

Regulatory press release, Borås 29 March 2023

Notice of the Annual General Meeting of Embellence Group AB

The shareholders of Embellence Group AB (publ), corp. reg. no. 556006-0625 ("Embellence" or the "Company"), are hereby summoned to the Annual General Meeting on Friday, 28 April 2023 at 1:00 p.m. at the Company's premises at Ryssnäsgratan 8 in Borås, Sweden.

The English version of the notice is an uncertified translation and in the event of any inconsistency between the English notice and the Swedish notice, the Swedish text shall prevail.

Exercise of voting rights at the Annual General Meeting

Shareholders who wish to participate must:

- (i) be recorded in the share register maintained by Euroclear Sweden AB as per 20 April 2023; and
- (ii) must have notified the Company of their intention to participate at the Annual General Meeting in accordance with the instructions under the heading "*Registration for attendance in person or participation by proxy*" in such time that the notification is received by the Company not later than 24 April 2023.

Nominee-registered shares

Shareholders whose shares are registered in the name of a nominee must, in order to exercise their voting rights, notify their participation at the General Meeting and temporarily request to have their shares be re-registered in their own name in the share register maintained by Euroclear. Such registration must be completed no later than 24 April 2023 and, accordingly, shareholders must inform the nominee of their request well in advance of this date. Voting right registration requested by the shareholder in such time that the registration was carried out by the nominee no later than 24 April 2023 will be included in the share register.

Notification for attendance in person or participation by proxy

In order to attend the Annual General Meeting in person or participate through a proxy, shareholders must notify the Company of this no later than 24 April 2023:

- (i) by post to Computershare AB, "Embellence Group AB årsstämma", Box 5267, 102 46 Stockholm, Sweden.
- (ii) By using a digital form on the Company website, www.embellencegroup.com (private individuals only); or
- (iii) by telephone on +46 (0)771-24 64 00

The notification must include name or company name, personal identity number or corporate registration number, address, telephone number and, when appropriate, number of assistants (maximum of two).

Anyone who does not wish to attend in person may exercise their rights at the General Meeting through a proxy with a written, signed and dated power of attorney. If the power of attorney is issued by a legal entity, a copy of the certificate of incorporation or equivalent document for the legal entity must be attached.

To facilitate access to the General Meeting, powers of attorney, certificates of incorporation and other authorisation documents should be submitted to the Company well in advance of the General Meeting and preferably no later than 24 April 2023.

Please note that notification of participation at the General Meeting must also be made if the shareholder wishes to exercise their voting right through a proxy. A submitted power of attorney is not valid as notification for the General Meeting.

A power of attorney form is available on the Company's website, www.embellencegroup.com.

Business at the Annual General Meeting

Proposed agenda:

1. Opening of the General Meeting,
2. Election of chairman of the General Meeting,
3. Preparation and approval of the voting register,
4. Election of one or two persons to verify the minutes;
5. Determination of whether the General Meeting was duly convened,
6. Approval of the agenda,
7. The CEO's address,
8. Presentation of the annual report and auditor's report and the consolidated financial statements and auditor's report for the group,
9. Resolutions regarding:
 - (a) adoption of the income statement and balance sheet for the company and group,
 - (b) distribution of the Company's profit according to the adopted balance sheet,
 - (c) discharge from liability for Board members and the CEO,
10. Resolutions on determination of the number of Board members and auditors
11. Resolutions on determination of fees to be paid to the Board of Directors and auditors,
12. Election of the Board of Directors,
13. Election of the auditor,
14. Resolution on determination of principles for the Nomination Committee,
15. Resolution on guidelines for remuneration to senior executives,
16. Resolution on adoption of new Articles of Association,
17. Resolution to authorise the Board of Directors to issue shares,
18. Resolution on authorisation to make adjustments,
19. Conclusion of the General Meeting.

Nomination Committee

In accordance with principles adopted earlier, the Nomination Committee comprises four members, of whom three members were each appointed by the three largest shareholders or owner groups in terms of votes as per 30 September 2022, as well as the Chairman of the Board of Directors. On the basis of these principles, the Nomination Committee comprised of Ulf Gillberg (appointed by JCE Asset Management), Jerker Adeberg (appointed by an owner group comprising T-konsortiet AB, NQ Förvaltnings AB, and Jerker Adeberg Holding AB), Magnus Wärn (appointed by an owner group comprising Calypra AB, Sundling Wärn Capital AB, AB Sergius, and AB Sergius Capital), and Chairman of the Board of Directors Morten Falkenberg.

Nomination Committee's proposals for resolution

2. Election of chairman of the General Meeting

The Nomination Committee proposes that attorney Eric Ehrencrona from MAQS Advokatbyrå or, if he is unavailable, the person appointed by the Nomination Committee, be elected chairman of the General Meeting.

10. Resolutions on determination of the number of Board members and auditors

The Nomination Committee proposes that the Board of Directors shall consist of five Board members elected by the Annual General Meeting with no deputy members, and that the number of auditors shall be one with no deputies.

11. Resolutions on determination of fees to be paid to the Board of Directors and auditors

The Nomination Committee proposes that the fees per Board member elected by the Annual General Meeting be distributed as follows (preceding year's figures in brackets): chairman of the Board of Directors SEK 500,000 (500,000) and other Board members who are not employees of the Company or the group SEK 250,000 (250,000) each.

If the General Meeting resolves in favour of the Nomination Committee's proposal on the composition of the Board of Directors, the total fee will be SEK 1,500,000 (1,750,000).

It is proposed that the fee to the auditor shall be paid in accordance with invoices approved by the Company.

12. Election of the Board of Directors

The Nomination Committee proposes the following Board of Directors: re-election of Karin Dennford, Morten Falkenberg, Henrik Nyqvist, and Christina Ståhl and election of Anneli Kansbod as a new member. It is noted that Paul Steene and Hanna Graflund Sleyman have declined re-election.

Anneli Kansbod was born in 1973. Anneli Kansbod has an M.Sc. in Business and Economics from Uppsala University. She is CEO of Bemz AB since May 2019. Her previous experience includes positions as head of the business area Gymgrossisten at Health and Sports Nutrition Group AB, CEO of Studentkortet i Sverige AB, Head of Business Development at Metro Nordic Sweden AB, Product Director at Mr Green Ltd, and Sales Manager Internet at Glocalnet Scandinavia AB.

Anneli Kansbod is a former Board member of Svensk Digital Handel, Jays Headphones AB, Studentkortet i Sverige AB, Svenska Klubbspel AB and, Kokillen AB.

Anneli Kansbod owns no shares in Embellence Group and is independent in relation to the Company's major shareholders as well as the Company and its executive management.

The Nomination Committee also proposes that Morten Falkenberg is re-elected as chairman of the Board of Directors for the period until the end of the next Annual General Meeting.

Further information on the Board members proposed for re-election is available on the Company's website, www.embellencegroup.com.

The proposal on the composition of the Board of Directors of the Company is in compliance with the rules of the Swedish Code of Corporate Governance regarding independence. All members are independent in relation to the Company and the executive management in relation to the Company's major shareholders.

13. Election of the auditor

The Nomination Committee proposes that the audit company Öhrlings PricewaterhouseCoopers AB is re-elected as auditor for the period up until the end of the next Annual General Meeting, with the request that Patrik Resebo acts as auditor in charge, in accordance with the Board's (which performs the tasks of the audit committee in full) recommendation.

14. Resolution on determination of principles for the Nomination Committee

The Nomination Committee proposes an update of the principles for the Company's Nomination Committee that were adopted earlier to apply until further notice. The proposed adjustment entails that the within the framework of the Nomination Committee, the chairman of the Board of Directors' role will change from being a member of the Nomination Committee to instead being convenor and co-opted at the meetings of the Nomination Committee. The proposed updated wording of the principles for the Nomination Committee is this as follows:

The Company shall have a Nomination Committee consisting of one representative each from the three largest shareholders or shareholder groups in terms of votes. The Nomination Committee shall be constituted based on the share register maintained by Euroclear Sweden as of 30 September every year and other reliable shareholder information that has been provided to the Company by that date. The chairman of the Board of Directors is to be convenor of the first meeting of the Nomination Committee and co-opted at the Nomination Committee's meetings. The member representing the largest shareholder shall be appointed chairman of the Nomination Committee, unless the Nomination Committee unanimously appoints someone else. If earlier than three months prior to the Annual General Meeting, one or more of the shareholders having appointed representatives to the Nomination Committee are no longer among the three largest shareholders, the representatives appointed by these shareholders shall resign and the shareholders who are then among the three largest shareholders may appoint their representatives. Should a member resign from the Nomination Committee before its work is completed and the Nomination Committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder, or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in turn. Shareholders who have appointed a representative to be a member of the Nomination Committee shall have the right to dismiss such a member and appoint a new representative of the Nomination Committee. Changes to the composition of the Nomination Committee must be announced immediately.

The composition of the Nomination Committee ahead of the Annual General Meeting shall normally be announced no later than six months before that Annual Meeting. Remuneration shall not be paid to the members of the Nomination Committee. The Company is to pay any necessary expenses that the Nomination Committee may incur in its work. The term of office for the Nomination Committee ends when the composition of the following Nomination Committee has been announced.

The Board of Directors' proposals for resolution

9 b). Resolution regarding distribution of the Company's profit according to the adopted balance sheet

The Board of Directors proposes an ordinary dividend of SEK 0.80 per share. The record date for payment of the dividend shall be 3 May 2023. If the General Meeting resolves in accordance with the proposal, the dividend will be paid to the shareholders on 8 May 2023.

15. Resolution on guidelines for remuneration for senior executives

The Board of Directors proposes the following guidelines for determination of the salary and other remuneration for senior executives.

The guidelines below apply to the CEO and members of Company's management (executive management). The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting. These guidelines do not apply to any remuneration decided by the General Meeting.

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

The Company's business strategy is based on acquiring, owning, and developing strong brands in wallpaper, textiles, rugs, and other home furnishings. The aim is to contribute to a more beautiful and inspiring everyday life, while also driving the development of a changing wallpaper and interior decoration market. For further detailed information on the Company's business strategy, refer to the Company's Annual Report and website.

To ensure that the Company can recruit and retain qualified personnel for the successful implementation of the Company's business strategy and safeguarding of the Company's long-term interests, the Company needs to be able to offer attractive and market-level terms of employment with competitive remuneration levels. The Board of Directors believes that the following guidelines makes it possible to offer the Company's senior executives competitive remuneration.

Forms of remuneration, etc.

In the Company, market-level remuneration of executive management is to comprise fixed and variable cash salary, pension benefits and other benefits. In addition, independently of these guidelines, the General Meeting can resolve on incentive programmes for executive management.

Fixed salaries are usually reviewed each calendar year. Variable cash salary is to be determined according to performance-based goals and may not exceed 40 percent of fixed annual salary and is to be resolved on by the Board of Directors. In addition, senior executives are to be entitled to customary non-monetary benefits, such as company car, occupational healthcare, and life and medical insurance. In addition to these benefits, other benefits may be offered in individual cases. Such non-monetary benefits may amount to not more than 5 percent of the fixed annual cash salary.

Pension, etc.

The pension premiums for defined-contribution pensions for the CEO and the management group vary broadly within the Company due to such factors as age, earlier salary, and employment conditions.

Senior executives are to be offered defined-contribution pensions insofar as senior executives are not covered by defined-benefit pensions in accordance with mandatory collective agreement regulations. The pension premiums for defined-contribution pensions shall amount to not more than 30 percent of the fixed annual cash salary. Any variable cash salary is not to provide qualification for pensions unless it is subject to mandatory collective agreement regulations in individual cases. In addition to this, the medical insurance for senior executives is to be defined contribution unless it is subject to mandatory collective agreement regulations in individual cases.

Period of notice and severance pay

The period of notice for senior executives may be a maximum of twelve months in the event that notice is given to the senior executive by the Company and a maximum of six months in the event that the senior executive gives notice. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for 18 months.

Additionally, 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 senior executive is not entitled to severance pay. The remuneration is to be based on the fixed cash salary at the time of termination and will be paid during the time the non-compete undertaking applies, however not for more than six months following the termination of employment.

Salary and employment conditions for employees

The Board considers the salary and employment terms of the Company's employees when preparing proposals on remuneration criteria by including information on the amount of total employee remuneration, remuneration components and the increase and rate of increase in remuneration over time in the decision-making data used by the Board of Directors to evaluate the reasonableness of the guidelines and their limitations.

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

The Remuneration Committee comprises the Board of Directors in its entirety. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it for decision at 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 the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors 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 of Directors' resolutions in remuneration-related matters.

16. Resolution on adoption of new Articles of Association

The Board of Directors proposes that a new Item 11 of the Articles of Association is introduced to give the Board of Directors the possibility to collect powers of attorney and to permit advance voting (postal voting) ahead of a General Meeting. The numbering is to be changed accordingly for all subsequent items.

<i>Current wording</i>	<i>Proposed wording</i>
N/A	<p><i>Item 11 Collection of powers of attorney and postal voting</i></p> <p>The Board of Directors may collect powers of attorney in accordance with the process set out in Ch. 7, Section 4, second paragraph of the Swedish Companies Act (2005:551).</p> <p>The Board of Directors is permitted, ahead of a General Meeting, to resolve that shareholders may exercise their voting rights prior to the General Meeting in accordance with that set out in Ch. 7, Section 4a of the Swedish Companies Act (2005:551).</p>

17. Resolution to authorise the Board of Directors to issue shares

The Board of Directors proposes that the General Meeting resolves to authorise the Board of Directors – on one or more occasions and for the period until the next Annual General Meeting – to increase the Company's share capital by issuing new shares to such extent equal to a dilution of not more than 10 percent of the shares outstanding at the time of the notice of the Annual General Meeting, after full exercise of the hereby proposed authorisation.

New issues of shares may be carried out with deviation from the shareholders' preferential rights and with or without provisions for contribution in kind, set-off or other conditions. The purpose of the authorisation is to increase the financial flexibility of the Company and the general flexibility of the Board of Directors in connection with acquisitions. Should the Board of Directors resolve on a share issue with deviation from the shareholders' preferential rights, the reason for this shall be to carry out and finance acquisitions of companies or assets. Upon such deviation from the shareholders' preferential rights, the new issue shall be made on market terms and conditions.

18. Resolution on authorisation to make adjustments

The Board of Directors, the CEO or whoever the Board of Directors appoints, are to be authorised to make minor adjustments to resolutions adopted at the General Meeting that may prove necessary for the registration of the resolutions.

Number of shares and votes

As per the date of the Annual General Meeting notification, the total number of shares and votes in the Company was 22,583,877.

Majority requirements

A resolution in accordance with items 16 and 17 above requires approval of at least two thirds (2/3) of the shares represented and votes cast at the General Meeting.

Disclosures

The Board of Directors and CEO shall, if so requested by a shareholder, and the Board of Directors is of the opinion that this can be done without material damage to the Company, make disclosures on circumstances that might have an effect on assessment of an item on the agenda and circumstances that might affect assessment of the financial situation of the Company. The disclosure obligation also pertains to the Company's relationship with other group companies and the consolidated financial statements, as well as such circumstances regarding group companies as referred to above.

Other

The Annual Report and the auditor's report for the financial year 2022 will be made available at the Company's office on Ryssnäsgratan 8, SE-504 64 Borås, Sweden and on the Company's website, www.embellencegroup.com, at least three weeks before the Annual General Meeting, together with the Board of Directors' complete proposals. Further, the Nomination Committee's proposal and motivated statement will be available at the address and website stated above at least four weeks before the Annual General Meeting. Copies of the documents will be sent to the shareholders who so request it and inform the Company of their postal address.

Processing of personal data

For information on how your personal data is processed, see

<https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf>.

Borås, March 2023
Embellence Group AB (publ)
Board of Directors

This information was submitted for publication on 29 March 2023 at 14:30 CEST.

For more information, please contact:

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About Embellence Group

Embellence Group, founded in 1905 in Borås, is a leading European company in the premium wallpaper segment and has a prominent position internationally with sales in over 90 countries. Our brands include Cole & Son, Wall&decò, Artscape, Pappalina and Boråstapeter. Embellence Group shall develop its position as a leading House of Brands in premium interior decoration with a focus on wallpaper, textile, rugs and other interior decoration and drive development in a changing wallpaper and interior decoration market. Embellence Group is listed on Nasdaq First North Premier Growth Market.