

## Tobii AB (publ)

hereby summons to the extraordinary general meeting on Monday 25 October 2021.

In order to mitigate the spread of Covid-19, the Board of Directors has decided that the extraordinary general meeting will be conducted by advance voting only, without physical presence of shareholders, proxies and third parties. Tobii welcomes all shareholders to exercise their voting rights at this extraordinary general meeting through advance voting on the basis of temporary statutory rules, according to the procedure set out below. Information on the resolutions passed at the extraordinary general meeting will be published on 25 October 2021, as soon as the result of the voting has been finally confirmed.

In the advance voting form, the shareholders may request that a resolution on one or several of the matters on the proposed agenda below should be deferred to a so-called continued general meeting, which cannot be conducted solely by way of advance voting. Such continued general meeting shall take place if the general meeting so resolves or if shareholders with at least one tenth of all shares in the company so request.

### **Notification of participation**

Shareholders who wish to participate in the extraordinary general meeting must (i) be recorded in the share register maintained by Euroclear Sweden AB concerning to the circumstances on 15 October 2021 and (ii) notify its intention to participate in the extraordinary general meeting no later than 22 October 2021 by casting their advance vote in accordance with the instructions under the heading *Advance voting* below, so that the advance voting form is received by Tobii AB no later than that day.

To be entitled to participate in the extraordinary general meeting, in addition to providing notification of participation, a shareholder whose shares are held in the name of a nominee must register its shares in its own name so that the shareholder is recorded in the shareholders' register as at 15 October 2021. Such registration may be temporary (so-called voting right registration) and is requested from the nominee in accordance with the nominee's procedures and such time in advance as the nominee determines. Voting right registrations completed not later than the second banking day after 15 October 2021 are taken into account when preparing the register of shareholders.

### **Advance voting**

The shareholders may exercise their voting rights at the extraordinary general meeting only 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 special form shall be used for advance voting. The form is available on Tobii's website, [www.tobii.com](http://www.tobii.com). The advance voting form is considered as the notification of participation.

The completed voting form must be received by Tobii no later than Friday 22 October 2021. The form may be submitted via e-mail to [generalmeeting@tobii.com](mailto:generalmeeting@tobii.com) or by post to Tobii AB, Box 743, SE-182 17 Danderyd, Sweden. If the shareholder votes in advance by proxy, a power of attorney shall be enclosed to the form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document

shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid.

Further instructions and conditions are included in the form for advance voting.

## **Right to request information**

Shareholders are reminded of their right to request information in accordance with Chapter 7 Section 32 of the Swedish Companies Act (Sw. *aktiebolagslagen*). A request for such information shall be made in writing to Tobii AB (publ), att. Extra bolagsstämma, Box 743, SE-182 17 Danderyd, Sweden or via email to [generalmeeting@tobii.com](mailto:generalmeeting@tobii.com), no later than on 15 October 2021. Information relating to such requests will be made available at Tobii AB (publ), Karlsrovägen 2D, SE-182 53 Danderyd, Sweden and on the company's website, [www.tobii.com](http://www.tobii.com), no later than on 20 October 2021. The information will also be sent, within the same period of time, to shareholders who so request and state their address.

## **Number of shares and votes**

As of the date of this notice, Tobii's share capital amounts to SEK 730,777.027203, represented by 99,800,523 common shares and 900,000 C shares. Common shares carry one vote while C shares carry 1/10th vote. Tobii holds, as of the date of this notice, 900,000 C shares, corresponding to 90,000 votes, which cannot be represented at the extraordinary general meeting.

## **Proposed agenda**

1. Election of a chairman of the meeting.
2. Election of one or two persons to approve the minutes of the meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Determination of whether the meeting has been duly convened.
6. Resolution on distribution of all shares in Tobii Dynavox AB.
7. Proposal for resolutions on exchange of the incentive programs adopted at the annual general meeting held 12 May 2020 and the extraordinary general meeting held 21 June 2021.
  - 7.1. Proposal for resolution on exchange of the incentive program adopted at the annual general meeting held 12 May 2020.
  - 7.2. Proposal for resolution on exchange of the incentive program adopted at the extraordinary general meeting held 21 June 2021.
  - 7.3. Proposal for resolution on hedging arrangements for the New LTI 2020 and the New LTI 2021.
8. Determination of number of members and deputy members of the Board of Directors.
9. Determination of remuneration to the Board of Directors.
10. Election of new member of the Board of Directors.

## **Election of a chairman of the meeting (item 1)**

The Board of Directors of the company proposes that Jesper Schönbeck, member of the Swedish Bar Association, from Advokatfirman Vinge, or, if he has an impediment to attend, the person proposed by the Board of Directors, is elected as chairman of the extraordinary general meeting

## **Election of one or two persons to approve the minutes of the meeting (item 2)**

As persons to approve the minutes of the extraordinary general meeting together with the chairman, the Board of Directors proposes Staffan Ringvall (Handelsbanken Fonder), or, if he is prevented, the person instead appointed by the Board of Directors. The task of approving the minutes of the extraordinary general meeting also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the extraordinary general meeting.

### **Preparation and approval of the voting list (item 3)**

The voting list proposed for approval is the voting list drawn up by the company, based on the extraordinary general meeting's shareholders' register and advance votes received, as verified and recommended by the persons approving the minutes of the extraordinary general meeting.

### **Resolution on distribution of all shares in Tobii Dynavox AB (item 6)**

On 29 April 2021, the Board of Directors of Tobii AB publicly announced its intention to distribute the wholly-owned subsidiary Tobii Dynavox AB, reg. no. 556914-7563 ("**Tobii Dynavox**"), to Tobii's shareholders of common shares and to list the common shares in Tobii Dynavox at Nasdaq Stockholm. In light of this, the Board of Directors proposes that the extraordinary general meeting resolves that all common shares in the wholly-owned subsidiary Tobii Dynavox AB shall be distributed, whereby one (1) common share in Tobii entitles to one (1) common share in Tobii Dynavox AB.

The Board of Directors further proposes that the extraordinary general meeting authorises the Board of Directors to determine the record date for the right to receive common shares in Tobii Dynavox. The record date is expected to occur close in time to the listing of the common shares in Tobii Dynavox. The latest date for the record date shall be the day before the annual general meeting 2022. However, the Board of Directors' intention is that the listing shall occur around the year-end 2021.

The distribution of the shares in Tobii Dynavox is expected to be made in accordance with the so-called Lex Asea rules. Lex Asea is a Swedish tax regulation. The provision implies, in brief, that the shares in a subsidiary under certain circumstances can be distributed without triggering any immediate taxation of the dividend for Swedish resident shareholders (instead, the tax basis for the shares in the parent company is allocated between the shares in the parent company and the received shares in the subsidiary).

The value of the distribution of the shares in Tobii Dynavox is determined based on the book value at the time of the distribution of the shares to Tobii's shareholders by application of the relevant accounting rules. Tobii estimates the book value at the time of the distribution to SEK 68,084,580, which hence is the total value that is proposed to be distributed to the shareholders.

As of 31 December 2020, Tobii's non-restricted equity amounted to MSEK 1,303.6, which thus constitutes the amount available for distribution under Chapter 17, Section 3, Paragraph 1 of the Swedish Companies Act.

An information brochure containing additional information regarding the distribution, Tobii's business after the distribution and Tobii Dynavox will be published no later than 4 October 2021.

### **Proposal for resolutions on exchange of the incentive programs adopted at the annual general meeting held 12 May 2020 and the extraordinary general meeting held 21 June 2021 (item 7)**

The Board of Directors note that the proposed resolution to distribute the wholly-owned subsidiary Tobii Dynavox AB (publ) (item 6)(the "**Spin-Off**") would result in accelerated vesting of stock units pursuant to the terms and conditions of the two long-term incentive programs for employees and consultants with similar terms and conditions as permanent employees within the Tobii group adopted at the annual general meeting held 12 May 2020 (the "**Current LTI 2020**") and the extraordinary general meeting held 21 June 2021 (the "**Current LTI 2021**"). Pursuant to the terms and conditions, no accelerated vesting will however occur if the stock units granted under the Current LTI 2020 and the Current LTI 2021 are exchanged to new stock units provided that, *inter alia*, the value of the new stock units are equivalent to the value of the stock units being exchanged.

It is of the Board of Directors opinion that an exchange of stock units granted under the Current LTI 2020 and Current LTI 2021 for new stock units is in the interest of the company and its shareholders as it maintains the incentives implemented through the incentive programs and precludes accelerated vesting as a consequence of the Spin-Off. The rationale for the proposal is, thus, to retain the rationale for the Current LTI 2020 and Current LTI 2021 (i.e. to increase retention and motivation among strategic key employees and consultants with similar terms and conditions of employment in the group, and to increase the group's ability to attract top talents to strategic positions) and to preclude early acceleration of the stock units under the Current LTI 2020 Current LTI 2021.

The exchange of stock units requires that the participants in the programs that remain within the Tobii AB group will have their old stock units exchanged for new stock units in Tobii AB and that the participants that are transferred to Tobii Dynavox AB through the Spin-Off will have their old stock units exchanged for new stock units in Tobii Dynavox AB, after recalculations in light of the Spin-Off and in accordance with the terms and conditions, including that the participant's value remain unchanged. After these considerations, the Board of Directors considers that the New LTI 2020 and the New LTI 2021 will have a positive effect on the future development of the Tobii group and will consequently be beneficial for both the company and its shareholders.

In light of the above, the Board of Directors propose that the extraordinary general meeting resolves, in accordance with what is stated in item 7.1, 7.2, and 7.3 and subject to the completion of the Spin-Off to (i) adopt a new long-term incentive program for the participants in the Current LTI 2020 that remains within the Tobii AB Group after the Spin-Off in exchange for the Current LTI 2020 (item 7.1) (the "**New LTI 2020**"), (ii) adopt a new long-term incentive program for the participants in the Current LTI 2021 that remains within the Tobii AB Group after the Spin-Off in exchange for the Current LTI 2021 (item 7.2) (the "**New LTI 2021**"), and (iii) to revise existing and adopt new hedging arrangements for the New LTI 2020 and the New LTI 2021 (item 7.3). The resolutions under item 7.1, 7.2 and 7.3 are conditional upon each other.

### **Proposal for resolution on exchange of the incentive program adopted at the annual general meeting held 12 May 2020 (item 7.1)**

The Board of Directors propose that the extraordinary general meeting resolves, subject to the completion of the Spin-Off, to implement the New LTI 2020 in accordance with the following. The New LTI 2020, together with the corresponding incentive program to be adopted in Tobii Dynavox AB, replaces and cancel the Current LTI 2020.

#### *The program in brief*

The New LTI 2020 is proposed to include the persons participating in the Current LTI 2020 who remains in the Tobii AB group after the Spin-Off (being the CEO, other members of the group management and selected other employees and long-term consultants with similar terms and conditions of employment), entailing that the New LTI 2020 is proposed to include a maximum of 94 individuals. The participants will be given the opportunity to receive ordinary shares ("**Performance Shares**") and a cash payment free of charge within the scope of the New LTI 2020, and in accordance with the terms and conditions set out below.

Within the scope of the New LTI 2020, the company will allot participants restricted stock units, entailing the right to, subject to certain conditions being met, receive a Performance Share free of charge ("**Restricted Stock Units**"). The company will also allot participants synthetic restricted stock units, entailing the right to, subject to certain conditions being met, receive a cash payment corresponding to the value of one ordinary share at the time of settlement ("**Synthetic Restricted Stock Units**" and, together with Restricted Stock Units, referred to as "**Stock Units**").

## *Terms and conditions*

The last date for allotment of Stock Units pursuant to New LTI 2020 shall be the day before the annual general meeting 2022 of Tobii AB.

For non-Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, including the CEO, the allocated Stock Units will vest in three annual instalments during the period from the start of the New LTI 2020 and up to and including 31 May 2024. One third (1/3) of the allocated Stock Units shall be deemed vested on each of 31 May 2022, 2023 and 2024, respectively (each a "**Vesting Date**" for these participants).

For Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, including the CEO, the allocated Stock Units will vest as of 31 May 2024 (which thereby constitute the relevant Vesting Date for these participants).

Stock Units will vest provided that the participant, with certain exceptions, from the start of the New LTI 2020 for each participant up to and including the respective Vesting Date, is still employed within the Tobii group.

## *Additional terms and conditions for the CEO and other members of the group management*

In addition to the requirement of the participant's continued employment pursuant to the above, the final number of Performance Shares and the size of the cash payment that each participant who is a member of Tobii AB's group management, including the CEO, and all other Swedish participants is entitled to receive on each Vesting Date shall also be subject to annual growth, of not less than 10 per cent, in the total shareholder return ("**Total Shareholder Return**" or "**TSR**"), including increase in share price plus reinvestment of any dividends, on Tobii AB's ordinary share during the period beginning on the start of the Current LTI 2020, at which the starting share price under the program was set to SEK 27.30 (the "**Starting Value in the Current LTI 2020**"), through the applicable Vesting Date (each, a "**Vesting Period**"). The Starting Value in the Current LTI 2020 is subject to recalculation after the Spin-Off based on the relation between the volume-weighted average share price in Tobii Dynavox AB during the 25 first trading days on Nasdaq Stockholm (the "**Tobii Dynavox Share Price**") and the volume-weighted average share price in Tobii AB during the same period (the "**Tobii Share Price**").

The Total Shareholder Return for the company's ordinary share must not be less than 10 per cent of the Starting Value of the Current LTI 2020 during the Vesting Period, for vesting to occur. If the Total Shareholder Return for the company's ordinary share falls short of the percentage for a given Vesting Period, Stock Units that are subject to vesting for such Vesting Period will not be vested, and these will be forfeited and become null and void. Any such forfeited Stock Units which have become null and void will not be eligible to vest at a later occasion, even if the Total Shareholder Return for the company's ordinary share at a later point in time exceeds the 10 per cent threshold.

For non-Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, including the CEO, a divestment condition will also apply regarding the Performance Shares received under the New LTI 2020. For Stock Units to entitle the participant to receive Performance Shares and a cash payment for the Vesting Periods ending on 31 May 2023 and 2024 respectively, it is required that currently obtained Performance Shares under the New LTI 2020 have not been divested.

## *The Restricted Stock Units*

The Restricted Stock Units shall, in addition to what is set out above, be governed by the following terms and conditions:

- The Restricted Stock Units are allotted free of charge no later than the day before the annual general meeting 2022 in Tobii AB.
- For Non-Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, including the CEO, the Restricted Stock Units will become vested in three installments over all Vesting Periods, where one third (1/3) shall be deemed vested as of 31 May 2022, 2023 and 2024, respectively.
- For Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, the Restricted Stock Units will vest as of 31 May 2024 (which thereby constitute the relevant Vesting Date for these participants).
- The Restricted Stock Units may not be transferred or pledged.
- Each Restricted Stock Unit entitles the participant to receive one Performance Share free of charge after the end of the respective Vesting Period (with certain exceptions where the Vesting Period may be accelerated) if the participant, with certain exceptions, is still employed within the Tobii AB group by the end of the respective Vesting Period.
- In order to align the interests of the participants and the shareholders', the company will also compensate the participants for dividends paid by recalculating the number of Performance Shares that each unvested Restricted Stock Unit entitle to after the Vesting Period. The Restricted Stock Units are further subject to recalculation in accordance with the above after the Spin-Off.
- For non-Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, including the CEO, additional performance and divestment conditions apply in accordance with the above.

### *The Synthetic Restricted Stock Units*

The Synthetic Restricted Stock Units shall, in addition to what is set out above, be governed by the following terms and conditions:

- The Synthetic Restricted Stock Units are allotted free of charge no later than the day before the annual general meeting 2022 in Tobii AB.
- For Non-Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, including the CEO, the Synthetic Restricted Stock Units will become vested in three installments over all Vesting Periods, where one third (1/3) shall be deemed vested as of 31 May 2022, 2023 and 2024, respectively.
- For Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, including the CEO, the Synthetic Restricted Stock Units will vest as of 31 May 2024 (which thereby constitute the relevant Vesting Date for these participants).
- The Synthetic Restricted Stock Units may not be transferred or pledged.
- Each Synthetic Restricted Stock Unit entitles the participant to, after the end of the respective Vesting Period (with certain exceptions where the Vesting Period may be accelerated), receive

a cash payment corresponding to the average volume-weighted value of one ordinary share in Tobii as quoted on Nasdaq Stockholm during the ten trading days immediately prior to the end of each Vesting Period, if the participant, with certain exceptions, is still employed within the Tobii group by the end of the Vesting Period.

- In order to align the interests of the participant and the shareholders', the company will also compensate the participants for dividends paid by recalculating the cash payment that each unvested Synthetic Restricted Stock Unit entitle to after the Vesting Period. The Synthetic Restricted Stock Units are further subject to recalculation in accordance with the above after the Spin-Off.
- For non-Swedish participants who, at the time of the implementation of the Current LTI 2020, were members of Tobii AB's group management, including the CEO, additional performance and divestment conditions apply in accordance with the above.

#### *Allotment*

The number of Stock Units that may be allocated under the New LTI 2020 is subject to the same terms and conditions as the Current LTI 2020 with the exception that recalculation shall take place following the completion of the Spin-Off based on the relation between the volume-weighted average share price in Tobii Dynavox AB during the 25 first trading days on Nasdaq Stockholm (the "**Tobii Dynavox Share Price**") and the volume-weighted average share price in Tobii AB during the same period (the "**Tobii Share Price**"). The following is an illustrative example of such recalculations based on an assumed Tobii Dynavox Share Price of SEK 30 and a Tobii Share Price of SEK 30.

Number of Stock Units held under Current LTI 2020:	1,000
Illustrative Tobii Dynavox AB Share Price:	SEK 30
Illustrative Tobii AB Share Price	SEK 30
Number of Stock Units allotted under the New LTI 2020	2,000

The participants were divided into three categories at the time of the implementation of the Current LTI 2020; *the CEO, Other members of the group management, and Other participants*. The number of Stock Units a participant may be allocated is subject to which category such participant belongs.

Up to 50 per cent of the allocation consists of Synthetic Restricted Stock Units to cover the tax expense incurred for the participant. The remaining portion consists of Restricted Stock Units.

The allocation within each category is illustrated in the table below and subject to recalculation in accordance with what is stated above. Thus, the number of Stock Units ultimately allotted will be determined based on the relation between the Tobii Dynavox Share Price and the Tobii Share Price.

Category	Maximum number of participants	Maximum number of stock units (whereof up to 50 per cent in Synthetic Restricted Stock Units)	Maximum number of stock units per participant (whereof up to 50 per cent in Synthetic Restricted Stock Units)
CEO	1	198,000	198,000
Other members of the group management	4	499,500	271,800
Other participants	89	760,800	30,000

The number of Stock Units that may be allocated to participants is subject to recalculation after the Spin-Off, entailing that the Stock Units ultimately allotted will be determined based on the relation between the Tobii Dynavox Share Price and the Tobii Share Price. As this relation is not determined as of the date of this notice, the maximum number of Stock Units that may be allocated to the participants must be estimated. The board of directors therefore propose that, in total, a maximum of 1,458,300 Stock Units may be ultimately allocated to participants, subject to recalculation in accordance with what is stated above. The maximum number of Stock Units to be issued under this proposal is based on the Tobii Dynavox Share Price being established as twice the value of Tobii AB Share Price and thus the final number of Stock Units to be issued may be lower as the relation between the share prices may be established at a lower difference in value.

#### *Settlement of Restricted Stock Units and Synthetic Restricted Stock Units*

Stock Units that vest upon achievement of the applicable vesting conditions will be settled in Performance Shares or cash (as applicable) within 90 days of the respective Vesting Date.

#### *Preparation of the proposal, design and administration*

In accordance with guidelines provided by the Board of Directors, the New LTI 2020 has been prepared by the company's Compensation Committee and external advisors and has been reviewed at the meeting of the Board of Directors held on 23 September 2021.

The Board of Directors shall be responsible for preparing the detailed design and administration of the New LTI 2020, subject to the stipulated terms and guidelines including provisions on recalculation in the event of changes in Tobii AB's capital structure such as an in-between bonus issue, reverse share split, share split, rights issue and/or similar events. In connection therewith, the Board of Directors shall be entitled to make adjustments to meet specific foreign regulations or market conditions. If significant changes in the Tobii AB group or in its environment would result in a situation where the adopted terms and conditions for allocation and vesting of Stock Units pursuant to the New LTI 2020 no longer are appropriate, the Board of Directors shall be entitled to make other adjustment including, among other changes, that adjustments may be decided with respect to the terms and conditions for measuring the Performance Conditions for Tobii AB's group management, including the CEO, and the basis for such calculation, and the growth rate targets under the New LTI 2020 due to potential effects from or related to Covid-19. Prior to the Board of Directors' determination of the vesting and settlement in accordance with the terms and conditions for the Stock Units, the Board of Directors shall assess if the outcome of the New LTI 2020 is reasonable. This assessment is made in relation to the company's financial result and position, the conditions on the stock market and in general. If the Board of Directors, in its



assessment, deems that the outcome is unreasonable, the Board of Directors shall decrease the number of ordinary shares allocated and reduce the cash payment.

### *Receiving Performance Shares under the New LTI 2020 and hedging arrangements*

As the Board of Directors, based on the authorisation granted by the annual general meeting held 12 May 2020, has resolved to issue 900,000 class C shares as hedge for the Current LTI 2020, the Board of Directors propose that the extraordinary general meeting resolves (i) that the shares issued as hedge for the Current LTI 2020 may be used as hedge for the New LTI 2020 and the New LTI 2021 as well, and (ii) that the Board of Directors shall be authorised, as set out in detail under item 7.3, to resolve on the issuance, repurchase and transfer of any additional class C shares required as hedge for any additional Stock Units issued following the recalculation after the Spin-Off.

### *Costs and effects on key ratios*

Assuming a Tobii Share Price of SEK 30 and a Tobii Dynavox Share Price of SEK 30 at the time of allocation and a maximum outcome for the New LTI 2020, the cost, including estimated charges for social contributions, is estimated to amount to approximately SEK 13.7 million during the full three-year period. The cost corresponds to approximately 2.9 per cent of the pro forma payroll expense for the Tobii AB group during 2020, assuming, *inter alia*, that the Spin-Off would have been completed at the start of 2020. The aggregated maximum cost for the company depends on the development in value of the Tobii AB share price and the relation between the Tobii Share Price and the Tobii Dynavox Share Price.

The New LTI 2020 will be reported in accordance with IFRS 2, which means that the Restricted Stock Units will be expensed as personnel costs and accrued over the Vesting Period. Furthermore, this also means that the Synthetic Restricted Stock Units' fair value at the time of allocation will be expensed as a personnel costs and accrued over the Vesting Period and continuously be reevaluated at each reporting date.

Given the above assumptions regarding scope and costs, and assuming that the New LTI 2020 was introduced in 2020 instead of the Current LTI 2020 (i.e. replacing and cancelling the Current LTI 2020), it is estimated that the non-audited pro forma key figure earnings per share for the Tobii AB financial year 2020, would have amounted to approximately SEK -2.79, assuming, *inter alia*, that the Spin-Off would have been completed at the start of 2020, which also is estimated to have been the result if the Current LTI 2020 remain in place under the same assumptions.

### *Dilution of existing shares and votes*

Assuming a Tobii Dynavox Share Price of SEK 30 and a Tobii Share Price of SEK 30, the maximum allotment of Performance Shares is up to 972,200 ordinary shares, which may be allocated to participants pursuant to the New LTI 2020 and 210,000 ordinary shares may be used to secure social contributions arising as a result of the New LTI 2020, which would entail a maximum dilution effect of approximately 1.2 per cent of the existing number of shares (incl. the 900,000 class C shares issued as hedge for the Current LTI 2020) in Tobii AB as of the date of this notice. If all outstanding incentive programs in the company, excluding the Current LTI 2020, are included in the calculation, the maximum dilution amounts to 4.3 per cent. All outstanding incentive programs in the company, following the exchange of the Current LTI 2020 and the Current LTI 2021 against the New LTI 2020 and the New LTI 2021, are calculated, under the assumptions set out above, to result in a maximum dilution of 5.1 per cent.

Information about Tobii AB's current incentive programs is available in the annual report for the financial year 2020, note 8, and on the company's website, [www.tobii.com](http://www.tobii.com).

**Proposal for resolution on exchange of the incentive program adopted at the extraordinary general meeting held 21 June 2021 (item 7.2)**

The Board of Directors propose that the extraordinary general meeting resolves, subject to the completion of the Spin-Off, to implement the New LTI 2021 in accordance with the following. The New LTI 2021, together with the corresponding incentive program to be adopted in Tobii Dynavox AB, replaces and cancel the Current LTI 2021.

*The program in brief*

The New LTI 2021 is proposed to include the participants in the Current LTI 2021 who remain in the Tobii AB group after the Spin-Off and senior executives (including the CEO) and selected other key employees and long-term consultants (with similar terms and conditions of employment), who have been identified as very important to the company and demonstrated excellent performance in the past year, meaning that there has been a threshold and thorough performance evaluation before being let into the program. In total, the New LTI 2021 is proposed to include a maximum of 125 individuals within the Tobii AB group after the Spin-Off.

The participants will be given the opportunity to receive ordinary shares ("**Performance Shares**") in accordance with the terms and conditions set out below.

Tobii is active in a deep tech industry, in which many core competencies are in high demand by US-based technology companies. Almost half of Tobii's employees are, before the Spin-Off, based in the US. Therefore, in order to remain a competitive employer, the company believes it has to align incentive structures to US-based schemes which typically entails no personal investments. Within the scope of the New LTI 2021, the company will allot participants stock units, entailing the right to, subject to certain conditions being met, receive a Performance Share free of charge ("**Stock Units**").

*Allotment*

The participants are divided into three categories: *the CEOs of the Group and each Division prior to the Spin-Off, Other senior executives and Other participants*. The number of Stock Units a participant may be allocated is subject to which category such participant belongs. The allocation within each category is illustrated in the table below and subject to recalculation in accordance with the above. Thus, the number of Stock Units ultimately allotted will be determined based on the relation between the Tobii Dynavox Share Price and the Tobii Share Price.

Category	Maximum number of participants	Maximum number of Stock Units per category	Maximum number of Stock Units per participant
Category 1: Group and Division CEOs prior to the Spin-Off	2	258,900	147,900
Category 2: Other senior executives	10	240,000	48,000
Category 3: Other participants	113	507,000	31,500

The number of Stock Units that may be allocated to participants is subject to recalculation after the Spin-Off, entailing that the Stock Units ultimately allotted will be determined based on the relation between the Tobii Dynavox Share Price and the Tobii Share Price. As this relation is not determined as of the date of this notice, the maximum number of Stock Units that may be allocated to the participants must be estimated and the board of directors therefore propose that, in total, a maximum of 1,005,900

Stock Units may be ultimately allocated to participants, subject to recalculation in accordance with what is stated above. The maximum number of Stock Units to be issued under this proposal is based on the Tobii Dynavox Share Price being established as twice the value of Tobii AB Share Price and thus the final number of Stock Units to be issued may be lower as the relation between the share prices may be established at a lower difference in value.

The last date for allotment of Stock Units pursuant to the New LTI 2021 shall, in accordance with the Current LTI 2021, be the day before the annual general meeting 2022 in Tobii AB.

### *Vesting and conditions*

The vesting and conditions for grant and vesting for the different participant categories are described below and subject to recalculation after the Spin-Off.

Participant category	Vesting Date	Personal performance criteria	Vesting conditions		
			Continued employment	Share price	Business performance
1 – Group and Division CEOs prior to the Spin-Off	All Stock Units vest on 31 May 2025 (with certain exceptions where the time for vesting may be accelerated for so-called good leavers)	Yes	Yes	Yes	Yes
2 - Other senior executives	One third (1/3) of the allocated Stock Units shall be deemed vested on each of 31 May 2023, 2024 and 2025, respectively. Hence, the average time from grant to vesting is 3 years.	Yes	Yes	Yes	Yes
3 – Other participants		Yes	Yes	Yes	No

*Personal performance criteria:* Each participant in the program must satisfy personal performance criteria in order to obtain the initial grant of Stock Units. These criteria include that the person must have (i) been deemed as very important to Tobii, and (ii) shown outstanding performance in the year prior to grant under the Current LTI 2021. Qualification according to the personal performance criteria has been carefully vetted via a nomination process, under guidance of the compensation committee of the Board of Tobii AB.

*Continued employment condition:* All vesting of Stock Units shall be conditional that the participant is still employed within the Tobii AB group by the Vesting Date.

*Share price condition:* All vesting of Stock Units for Sweden-based participants shall be conditional on that the volume-weighted share price during the 3 months prior to the Vesting Date exceeds SEK 58.36, which is the volume-weighted share price during the period from 1 January 2021 to 9 April 2021, which shall be recalculated after the Spin-Off based on the relation between the volume-weighted average share price in Tobii Dynavox AB during the 25 first trading days on Nasdaq Stockholm (the “**Tobii Dynavox Share Price**”) and the volume-weighted average share price in Tobii AB during the same period (the “**Tobii Share Price**”). In the event that the share price at a particular Vesting Date does not meet this criteria, those Stock Units will instead be eligible to vest at a later Vesting Date if the share price meets this the condition at such time. The following is an illustrative example of such recalculation based on an assumed Tobii Dynavox Share Price of SEK 30 and an assumed Tobii Share Price of SEK 30:

Illustrative Tobii Dynavox Share Price:	SEK 30
Illustrative Tobii Share Price:	SEK 30
Recalculated share price under the shareprice condition	SEK 29.18

*Business performance condition:* Vesting of Stock Units for participants in categories 1 and 2 are subject to business related performance conditions. For participants who are employed within the Tobii AB group following the Spin-Off, the performance conditions shall be based on a combination of average growth of gross profit, based on a linear stepwise function, and delivering a positive EBITDA less capitalized RnD. The Board of Directors is responsible for determining the detailed performance conditions, as well as the outcome according to these. Employees of category 3 are not covered by the business performance condition, in order to avoid complexity for this broader group of participants. These employees are typically key star performers deep in the organization with essential niche competencies, involved with innovation, product- and business development. Their competence and know-how are foundational for the long-term value creation of the company. Therefore, to optimize for long-term value creation, the key objective with the New LTI 2021 program for category 3 is retention. This core objective has been assessed by the Compensation Committee to be diluted by the addition of too many other conditions.

#### *Reporting on performance conditions*

The detail performance conditions and the assessment of achievement relative to these will be reported in connection with the reporting of the outcome of the New LTI 2021, which is in accordance with the rules for public listed companies.

#### *The Stock Units*

The Stock Units shall, in addition to what is set out above, be governed by the following terms and conditions:

- The Stock Units are allotted free of charge no later than the day before the annual general meeting 2022 in Tobii AB.
- The Stock Units may not be transferred or pledged.
- In order to align the interests of the participants and the shareholders, the company will also compensate the participants for dividends paid by recalculating the number of Performance Shares that each unvested Stock Unit entitle to after the Vesting Period.
- For some participation categories additional conditions apply as described above.

#### *Delivery of ordinary shares*

Participants whose Stock Units have vested in accordance with the vesting conditions above will receive Performance Shares within 90 days after each Vesting Date.

## *Preparation of the proposal, design and administration*

In accordance with guidelines provided by the Board of Directors, the New LTI 2021 has been prepared by the company's Compensation Committee and external advisors and has been reviewed at the meeting of the Board of Directors held on 23 September 2021.

The Board of Directors shall be responsible for preparing the detailed design and administration of the New LTI 2021, subject to the stipulated terms and guidelines, including provisions on recalculation in the event of changes in Tobii's capital structure such as an in-between bonus issue, reverse share split, share split, rights issue and/or similar events. In connection therewith, the Board of Directors shall be entitled to make adjustments to meet specific foreign regulations or market conditions. If significant changes in the Tobii AB group or in its environment would result in a situation where the adopted terms and conditions for allocation and vesting of Stock Units pursuant to the New LTI 2021 no longer are appropriate, the Board of Directors shall be entitled to make other adjustment including, among other changes, that adjustments may be decided with respect to the terms and conditions for measuring the Performance Conditions applicable to some participation categories as stated above. Prior to the Board of Directors' determination of the vesting and settlement in accordance with the terms and conditions for the Stock Units, the Board of Directors shall assess if the outcome of the New LTI 2021 is reasonable. This assessment is made in relation to the company's financial result and position, the conditions on the stock market and in general. If the Board of Directors, in its assessment, deems that the outcome is unreasonable, the Board of Directors shall decrease the number of ordinary shares allocated.

## *Receiving Performance Shares under New LTI 2021 and hedging arrangements*

The Board of Directors has considered different methods for transfer of ordinary shares to participants who have been allocated Stock Units in order to implement the New LTI 2021 in a cost-effective and flexible manner and propose that the hedging arrangements set out in item 7.3 are adopted.

## *Costs and effects on key ratios*

Assuming a Tobii Share Price of SEK 30 and a Tobii Dynavox Share Price of SEK 30 at the time of allocation and a maximum outcome for the New LTI 2021, the cost, including estimated charges for social contributions, is estimated to amount to approximately SEK 21.6 million during the full four-year period. The cost corresponds to approximately 4.5 per cent of the pro forma payroll expense for the Tobii AB group during 2020, assuming, *inter alia*, that the Spin-Off would have been completed at the start of 2020. The aggregated maximum cost for the company depends on the development in value of the Tobii AB share price and the relation between the Tobii Share Price and the Tobii Dynavox Share Price.

The New LTI 2021 will be reported in accordance with IFRS 2, which means that the Restricted Stock Units will be expensed as personnel costs and accrued over the Vesting Period.

Given the above assumptions regarding scope and costs, and assuming that the New LTI 2021 was introduced in 2020 instead, it is estimated that the non-audited pro forma key figure earnings per share for the Tobii AB financial year 2020 would have decreased from SEK -2.79 to approximately SEK -2.84, assuming, *inter alia*, that the Spin-Off would have been completed at the start of 2020.

## *Dilution of existing shares and votes*

Assuming a Tobii Dynavox Share Price of SEK 30 and a Tobii Share Price of SEK 30, the maximum allotment of Performance Shares is up to 670,600 ordinary shares, which may be allocated to

participants pursuant to the New LTI 2021 and 140,000 ordinary shares may be used to secure social contributions arising as a result of the New LTI 2021, which would entail a maximum dilution effect of approximately 0.8 per cent of the existing number of shares (incl. the 900,000 class C shares issued as hedge for the Current LTI 2020) in Tobii AB as of the date of this notice. If all outstanding incentive programs in Tobii AB, excluding the Current LTI 2021, are included in the calculation, the maximum dilution amounts 4.9 per cent. All outstanding incentive programs in the company, following the exchange of the Current LTI 2020 and the Current LTI 2021 against the New LTI 2020 and the New LTI 2021, is calculated, under the assumptions set out above, to result in a maximum dilution of 5.1 per cent.

Information about Tobii AB's current incentive programs is available in the annual report for the financial year 2020, note 8, and on the company's website, [www.tobii.com](http://www.tobii.com).

## **Proposal for resolution on hedging arrangements for the New LTI 2020 and the New LTI 2021 (item 7.3)**

### *Background*

To secure the delivery of ordinary shares to the participants under the Current LTI 2020, the Board of Directors has resolved, based on the authorisation granted at the annual general meeting held 12 May 2020, to issue 900,000 class C shares. To secure the delivery of ordinary shares to the participants under the Current LTI 2021, the extraordinary general meeting held 21 June 2021 resolved to authorise the Board of Directors to resolve to issue not more than 600,000 class C shares. No such resolution has, as at the date of this notice, been made. Hence, there are currently 900,000 class C shares outstanding and the Board of Directors is authorised to issue an additional 600,000 class C shares as hedge for the Current LTI 2021. However, the authorisation may only be used for the purposes stated in the authorisation, i.e. as hedge for the Current LTI 2021.

In order to secure the delivery of ordinary shares to participants under the New LTI 2020 and New LTI 2021, the Board of directors propose that the extraordinary general meeting resolves, subject to the completion of the Spin-Off, (i) that the shares issued as hedge for the Current LTI 2020 may be used as hedge for the New LTI 2020 and the New LTI 2021, and (ii) that the Board of Directors shall be authorised to resolve on the issuance, repurchase and transfer of not more than 2,074,200 class C shares as hedge for the New LTI 2020 and the New LTI 2021, which includes any additional class C shares that may be required due to recalculation following the Spin-Off.

As the number of Stock Units that may be allocated to participants under the New LTI 2020 and the New LTI 2021 is subject to recalculation after the Spin-Off entailing that the Stock Units ultimately allotted will be determined based on the relation between the Tobii Dynavox Share Price and the Tobii Share Price (as described above), the number of class C shares required to ensure delivery of ordinary shares to the participants is subject to the corresponding recalculations. Hence, the number of class C shares proposed to be issued and ordinary shares to be transferred to participants under the authorisation is to be re-calculated after the Spin-Off as well.

### *Resolution on amendments to the hedging arrangements adopted at the annual general meeting held 12 May 2020 and the extraordinary general meeting 21 June 2021*

To ensure the delivery of ordinary shares to the participants under the New LTI 2020 and the New LTI 2021 and for the company to be able to manage the programs in a cost-effective and flexible manner and to limit dilution, the Board of Directors propose that the extraordinary general meeting resolves, subject to the completion of the Spin-Off, that the 900,000 class C shares issued as hedge for the Current LTI 2020, and any class C shares that may be issued under the authorisation granted to hedge the Current LTI 2021 (the "**Existing Hedge Shares**"), may, following the re-classification into ordinary

shares, be transferred free of charge to participants of the New LTI 2020 and the New LTI 2021 in accordance with the adopted terms and conditions. The Board of Directors further propose that the Existing Hedge Shares may also be transferred on Nasdaq Stockholm, including through a financial intermediary, at a price within the registered price range at the relevant time, to cover any social contributions in accordance with the terms and conditions of the New LTI 2020 and New LTI 2021.

*Resolution to authorise the Board of Directors to issue new class C shares*

The Board of Directors proposes that the extraordinary general meeting resolves, subject to the completion of the Spin-Off, to authorise the Board of Directors, during the period until the annual general meeting 2022 on one or more occasions, to increase the company's share capital by not more than SEK 15,052.4694 by the issue of not more than 2,074,200 class C shares, each with a quota value of SEK 0.0072570. As described above, the issue of class C shares ultimately issued will be determined after the Spin-Off. With deviation from the shareholders' pre-emption rights, the participating bank shall be entitled to subscribe for the new class C shares at a subscription price corresponding to the quota value of the shares. The purpose of the authorisation and the reason for the deviation from the shareholders' pre-emption rights in connection with the issue of shares is to ensure delivery of shares to participants under the New LTI 2020 and the New LTI 2021, as well as to secure potential social contributions arising as a result of the New LTI 2020 and New LTI 2021.

*Resolution to authorise the Board of Directors to repurchase class C shares*

The Board of Directors proposes that the extraordinary general meeting resolves, subject to completion of the Spin-Off, to authorise the Board of Directors, during the period until the annual general meeting 2022, on one or more occasions, to repurchase class C shares. The repurchase may only be effected through an offer directed to all holders of class C shares and shall comprise all outstanding class C shares. Repurchases shall be effected at a purchase price corresponding to the quota value of the share. Payment for the acquired class C shares shall be made in cash. The purpose of the proposed repurchase authorisation is to ensure delivery of Performance Shares under the New LTI 2020 and New LTI 2021 and to secure possible social contributions arising as a result of the New LTI 2020 and New LTI 2021. As of 31 December 2020, Tobii AB's non-restricted equity amounted to MSEK 1,303.6 and thus constitutes the amount available for distribution under Chapter 17, Section 3, Paragraph 1 of the Swedish Companies Act.

*Resolution to transfer own ordinary shares*

The Board of Directors proposes that the extraordinary general meeting resolves, subject to completion of the Spin-Off, that class C shares that the company acquires based on the authorisation to repurchase class C shares in accordance with the above, may, following the re-classification into ordinary shares, be transferred free of charge to participants of the New LTI 2020 and the New LTI 2021 in accordance with the adopted terms and conditions for each program, respectively, and in order to secure possible social contributions arising as a result of the New LTI 2020 and the New LTI 2021.

The Board of Directors therefore proposes that the extraordinary general meeting resolves, subject to the completion of the Spin-Off, that not more than 1,728,200 ordinary shares may be transferred to participants in accordance with the terms and conditions of the New LTI 2020 and the New LTI 2021 and that not more than 346,000 ordinary shares shall be transferred on Nasdaq Stockholm, including through a financial intermediary, at a price within the registered price range at the relevant time, to cover any social contributions in accordance with the terms and conditions of the New LTI 2020 and the New LTI 2021. As described above, the number of ordinary shares transferred to participants will be re-calculated after the Spin-Off. The number of shares to be transferred is subject to re-calculation in the

event of an in-between bonus issue, reverse share split, share split, rights issue and/or similar measures.

### **Determination of number of members and deputy members of the Board of Directors (item 8)**

The nomination committee proposes that the Board of Directors shall continue to consist of seven (7) members and no deputies.

### **Determination of remuneration to the Board of Directors (item 9)**

The nomination committee proposes that the remuneration to the members of the Board of Directors and the committees resolved at the annual general meeting 2021 shall continue to apply and shall, if applicable, be distributed pro rata to the chairman and the ordinary members of the Board of Directors, respectively, elected by each general meeting.

### **Election of new member of the Board of Directors (item 10)**

Åsa Hedin has notified the nomination committee that she will resign in connection with the extraordinary general meeting. The nomination committee therefore proposes that Henrik Eskilsson is elected as new member of the Board of Directors. Kent Sander, Heli Arantola, Nils Bernhard, Jan Wäreby, Charlotta Falvin and Jörgen Lantto remain as members of the Board of Directors with Kent Sander as chairman.

#### Information about the proposed new member of the Board of Directors

Name: Henrik Eskilsson

Year of birth: 1974

Experience and other ongoing assignments: Henrik Eskilsson has been the CEO of Tobii since its inception in 2001. He has a background in entrepreneurship and is also founder of the sporting goods company Trampolinspecialisten AB.

Education: Henrik Eskilsson holds an MSc in Industrial Engineering & Management, International Profile, Linköping University, Sweden.

Holdings (own and closely related parties): 4,535,952 ordinary shares, 257,000 warrants and 103,000 stock units.

Independence: Henrik Eskilsson is, as the CEO, dependent in relation to the company and its management but independent in relation to major shareholders.

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### **Majority requirement**

Resolutions in accordance with item 6, 7.1, 7.2, 8, 9 and 10 above require approval of at least half (1/2) of the votes cast at the general meeting and a resolution in accordance with item 7.3 above requires approval of at least nine-tenths (9/10) of the shares represented and votes cast at the general meeting.

### **Authorisation**

The Board of Directors, or the person appointed by the Board of Directors, shall be authorised to make such minor adjustments to the above resolutions that may be necessary in connection with the registration thereof with the Swedish Companies Registration Office (Sw. *Bolagsverket*).

### **Other**

The company's annual report and the auditor's report for the financial year 2020 as well as the nomination committee's motivated statement are available at Tobii AB's office with address





Karlsrovägen 2D, 182 53 Danderyd, Sweden, and on the company's website, [www.tobii.com](http://www.tobii.com). The Board of Directors' statements pursuant to Chapter 18, Sections 4 and 6 as well as Chapter 19, Section 22, of the Swedish Companies Act, a statement from the auditor pursuant to Chapter 18, Section 6 of the Swedish Companies Act and the information brochure relating to the proposal under item 6 will be available at the above mentioned address and website no later than 4 October 2021. Copies of the documents will be sent to shareholders upon request,

#### **Processing of personal data**

For information on how your personal data is processed, please see the integrity policy that is available at Euroclear's webpage [www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf](http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf).

Danderyd, September 2021

**Tobii AB (publ)**

*The Board of Directors*

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