General Meeting on Tuesday 11 May 2021.

Due to continued restrictions related to the COVID-19 pandemic, the board of directors has decided that the Annual General Meeting shall, by authority of temporary statutory requirements, be conducted without physical presence of shareholders, representatives or third parties and that the shareholders shall be able to exercise their voting rights only by postal voting before the meeting.

Information on the resolutions passed at the meeting will be published on Tuesday 11 May 2021, as soon as the outcome of the postal voting has been finally confirmed.

Right to participate

Shareholders who wish to participate in the Annual General Meeting by postal voting;

- shall be recorded in the printout of the share register made by Euroclear Sweden AB ("Euroclear") on Monday 3 May 2021 and,
- shall notify the company of their intention to attend the Annual General Meeting no later than Monday 10 May 2021, by casting their postal votes in accordance with the instructions under the heading Postal Voting below so that the postal votes are received by the company no later than Monday 10 May 2021.

Shareholders whose shares are registered in the names of nominees must temporarily re-register such shares in their own name in order to be entitled to attend the meeting. Such registration must be effected with Euroclear no later than Wednesday 5 May 2021. Shareholders must therefore inform their nominees and request re-registration of the shares well in advance thereof.

Postal Voting

The shareholders may exercise their voting rights at the Annual General Meeting only by voting in advance by 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 the company's website, www.nibe.com. The postal voting form is considered as notification of attendance to the Annual General Meeting.

The completed voting form must be received by Euroclear (who administrates the forms on behalf of NIBE Industrier) no later than Monday 10 May 2021. The completed form shall be sent to NIBE Industrier AB, Annual General Meeting, c/o Euroclear Sweden, Box 191, 101 23 Stockholm, Sweden. The completed form can also be sent by e-mail to GeneralMeetingServices@euroclear.com

Shareholders who are natural persons may also cast their votes electronically through verification with BankID via the Euroclear Sweden AB's website <https://anmalan.vpc.se/EuroclearProxy>. Such electronic votes must be submitted no

later than Monday 10 May 2021.

If a shareholder submits a postal vote by proxy, a written and dated power of attorney, signed by the shareholder, shall be attached to the postal voting form. Proxy forms are available on the company's website www.nibe.com. If the shareholder is a legal entity, a certificate of registration or a corresponding document for the legal entity shall be attached to the form. The shareholder may not submit special instructions or conditions with the postal voting form. In such case, the vote (i.e. the postal vote in its entirety) is invalid. Further instructions and conditions are included in the postal voting form.

Proposed agenda

1. Opening of the meeting.
2. Election of chairman at the meeting.
3. Preparation and approval of a voting list.
4. Approval of the board of directors' proposed agenda.
5. Election of one or two persons to verify the minutes.
6. Examination if the meeting has been properly convened.
7. Presentation of the annual report and the auditor's report, the group financial statement and the group auditor's report as well as the auditor's statement concerning the application of the guiding principles for remuneration to executive employees decided at the Annual General Meeting 2020.
8. Resolution in respect of
 - a) adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet,
 - b) allocation of the company's profit according to the adopted balance sheet,
 - c) discharge from liability of the board members and the managing director.
9. Determination of the number of board members and deputy board members to be elected by the meeting.
10. Determination of the number of auditors and deputy auditors or registered public accounting firms.
11. Determination of fees to the board members and the auditors.
12. Election of board members, chairman of the board and deputy board members, if any.
13. Election of auditors and deputy auditors, if any, or registered public accounting firms.
14. Resolution regarding the board of director's remuneration report.
15. Resolution in respect of the board of directors' proposal for change of the articles of association and split of shares.
16. Resolution in respect of the board of directors' proposal to authorize the board of directors to decide on issue of new shares in connection with acquisitions of companies/ business.

17. Resolution in respect of guiding principles for remuneration and other terms of employment for executive employees.

18. Closing of the meeting.

Proposed decisions

The class A-shareholders of the company, together representing approx. 66 % of the votes in the company, hereby give proposals for decision in accordance with items 2, 9, 10, 11, 12 and 13 below. The board of directors, on its part, hereby gives proposals for decision in accordance with items 3, 5, 14, 15, 16 and 17 below.

2 Proposal for election of chairman at the Annual General Meeting

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

3 Proposal for preparation and approval of the voting list

The board of directors proposes that the approved voting list shall be the voting list drawn up by Euroclear, based on the Annual General Meeting's share register and postal votes received, checked by the person who verifies the minutes.

5 Proposal for election of one or two persons approving the minutes

The board of directors proposes that one person is elected to verify the minutes and that Leif Törnvall, Alecta, is elected. If he cannot participate in the meeting, any other person proposed by the board of directors in NIBE Industrier shall be elected.

8 Dividend

The board of directors propose to the Annual General Meeting to distribute to the shareholders 1.55 SEK per share for the financial year 2020. Dividend shall take place before the proposed split of shares is registered. Friday 14 May 2021 is proposed as record date for the dividend. If the Annual General Meeting decides in accordance with the proposal, it is estimated that the dividend will be distributed by Euroclear on Wednesday 19 May 2021.

9 Proposal for number of board members and deputy board members

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

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

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

11 Proposal for fees to the board members and the auditors

It is proposed that fees to the board of directors shall be paid with a total amount of 2,700,000 SEK, of which 900,000 SEK to the chairman of the board and 450,000 SEK to each one of the other board members elected by the general meeting, who are not employed in the group.

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

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

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

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

For the period up to the end of the Annual General Meeting 2022 it is proposed that KPMG AB is elected as registered public accounting firm. KPMG has announced that if the Annual General Meeting is voting in accordance with the proposal, KPMG will appoint authorized public accountant Jonas Nihlberg as auditor in charge.

14 Approval of the remuneration report

The guidelines regarding remuneration for executive employees and the group management were decided at the Annual General Meeting 2020. The board of directors has prepared a remuneration report for paid and outstanding remuneration that is covered by the company's remuneration guidelines according to the Swedish Companies Act and the Swedish Corporate Governance Board's remuneration rules.

The board of directors proposes that the Annual General Meeting resolves to approve the remuneration report.

15 Proposal for resolution in respect of change of the articles of association and split of shares

In order to facilitate trading in the company's listed shares, the board of directors of NIBE Industrier AB (publ) proposes that the Annual General Meeting decides:

- That, for the implementation of a share split, § 5 of the Articles of Association's limits on the number of shares is amended in accordance with the following:
- "The number of shares shall be no less than one billion six hundred million (1,600,000,000) and no more than three billion two hundred million (3,200,000,000)." after which the articles of association shall have the attached wording, [Appendix](#);
- To divide the company's shares, regardless of share classes, whereby one (1) existing share is divided into four (4) shares (share split 4:1);
- To authorize the Board to determine the record date for the split of the shares, which, however, may not take place before the decision is registered by the Swedish Companies Registration Office;
- That the board of directors, or the one appointed by the board of directors, are authorized to make any adjustments of the meeting's decision that may be necessary in connection with the registration with the Swedish Companies Registration Office and Euroclear respectively or due to other formal demands.

Following the completion of the division of shares, the number of shares in the company will increase from 504,016,622 to 2,016,066,488, of which 233,130,360 shares of class A and 1,782,936,128 shares of class B.

For a valid decision of the meeting in accordance with the board of directors' proposal as above it is required that the

decision is supported by shareholders representing at least two thirds of the casted votes as well as of the shares represented at the meeting.

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

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

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

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

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

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

The subject of the guidelines and the guidelines' applicability

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

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

In short, NIBE's business strategy is to deliver world-class sustainable energy solutions. For more information regarding the company's business strategy, visit www.nibe.com. A successful

implementation of the company's business strategy and the procurement of NIBE's long-term interests, including sustainability, rely on NIBE's ability to attract and retain a management that is highly qualified and with the capacity to reach stated goals. Thus, the company needs to be able to offer remuneration terms that are competitive. These guidelines make it possible for the company to offer remuneration to executive employees on market terms and to be competitive in order to attract and keep personnel.

Forms of remuneration

It shall be possible to pay the remuneration as fixed salary, variable salary, pension and other benefits such as company car. Board fees shall not be paid to executive employees, who are employed in the group.

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

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

Criteria for payment of variable remuneration

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

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

Termination of employment

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

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

monthly salaries.

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

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

Consideration of salary and terms of employment when preparing the guidelines

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

Fees for consultancy services performed by board members

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

How these guidelines have been prepared

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

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

Deviation from these guidelines

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

The presence of significant changes

The proposal for guidelines is in line with the guidelines approved at the Annual General Meeting in 2020. The annual review of the guidelines has not resulted in any significant changes. During the review, the board of directors has assessed

that the circle of executive's employees covered by the guidelines does not have to be expanded as a result of the new rules on remuneration of executive employees from the Swedish Corporate Governance Board.

Documents available

The annual report and the auditor's report, complete proposals for decision concerning items 15, 16 and 17, the auditor's statement according to Chapter 8 Section 54 of the Swedish Companies Act and other documents will be kept available for the shareholders at the company's premises in Markaryd and on the company's web site, www.nibe.com, as from 20 April 2021 and will be sent to shareholders requesting it and stating their address.

Right to information

The shareholders have the right to request information concerning conditions that may have an effect on the judgement of a matter on the agenda. The board of directors shall provide such information if the board believes that it can be done without material harm to the company. A request for such information shall be made in writing to NIBE Industrier (publ), att: Christel Fritiofsson, Hannabadsvägen 5, 285 32 Markaryd, Sweden or by e-mail to christel.fritiofsson@nibe.se no later than Friday 30 April 2021. Such information will be held available at the company and on www.nibe.com, no later than Friday 6 May 2021. The information will also be sent, within the same period, to the shareholders requesting it and stating their postal or e-mail address.

Shares and votes

At the time of execution of this notice the total number of shares in the company amounts to 504 016 622, of which 58 282 590 shares of class A and 445 734 032 shares of class B. The total number of votes in the company amounts to 1 028 559 932.

Processing of personal data

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

Markaryd in April 2021
NIBE Industrier AB (publ)
The Board