

The shareholders in

Tobii AB (publ)

are hereby summoned to the annual general meeting on Thursday, 9 May 2019 at 5 p.m. at Bygget Fest & Konferens, Norrlandsgatan 11 in Stockholm.

Notification etc.

Shareholders who wish to participate in the annual general meeting must

firstly be included in the shareholders' register maintained by Euroclear Sweden AB as of Friday, 3 May 2019, and

secondly notify the company of their participation in the annual general meeting no later than on Friday, 3 May 2019. The notification shall be in writing to Tobii AB, Box 743, 182 17 Danderyd, Sweden, or via e-mail: generalmeeting@tobii.com. The notification should state the name, personal/corporate identity number, address, telephone number and shareholding and, when applicable, information about representatives, counsels and assistants. When applicable, complete authorization documents, such as registration certificates and powers of attorney for representatives and counsels, shall be appended to the notification.

Nominee shares

Shareholders, whose shares have been registered in the name of a bank or other trust department or with a private securities broker, must temporarily re-register their shares in their own names with Euroclear Sweden AB in order to be entitled to participate in the annual general meeting. Shareholders wishing such re-registration must inform their nominee of this well before Friday, 3 May 2019, when such re-registration must have been completed.

Proxy etc.

Shareholders represented by proxy shall issue dated and signed power of attorney for the proxy. If the power of attorney is issued on behalf of the proxy or, should the right to vote for the shares be divided among different representatives, the representatives, together with information on the number of shares each representative is entitled to vote for. The proxy is valid for one year from the issuance or the longer period of validity stated in the proxy, however not more than five years from the issuance. If the proxy is issued by a legal entity, attested copies of the certificate of registration or equivalent authorisation documents, evidencing the authority to issue the proxy, shall be enclosed. The power of attorney in original and, where applicable, the registration certificate, should be submitted to the company by mail at the address set forth above well in advance of the annual general meeting. A proxy form is available on the company's website, www.tobii.com, and will also be sent to shareholders that so request and inform the company of their postal address.

The shareholders are reminded of their right to ask questions to the Board of Directors and the CEO at the annual general meeting in accordance with Chapter 7, Section 32 of the Swedish Companies Act (Sw. *aktiebolagslagen*).

Number of shares and votes

There are, as of the day of this notice, 98,925,103 shares in the company. As of the day of this notice, the company holds no own shares.

Proposed agenda

1. Election of a chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to approve the minutes of the meeting.
5. Determination of whether the meeting has been duly convened.
6. Submission of the annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the group.
7. Resolutions regarding:
 - a. adoption of the income statement and the balance sheet and, when applicable, the consolidated income statement and the consolidated balance sheet;
 - b. allocation of the company's profits or losses in accordance with the adopted balance sheet;
 - c. discharge of the members of the Board of Directors and the CEO from liability.
8. Determination of the number of members and deputy members of the Board of Directors to be elected by the shareholders' meeting and the number of auditors and, where applicable, deputy auditors.
9. Determination of fees to members of the Board of Directors and auditors.
10. Election of the members of the Board of Directors.
11. Election of auditors and, where applicable, deputy auditors.
12. Proposal for resolution regarding guidelines for remuneration and other terms of employment for the group management.
13. Proposal regarding authorization for the Board of Directors to resolve to issue new shares.
14. Proposal for resolution regarding incentive programme 2019 and issue of warrants.
15. Closing of the meeting.

Proposal regarding appropriation of the company's result (item 7 b)

The Board of Directors and the CEO propose that the company's results shall be carried forward and thus no dividend will be distributed.

Determination of the number of members and deputy members of the Board of Directors, fees to the Board of Directors and election of members of the Board of Directors (items 8, 9 and 11)

The Nomination Committee, appointed in accordance with the principles established by the annual general meeting on 8 May 2018, consists of Jan Andersson (appointed by Swedbank Robur Fonder), Carl Cederschiöld (appointed by the Handelsbanken Fonder), Henrik Tellving (appointed by the company's founders) and Kent Sander (chairman of the Board of Directors). The Nomination Committee has appointed Jan Andersson as the Nomination Committee's chairman. The Nomination Committee proposes that:

- Attorney at law Jesper Schönbeck is proposed to be elected chairman of the annual general meeting (item 1).
- The number of members of the Board of Directors shall be eight (8), with no deputy members. The number of auditors shall be one (1) authorized accounting firm (item 8).
- That the fees to the Board of Directors shall amount to SEK 2,429,000 to be allocated with SEK 575,000 to the chairman of the Board of Directors and SEK 225,000 to each other member of the Board of Directors not employed by the company. Remuneration for committee work shall be paid with a maximum total of SEK 279,000, whereof SEK 200,000 shall be allocated to the audit committee (whereof SEK 100,000 to the chairman of the committee and SEK 50,000 to each of the other two members) and SEK 79,000 to the Compensation Committee (whereof SEK 37,000 to the chairman of the committee and SEK 21,000 to each of the other two members) (item 9).

- Auditors' fee is proposed to be as per approved current account (item 9).
- Re-election of the members of the Board of Directors Kent Sander, Nils Bernhard, Åsa Hedin, Heli Arantola, Jan Wäreby and Charlotta Falvin. John Elvesjö has declined re-election. Election of Jörgen Lantto and Mårten Skogö as new members of the Board of Directors. Kent Sander is proposed to be re-elected as chairman of the Board of Directors (item 10).

Jörgen Lantto

Jörgen Lantto was born in 1963 and is a technical college graduate, telecommunications, from Midskogsskolan and is currently working as a board member and advisor. He was employed at Fingerprint Cards during 2013-2016 and was the company's managing director and CEO during 2014-2016. Jörgen Lantto has more than 25 years of experience from leading positions within the Ericsson group, principally within ST-Ericsson.

Mårten Skogö

Mårten Skogö was born in 1977 and studied physical engineering at KTH in Stockholm. He is one of the three founders of Tobii 2001 and has since the beginning worked in the group management, most recently as the Chief Science Officer. Mårten is one of the world's foremost experts of eye-tracking technology and holds more than 100 patents and applications for patents within this technology field.

- Re-election of the accounting firm PricewaterhouseCoopers AB. The proposal corresponds to the audit committee's recommendation (item 11).

Further information on the proposed members of the Board of Directors is available at www.tobii.com.

Proposal for resolution regarding guidelines for remuneration and other terms of employment for the group management (item 12)

The Board of Directors proposes that the annual general meeting resolves to approve the Board of Directors' proposal regarding guidelines for remuneration and other employment terms for the company's senior managers as follows.

The group managers' terms and remunerations and general principles for remuneration

The company applies market competitive salaries and compensations (on the geographic market the individual lives or works) including both a fixed and a variable component which are compared to an external database with employee compensation data. Compensation to the CEO and other senior managers are comprised of base salary, variable compensation, pension and long-term share price-based incentive programs, which can include additional salary compensation. Senior management includes those executives who, including the CEO, form the company's group management team. The variable compensation is based on pre-defined targets, and may for instance be a combination of revenue, profit, cash flow and activity targets. The targets will be set annually by the Board of Director's compensation committee with the intention that they shall be in line with the company's strategy and financial goals.

The variable compensation for the CEO is capped at between 0 percent and 50 percent of base salary. For other members of the company's group management team, the variable compensation is capped at between 0 percent and 100 percent of base salary, depending on position.

Provision is made in the company's accounts for the total cost for all variable compensations, including social security contributions.

Salary subsidies for long-term incentive programmes

Employees or consultants with similar terms and conditions of employment not employed within the company's U.S. or British operations who qualify for the company's long-term incentive programme will receive an option premium subsidy. The net value of the subsidy is approximately 50 percent of the option premium paid. The subsidy is paid over three years conditional upon continued employment.

Pension liability

The company's pension obligation to senior managers amount to between 20 percent and 30 percent of the annual base salary. All pension plans are based on the fixed contribution principle.

Redundancy payment

Both the company and the CEO have the obligation to give notice four months before termination of the CEO's employment with the company. In case the employment is terminated by the company, the CEO is entitled to a severance payment amounting to four times the monthly base salary.

For other senior managers, the notice period is between three and six months and are, in some cases, entitled to severance payment corresponding to maximum six times the monthly base salary.

The Board of Directors is entitled to make exception to these guidelines when there are special circumstances.

Resolution regarding authorization for the Board of Directors to resolve to issue new shares (item 13)

The Board of Directors proposes that the meeting authorizes the Board of Directors to resolve to issue new shares on one or several occasions until the next annual general meeting, without preferential rights for the shareholders, against payment in cash, through set-off or in kind, or otherwise on special conditions. However, such issue of shares must never result in the company's issued share capital or the number of shares in the company at any time being increased by more than a total of 10 percent. The purpose of the authorization is to enable the Board of Directors to make acquisitions of companies and products.

Proposal for resolution regarding incentive programme 2019 and issue of warrants (item 14)

The Board of Directors proposes that the annual general meeting resolves to implement a long term incentive program for employees and consultants with similar terms and conditions of employment, within the Tobii group ("LTI 2019") in accordance with items 14 (a) – 14 (d) below. The resolutions under items 14 (a) – 14 (d) below are proposed to be conditional upon each other and it is therefore proposed that all resolutions are to be passed as one resolution. LTI 2019 is proposed to include up to 125 persons within the Tobii group.

Proposal regarding the adoption of LTI 2019 (item 14 (a))

LTI 2019 comprises two series. Series 1 consists of warrants to be transferred to employees and consultants with similar terms and conditions of employment. The warrants have a vesting period of at least 3 years, after which the holder is entitled to exercise the warrants to subscribe for shares during a period of six months. Series 2 comprise of employee stock options vested linearly over a period of 3.5-4 years which shall be transferred to employees within the company's U.S. or British operations. The employee stock options may, following such vesting, be exercised for subscription of shares until 31 May 2029.

The Board of Directors therefore proposes the meeting to resolve to transfer not more than 1,260,000 warrants, of which not more than 1,000,000 may be transferred in Series 1 and not more than 600,000 warrants may be transferred in Series 2, to be distributed between Series 2A and Series 2B. The wholly-owned subsidiary Tobii Technology Options AB's shall have the right to subscribe for warrants of Series 1, Series 2A and Series 2B, and shall transfer the options of Series 1 to employees and consultants with similar terms and conditions of employment of the group and shall hold warrants of Series 2A and Series 2B to ensure delivery of shares to employees within the company's U.S. or British operations upon exercise of employee stock options in Series 2. Each warrant entitles the holder to subscribe for one share. The warrants shall be issued free of charge to Tobii Technology Options AB.

Below is a description of the terms and conditions for each of the option series.

Series 1 – Warrants

The company will transfer the warrants in Series 1 to the participants at a price corresponding to the market value of the warrant (i.e. the warrant premium). Warrants of Series 1 may be transferred to employees and consultants with similar terms and conditions of employment not employed within the company's U.S. or British operations. The Board of Directors may derogate from this limitation if it can be considered beneficial to the company and the participant. The warrants may be transferred to participants, current or new employees or consultants with similar terms and conditions of employment, at one or several occasions from and including 29 May 2019 until 30 November 2019.

Each warrant of Series 1 shall, during the period commencing on 1 December 2022 and up to and including 31 May 2023, entitle the holder to subscribe for one new share in Tobii at an exercise price corresponding to 120 percent of the average volume weighted Tobii share price as quoted on Nasdaq Stockholm during the period 10 trading days calculated as from and including 13 May 2019.

The issued warrants of Series 1 shall, with deviation from the shareholders' pre-emption rights, be able to be subscribed for by Tobii Technology Options AB – a wholly owned subsidiary to Tobii - whereafter this company shall offer the warrants to the participants. The transfer of the warrants in Series 1 shall be made at a price corresponding to the market value of the warrants (the warrant premium), calculated according to the Black & Scholes valuation model. The valuation of the warrants shall be made by an independent appraiser or auditor firm. The company shall in connection with the transfer of the warrants to the participants reserve itself a right to repurchase the warrants if the participant's employment or assignment within the group is terminated or if the participant in turn wishes to transfer the warrants.

The transfer of the warrants in accordance with the above-mentioned proposal may take place only to the extent that the total number of warrants does not exceed 1,000,000 warrants.

Series 2 – Employee stock options (with warrants as hedging arrangement)

The company will allot employee stock options to employees within the company's U.S. and British operations. Each employee stock option entitles the employee to acquire one share in Tobii in accordance with the following terms and conditions:

- The employee stock options will be granted free of charge.
- The employee stock options may be transferred to participants, current or new employees, during the period 29 May - 31 July 2019 (the "**First Allocation**") or the period 10-30 November 2019 (the "**Second Allocation**").
- Each employee stock option that is transferred within the First Allocation entitles the holder to acquire one share in the company at an exercise price corresponding to the average volume

weighted Tobii share price as quoted on Nasdaq Stockholm during the period 10 trading days calculated as from and including 13 May 2019 and each employee stock option that is transferred within the Second Allocation entitles the holder to acquire one share in the company at an exercise price corresponding to the average volume weighted Tobii share price as quoted on Nasdaq Stockholm during the period 10 trading days calculated as from and including 25 October 2019.

- The employee stock options are vested over a period of four years, of which one quarter of the options granted shall be deemed vested on 31 May 2020, 2021, 2022 and 2023, respectively. The employee stock options may, following vesting in accordance with the above, be exercised for subscription of shares until 31 May 2029.
- The employee stock options may not be transferred or pledged.
- The employee stock options shall only be available to be exercised if the holder is still an employee within the group, or for a short period following termination of the employment agreement.

Recalculation due to split, consolidation, new share issue, etc.

The exercise price for Series 1 and Series 2, determined as set out above, shall be rounded to the nearest SEK 0.10, whereby SEK 0.05 shall be rounded downwards. The exercise price and the number of shares that each employee stock option entitles to subscription for shall be recalculated in the event of a split, consolidation, new share issue etc. in accordance with market practice. If the warrants are completely exercised the share capital will increase with approximately SEK 9,143.736152.

Allocation of warrants

The right to receive warrants shall accrue to employees and consultants with similar terms and conditions of employment not employed within the company’s U.S. or British operations and whom have entered into a pre-emption agreement with Tobii. The right to receive employee stock options shall accrue to employees within the company’s U.S. and British operations. The Board of Directors may derogate from this limitation if it can be considered beneficial to the company and the participant. The maximum allocation per person shall be 225,000 warrants or employee stock options for senior managers (“**Category 1**”) and 100,000 warrants or employee stock options for other employees (“**Category 2**”), as applicable. Participants employed within the company’s British operations can be allotted employee stock options to a maximum value on the underlying shares corresponding to GBP 30,000.

Category	Maximum number of persons	Maximum number of warrants or employee stock options	Maximum number of warrants or employee stock options per person within the category
Category 1	9	630,000	225,000
Category 2	126	630,000	100,000

Board members shall not be eligible to participate in LTI 2019.

Costs

The transfer of the warrants in Series 1 shall be made at a price corresponding to the market value of the warrants at the time of the transfer; therefore, no social security contributions are to be paid by the

group in relation to the issue and transfer of the warrants. The market value of the warrants is, in accordance with a preliminary valuation made based on a market value on the underlying share corresponding to SEK 32 and SEK 7.97 per warrant, assuming an exercise price of SEK 38.4 per share. The Black & Scholes valuation model has been used for valuing the warrants, assuming a risk-free interest of 0.1 percent and a volatility of 40 percent.

To encourage participation in the LTI 2019, the intention is that employees or consultants with similar terms and conditions of employment who choose to participate in the program will receive a premium subsidy in the form of extra salary of an amount after tax, calculated by applying a tax rate of 50 percent, equivalent to 50 percent of the option premium paid. Tobii's costs of above extra salary payments, including social security contributions, amounts to approximately SEK 9.5 million.

Costs related to the employee stock options in Series 2 will be accounted for in accordance with IFRS 2 which stipulates that the employee stock options should be recorded as a personnel expense in the income statement during the vesting period. The total costs for the employee stock options are expected to amount to SEK 4 million during the term of the programme.

The total costs, excluding other expenses for LTI 2019 related to fees to external advisors and costs for the administration of the programme, are estimated to amount to approximately SEK 13.5 million during the term of the programme, under the assumption of a share price of SEK 32.

Effect on important key ratios

The costs for LTI 2019 amount to approximately 0.9 percent of Tobii's revenues for the financial year 2018 and approximately 1.7 percent of Tobii's salary costs for the financial year 2018.

Dilution of existing shares and votes

Based on the number of shares and votes outstanding in the company, LTI 2019 implies, upon exercise of all 1,260,000 warrants in Series 1, Series 2A and Series 2B, a full dilution corresponding to approximately 1.28 percent of the total number of shares and votes outstanding in the company. In this context, it should be noted that the total number of warrants in Series 2A and Series 2B will not exceed 600,000 warrants which depends on the results from the employee stock options. If all outstanding incentive programmes in the company are included in the calculation, the corresponding maximum level of dilution at the time of the annual general meeting amounts to approximately 4.2 percent.

Information about Tobii's current incentive programmes is available in the annual report for the financial year 2018, note 8, and on the company's website, www.tobii.com.

The background and rationale for the proposal

The rationale for the proposal is to create opportunities to increase retention and motivation among strategic key employees of the group, and to increase the group's ability to attract top talent to strategic positions. The Board of Directors considers that the adoption of the incentive programme as described above is in the favour of the group and the shareholders in the company.

Preparation of the proposal

In accordance with guidelines provided by the Board of Directors, LTI 2019 has been prepared by the company's management team in consultation with external advisors and has been reviewed by the Compensation Committee in October and December 2018 and at the meeting of the Board of Directors held on 19 March and 3 April 2019 in Danderyd.

Majority Requirement

A resolution to approve LTI 2019 is valid only where supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the general meeting.

Proposal regarding issue of warrants in Series 1 (item 14 (b))

The Board of Directors proposes that the company shall issue not more than 1,000,000 warrants for subscription of shares, whereby the company's share capital may be increased by not more than SEK 7.256,933454, at full subscription corresponding to approximately 1.01 percent of the total share capital and the total number of votes in Tobii.

The right to subscribe for warrants for subscription only accrues to the subsidiary Tobii Technology Options AB, with the right and obligation to dispose of the warrants as described above. Each warrant entitles the holder to subscribe for one share. The warrants shall be issued free of charge to Tobii Technology Options AB. There can be no over-allotment.

Proposal regarding issue of warrants in Series 2A (item 14 (c))

The Board of Directors proposes that the company shall issue not more than 600,000 warrants for subscription of shares, whereby the company's share capital may be increased by not more than SEK 4.354,160072, at full subscription corresponding to approximately 0,61 percent of the total share capital and the total number of votes in Tobii.

The right to subscribe for warrants for subscription only accrues to the subsidiary Tobii Technology Options AB, with the right and obligation to dispose of the warrants as described above. Each warrant entitles the holder to subscribe for one share. The warrants shall be issued free of charge to Tobii Technology Options AB. There can be no over-allotment.

Proposal regarding issue of warrants in Series 2B (item 14 (d))

The Board of Directors proposes that the company shall issue not more than 600,000 warrants for subscription of shares, whereby the company's share capital may be increased by not more than SEK 4.354,160072, at full subscription corresponding to approximately 0,61 percent of the total share capital and the total number of votes in Tobii.

The right to subscribe for warrants for subscription only accrues to the subsidiary Tobii Technology Options AB, with the right and obligation to dispose of the warrants as described above. Each warrant entitles the holder to subscribe for one share. The warrants shall be issued free of charge to Tobii Technology Options AB. There can be no over-allotment.

The annual report, the auditor's report, any complete proposal to the general meeting and the auditor's statement whether the Board of Directors' guidelines for remuneration to key executives have been applied will not later than on 18 April 2019 be held available at the company's office at Karlsrovägen 2D, 182 53 Danderyd, Sweden, and will be sent to the shareholders who so request and inform the company of their postal address.

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.



Danderyd, April 2019
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The Board of Directors

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