

**NOTICE OF MEETING**

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS, INCLUDING IN RESPECT OF TAX CONSEQUENCES.**

**POLYGON AB (publ)**

*(incorporated with limited liability in Sweden with registered number 556816-5855)*

(the "**Company**")

6 November 2019

**Notice of noteholders' meeting (the "Meeting") for the noteholders of the senior secured fixed rate notes due 2023 (ISIN SE0010830950) (the "Notes") issued by the Company.**

*Capitalised terms not otherwise defined in this notice shall have the meaning given to them in the terms and conditions for the Notes (the "**Terms and Conditions**").*

At the request of the Company, Intertrust (Sweden) AB (the "**Agent**"), acting in its capacity as agent for the Noteholders under the Terms and Conditions, hereby convenes the Noteholders to a Meeting for the purpose of considering and, if thought fit, passing an extraordinary resolution pursuant to which a waiver is granted under the terms and conditions of the Notes as set out below.

If the resolutions to grant a waiver under the Terms and Conditions are approved at the Meeting, the waiver shall take effect immediately after the resolutions are passed, on 21 November 2019 or the relevant date of any Second Meeting (as defined below). The proposal to waive the Terms and Conditions is described below under the section "Proposal" and is hereafter referred to as the "**Proposal**".

**The Meeting will take place at 9:00 (CET) on 21 November 2019, at the offices of Nordea Markets at Smålandsgatan 17, 105 71 Stockholm, Sweden. Registration will start at 8:30 (CET).**

To be eligible to participate in the Meeting, a person must be registered on a securities account (Sw. *avstämningskonto*) ("**Securities Account**") with Euroclear Sweden AB as a direct registered owner (Sw. *direktregistrerad ägare*) ("**Direct Registered Owner**") or be registered as an authorised nominee (Sw. *förvaltare*) ("**Nominee**") with respect to one or several Notes at 17:00 on 14 November 2019 (the "**Voting Record Date**").

In addition, Noteholders may be required to take certain actions in order to be eligible to attend the Meeting. For further information regarding who is eligible to participate and what steps that may need to be taken to participate, please see the sections "*Voting Procedure*" and "*Notification of Participation in the Meeting Required*" below.

Notwithstanding anything to the contrary contained herein or in any other document related to the Proposal, the Company reserves the right, in its sole discretion, to cancel the Meeting.

The information in this notice (including enclosures) is provided by the Company, and the Agent expressly disclaims all liability whatsoever related to the content of this notice and the Proposal.

**Separate Consent Solicitation**

As a separate process, the Company is soliciting consent (the "**Consent Solicitation**") to the Proposal as described in and subject to a consent solicitation memorandum dated 6 November 2019 (the "**Consent Solicitation Memorandum**"). A Noteholder that wishes to participate in the Consent Solicitation must deliver a consent voting instruction to the Agent as prescribed in the Consent Solicitation Memorandum, and should not attend the Meeting in person or be represented by proxy. Nordea Bank is acting as solicitation agent (the "**Solicitation Agent**") under the Consent Solicitation. The Agent will represent the Noteholders, which have submitted a valid consent voting instruction, at the Meeting and, at the Meeting, vote on behalf of such Noteholders.

**Subject to the passing of the Extraordinary Resolutions and the full and irrevocable subscription of the Subsequent Notes, the Company is offering Noteholders an Early Bird Consent Fee of EUR 200 for each EUR 100,000 in nominal amount of Notes for which a Noteholder submits a valid consent voting instruction to the Agent prior to 12:00 (CET) on 15 November 2019. Noteholders that wish to receive the Early Bird Consent Fee offered in the Consent Solicitation should not attend the Meeting in person (or be represented by proxy) or issue powers of attorney in the form set out in Schedule 1 to this notice, but should instead use the consent voting instruction form annexed to the Consent Solicitation Memorandum. For a full description of the Early Bird Consent Fee, please see the Consent Solicitation Memorandum.**

**Subject to the passing of the Extraordinary Resolutions and the full and irrevocable subscription of the Subsequent Notes, the Company is offering a cash payment to the Noteholders of an amount of EUR 300 per Note held at the Record Date (as defined below) (the "Consent Fee"). The Consent Fee will be payable to all Direct Registered Owners and Nominees registered in the VPC Account at 17:00 CET two (2) Business Days after the Subscription Announcement Date (the "Record Date") and will be paid no later than seven (7) Business Days after the Subscription Announcement Date. For the avoidance of doubt, also Noteholders receiving an Early Bird Consent Fee, Noteholders voting against the Proposal and Noteholders not voting at all are eligible to receive the Consent Fee.**

A copy of the Consent Solicitation Memorandum is distributed together with this notice and can also be obtained free of charge from the Solicitation Agent (contact details are set out below). For further information regarding the Consent Solicitation, please contact the Solicitation Agent.

The Agent is not in any way responsible for the Consent Solicitation.

## **Background**

The Company is contemplating to, prior to 31 March 2020, issue up to EUR 40,000,000 of subsequent Notes under the Terms and Conditions, (the "**Subsequent Notes**"). The proceeds from the Subsequent Notes are intended to be used for general corporate purposes, including to support the Company's execution in its continued strong acquisitive growth effort, to further improve the Group's business, operations and earnings.

After the issuance of the Subsequent Notes and in accordance with the Incurrence Test calculations under the Terms and Conditions, Net Interest Bearing Debt of the Group (LTM Q3-2019 pro forma numbers) is expected to amount to EUR 247.2 million and Group EBITDA (LTM Q3-2019 pro forma numbers) is expected to amount to EUR 58.5 million. The leverage ratio of the Group for the purposes of the Incurrence Test calculation is hence expected to be 4.23:1, which is above the permitted level for the Incurrence Test under the Terms and Conditions. It should be noted that the Incurrence Test calculation does not allow for the subtraction of the cash proceeds from the issuance of the Subsequent Notes (see Schedule 2 for an overview of the calculation).

## **Proposal**

The Company requests that the requirement to test and meet the Incurrence Test in connection with the issue of the Subsequent Notes pursuant to Clause 13.3 (Financial Indebtedness) of the Terms and Conditions and paragraph (m) of the definition "Permitted Debt" of the Terms and Conditions is waived

for the issuance of the Subsequent Notes only, and that the issuance of the Subsequent Notes and the incurrance of Financial Indebtedness as a result thereof should hence constitute "Permitted Debt" for the purpose of the Terms and Conditions, in each case provided that the issue of the Subsequent Notes is completed prior to 31 March 2020.

If the Proposal is passed at the Meeting, the Noteholders' give the Agent the power to enter into all agreements and take all actions that the Agent deems necessary in order to implement the Proposal.

## **Agenda**

### ***Agenda for the Meeting***

1. Opening of the meeting and election of chairman.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Resolution on whether the Meeting has been duly convened.
5. Election of at least one person to verify the minutes.
6. The Company informs about the background of the request.
7. Waiver under the Terms and Conditions of the Notes:
  - (i) Description by the Company of the main features of the request to waive the Terms and Conditions of the Notes, see sections "*Background*" and "*Proposal*" above.
  - (ii) Voting regarding the Proposal.
8. Closing of the meeting.

## **Voting Procedure**

Resolutions are passed through voting at the Meeting. A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

Anyone who wishes to participate in the Meeting must on the Voting Record Date be registered as a Direct Registered Owner or Nominee in respect of the relevant Notes.

If you are not registered as a Direct Registered Owner, but your Notes are held through a registered Nominee or another intermediary, you may have two different options for voting at the Meeting:

- (i) You can ask the Nominee or other intermediary that holds the Notes on your behalf to attend the Meeting and vote in its own name as instructed by you.
- (ii) You can obtain a power of attorney from the Nominee or other intermediary and participate in the Meeting based on the authorisation. If you hold your Notes through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the Securities Account on the Voting Record Date, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the Securities Account as Nominee or Direct Registered Owner. A form of power of attorney that can be used for this purpose is annexed in Schedule 1.

Whether one or both of these options are available to you depends on the agreement between you and the Nominee or other intermediary that holds the Notes on your behalf (and the agreement between the intermediaries, if there is more than one).

Please note that only Noteholders that are eligible to vote at the Meeting as described above may issue the power of attorney in the designated format set out in Schedule 1. This means that: (A) Noteholders which are directly registered in the Securities Account may issue the power of attorney in their own names, (B) authorised nominees registered as such in the Securities Account by Euroclear Sweden AB in Sweden may issue the power of attorney in their own names acting for their customers, and (C) holders

that hold Notes through a registered authorised nominee that does not agree to vote on behalf of its customers or through another intermediary need to obtain authorisation as set out above in order to be able to issue the power of attorney.

The Agent recommends that you contact the securities firm that holds the Notes on your behalf for assistance if you wish to participate in the Meeting and do not know how your Notes are registered or need authorisation or other assistance to participate.

#### **Notification of Participation in the Meeting Required**

Noteholders who wish to participate (in person or represented by proxy (other than pursuant to a consent voting instruction in accordance with the terms set out in the Consent Solicitation)) in the Meeting must notify the Agent of their participation in the Meeting no later than 12:00 (CET) on 19 November 2019. Notifications must be sent by e-mail to [Trustee@intertrustgroup.com](mailto:Trustee@intertrustgroup.com).

Such notification to the Agent must specify the relevant Noteholder's name, birth date or company registration number, the number of Notes held and, where applicable, information about any representatives of the Noteholder.

If Notes are held by a legal entity, the right to act on behalf of the Noteholder must be proven to the satisfaction of the Agent through complete authorisation documents, such as powers of attorney, board minutes, registration certificates or corresponding documents. The relevant documents shall be submitted to the Agent in original or as certified copies of the originals.

#### **Quorum and Majority Requirements**

Quorum at the Meeting in respect of the decision of the extraordinary resolutions relating to the Proposal exists if a Noteholder (in person, by telephone conference or represented by proxy) representing in the aggregate at least twenty (20) per cent. of the Adjusted Nominal Amount attends the Meeting.

The extraordinary resolutions in respect of the Proposal will be passed if a majority of not less than sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at the Meeting votes in favour of such extraordinary resolutions. If passed, the extraordinary resolutions in respect of the Proposal shall be binding on all Noteholders, whether or not present at the Meeting and whether or not voting.

#### **Second Meeting**

In the event the necessary quorum for the Meeting is not obtained at the Meeting, a second meeting (the "**Second Meeting**") may be held. The quorum requirement of twenty (20) per cent. shall not apply for the Second Meeting.

The holding of any Second Meeting will be subject to the giving of at least eight (8) Business Days' notice, in accordance with the provisions for meetings of Noteholders set out in the Terms and Conditions, that such Second Meeting is to be held.

#### **Non-reliance**

The Proposal is presented to the Noteholders by the Company, without any evaluation, advice or recommendations from the Agent whatsoever related to the content of this notice and the Proposal. No independent advisor has been appointed to review and/or analyse the Proposal (and its effects) from the Noteholders' perspective. Each Noteholder is recommended to seek professional advice to independently evaluate whether the Proposal from the Company (and its effects) is acceptable or not.

**Further information**

If you have any questions about the voting procedures, please contact the Agent.

Mia Fogelberg, Associate

Tel: +46 (0)73 314 15 29

E-mail: [Trustee@intertrustgroup.com](mailto:Trustee@intertrustgroup.com)

For further information regarding the Company or the Proposal, please contact:

Martin Hamner, Chief Financial Officer

Tel: +46 (0)70 607 85 79

E-mail: [martin.hamner@polyongroup.com](mailto:martin.hamner@polyongroup.com)

For questions in relation to the Consent Solicitation and the Consent Solicitation Memorandum, please contact the Solicitation Agent:

Nordea Bank Abp, att: Bibi Larsen

Tel: +45 (0)61 61 29 96

E-mail: [bibi.larsen@nordea.com](mailto:bibi.larsen@nordea.com) and [nordealiabilitymanagement@nordea.com](mailto:nordealiabilitymanagement@nordea.com)

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## Schedule 1

**POWER OF ATTORNEY**

For the Meeting in respect of Polygon AB (publ)'s Notes (ISIN SE0010830950) for which notice was given on 11 November 2019.

<b>Person/entity that is given authorisation (Sw. <i>Befullmäktigad</i>) to vote, including voting instruction, at the Meeting:</b>	
Name	
Company	Day time telephone number
Reg. No / Id. No	Email
<b>For</b>	Nominal Amount EUR
<b>Against</b>	Nominal Amount EUR
<b>Abstain</b>	Nominal Amount EUR

We hereby confirm that the person/entity specified above (Sw. *Befullmäktigad*) has the right to vote for the Nominal Amount that we represent.

We represent an aggregate Nominal Amount of: EUR \_\_\_\_\_

We are:

- Registered as holder on the Securities Account:  
 Other intermediary and holds the Notes through (specify below)

\_\_\_\_\_

Place, date: \_\_\_\_\_

Day time telephone number

Authorised signature of holder

\_\_\_\_\_ E-mail

\_\_\_\_\_

Noteholders that wish to receive the Early Bird Consent Fee should not issue this power of attorney, but should use the consent voting instruction form annexed to the Consent Solicitation Memorandum.

**Schedule 2**

*[Leverage calculation attached separately]*

**EURm**

<b>Group EBITDA breakdown</b>	<b>LTM Q3 2019</b>
Operating profit (EBIT)	27,7
Add back amortisations	23,6
Add back depreciations	12,9
<b>Operating profit before depreciation and amortisation (EBITDA)</b>	<b>64,2</b>
Taking into account Financial Lease (in accordance with the accounting principles applicable on the First Issue Date)	-17,1
Add back items affecting comparability (IAC)	7,4
Taking into account entities acquired or disposed (pro forma for the entire Relevant Period)	4,0
<b>Group EBITDA</b>	<b>58,5</b>

**EURm**

<b>Net Interest Bearing Debt breakdown (Pre-transaction)</b>	<b>Q3 2019</b>
Outstanding principal nominal amount of monies borrowed or raised	210,2
Outstanding principal nominal amount of Financial Lease	2,6
Less Cash and Cash Equivalents	-5,6
<b>Net Interest Bearing Debt</b>	<b>207,2</b>

**EURm**

<b>Incurrence Test - Leverage calculation</b>	<b>Q3 2019</b>
Net Interest Bearing Debt (Pre-transaction)	207,2
<b>Tap issue of existing notes</b>	<b>40,0</b>
<b>Net Interest Bearing Debt (including gross leverage from tap issue)</b>	<b>247,2</b>
Group EBITDA	58,5
<b>Leverage</b>	<b>4,23x</b>