

N.B. The below is an unofficial translation of the Swedish original, in case of any discrepancies between the Swedish original and the English translation the Swedish text shall prevail.

NOTICE OF ANNUAL GENERAL MEETING IN BALCO GROUP AB

The shareholders in Balco Group AB, reg. no. 556821-2319, are hereby invited to the Annual General Meeting, to be held on Tuesday 21 May 2019, at 3.00 pm at Kök 11, Honnörsgatan 15 in Växjö. Registration starts at 2.30 pm.

RIGHT TO ATTEND AND NOTIFICATION TO THE COMPANY

Shareholders who wish to attend the Annual General Meeting shall:

be registered in the shareholders' register maintained by Euroclear Sweden AB on Wednesday 15 May 2019, and

notify the Company of their intention to attend the meeting no later than Wednesday 15 May 2019 by mail to Balco Group AB, Annual General Meeting 2019, Box 191, 101 23 Stockholm or by telephone on +46 8 402 91 98.

The notification shall set forth the name/business name, personal identity/reg. number, address, telephone number (daytime), the number of shares held and, when applicable, the number of assistants (not more than two).

A shareholder's rights at the Annual General Meeting may be exercised by an authorized proxy with a dated power of attorney, which shall be in writing and signed by the shareholder. If the power of attorney is issued by a legal entity, a certified copy of a certificate of registration for that entity or equivalent certificate of authority must be enclosed to it. The power of attorney, certificate of registration and other certificates of authority should be submitted to the Company to the above address in due time prior to the meeting. A form of power of attorney is available on the Company's website www.balcogroup.se and can also be obtained at the Company's office or ordered by telephone according to the above.

Shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names to be entitled to participate in the meeting. Such registration, which can be temporarily, shall be executed by Euroclear Sweden AB no later than 15 May 2019, which means that the shareholder must inform the nominee of such request well before 15 May 2019.

PROPOSED AGENDA

1. Opening of the Annual General Meeting
2. Election of chairman for the Annual General Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Determination of whether the Annual General Meeting has been duly convened
7. Presentation of the annual report and the auditor's report as well as the consolidated accounts and the auditor's report on the consolidated accounts
8. Statement by the CEO and the auditor
9. Resolutions regarding:
 - a) adoption of the profit and loss statement and the balance sheet as well as the consolidated profit and loss statement and consolidated balance sheet;

- b) disposition of the Company's profits according to the adopted balance sheet and determination of the record day for dividends; and
 - c) discharge from liability for the members of the Board of Directors and the CEO for the financial year 2018
10. The Nomination Committee's statement regarding its proposals for the Annual General Meeting and the Nomination Committee's justified statement regarding their proposal of election of Board members
 11. Determination of the number of Board members
 12. Determination of the number of auditors
 13. Determination of remuneration to the Board members
 14. Determination of remuneration to the auditor
 15. Election of Board members and chairman
 16. Election of auditor
 17. Resolution on guidelines for remuneration to senior executives
 18. Resolution on issue authorisation for the Board of Directors
 19. Resolution regarding:
 - a) authorization for the Board of Directors to resolve on acquisition of own shares; and
 - b) authorization for the Board of Directors to resolve on transfer of own shares
 20. Closing of the Annual General Meeting

THE NOMINATION COMMITTEE

The Nomination Committee ahead of the Annual General Meeting has consisted of the following members: Gabriel Urwitz, appointed by Segulah IV L.P. (chairman of the Nomination Committee), Lennart Björkman, appointed by Skandrenting AB, Carl-Mikael Lindholm, appointed by Carl-Olof och Jenz Hamrin's Foundation, Marianne Flink, appointed by Swedbank Robur, and Lennart Kalén, Balco's chairman.

THE BOARD OF DIRECTORS' AND THE NOMINATION COMMITTEE'S PROPOSALS

Proposal under item 2: Election of chairman of the Annual General Meeting

The Nomination Committee proposes Lennart Kalén, Balco's chairman, as chairman of the Annual General Meeting.

Proposal under item 9b: Disposition of the Company's profits according to the adopted balance sheet

The Board of Directors proposes a dividend of SEK 2.00 per share, equivalent to a total of SEK 42,857,546.

The proposed record date for the dividend is 23 May 2019. If the Annual General Meeting approves the proposal, the dividend is expected to be paid through Euroclear Sweden AB on Tuesday 28 May 2019.

Proposal under item 11: Determination of the number of Board members

The Nomination Committee proposes that the Board of Directors, for the period until the end of the next Annual General Meeting, shall consist of six members, without deputies.

Proposal under item 12: Determination of the number of auditors

The Nomination Committee proposes that the number of auditors, for the period until the end of the next Annual General Meeting, remains unchanged and that there shall be one auditor, without deputies.

Proposal under item 13: Determination of remuneration to the Board members

The Nomination Committee proposes, for the period until next Annual General Meeting, remuneration on a yearly basis as follows:

- (i) SEK 500,000 to the chairman of the Board of Directors;
- (ii) SEK 190,000 to each of the other members of the Board of Directors;
- (iii) SEK 70,000 to the chairman of the Audit Committee;
- (iv) SEK 40,000 to each of the other members of the Audit Committee;
- (v) SEK 40,000 the chairman of the Remuneration Committee; and
- (vi) SEK 25,000 to each of the other members of the Remuneration Committee.

Proposal under item 14: Determination of remuneration to the auditor

The Nomination Committee proposes that remuneration to the auditor shall be paid in accordance with the approved bill.

Proposal under item 15: Election of Board members and chairman

The Nomination Committee proposes, for the period until the end of the next Annual General Meeting, re-election of Ingalill Berglund, Tomas Johansson, Carl-Mikael Lindholm, Johannes Nyberg and Åsa Söderström Winberg as Board members and election of Mikael Andersson.

Mikael has had a long career within Asea/ABB AB, Saint Gobain, Trelleborg AB (currently part of Nordic Waterproofing) as well as PMC Group AB. Mikael Andersson was born in 1955 and holds a degree in engineering from the Faculty of Engineering, Lund University. Mikael Andersson currently has no other Board assignments.

The chairman of the Board of Directors Lennart Kalén and member of the Board member Percy Calissendorff have declined re-election.

Tomas Johansson is proposed to be elected as chairman of the Board of Directors.

The Nomination Committee makes the assessment that Mikael Andersson, with his broad industrial background from senior positions in several international companies as well as his long career as a CEO, will bring valuable expertise to the work of the Board of Directors.

A full presentation of the Nomination Committee's proposed Board members is available on the Company's website www.balcogroup.se.

Proposal under item 16: Election of auditor

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, for the period until the end of the next Annual General Meeting, re-election of the authorized accounting firm Öhrlings PricewaterhouseCoopers ("**PwC**") as the Company's auditor. PwC has notified that, if the Annual General Meeting approves the Nomination Committee's proposal, the authorized auditor Martin Odqvist will be auditor in charge.

Proposal under item 17: Resolution on guidelines for remuneration to senior executives

The Board of Directors proposes guidelines for remuneration to senior executives, which in all essential parts are equivalent to last year's guidelines, as follows:

Guidelines for remuneration to the senior executives

The senior management, which consists of nine people and the CEO, are regarded as senior executives. The guidelines' purpose is to ensure that Balco can attract, motivate and retain senior executives. The aim of the remuneration is to be competitive in comparison with prevailing market standards and at the same time in accordance with the shareholders' interests. The remuneration to senior executives shall consist of fixed and variable remuneration, the opportunity to participate in a long-term incentive program as well as pension contributions. These components shall together create a well-balanced remuneration, which reflects individual competence, responsibility and performance, both short-term and long-term, as well as the Company's total performance.

Fixed and variable remuneration

The fixed remuneration shall be competitive in comparison with prevailing market standards and shall be based on the individual senior executive's competence, responsibility and performance.

Senior executives shall be able, in addition to fixed remuneration, to receive variable remuneration. Such variable remuneration may not exceed 50 per cent of the fixed remuneration. The variable remuneration shall be based on pre-defined and documented financial and individual targets.

Other benefits and pension

The Group offers other benefits to the senior executives in accordance with local practice. Such other benefits can for example consist of a company car and health services. When applicable, accommodation is offered during a limited time.

The senior executives shall be offered pension contributions in line with market terms in the country where they are employed. Pension obligations are secured through payments of premiums to insurance companies.

Deviations from the guidelines

In special circumstances, the Board of Directors may deviate from the above guidelines, for example in relation to additional variable remuneration after exceptional achievements. In such a case, the Board of Directors is obligated to give account for the reason for the deviation at the following Annual General Meeting.

Notice periods and severance compensation

For the CEO a notice period of twelve months applies in case of termination by the Company and six months in the case of termination by the CEO. The CEO is bound by a non-competition clause, which is valid for two years after the termination. For the other senior executives, the mutual notice period is between three and twelve months.

Proposal under item 18: Resolution on issue authorisation for the Board of Directors

The Board of Directors proposes that the Annual General Meeting shall decide to authorize the Board of Directors to, at one or several occasions until the next Annual General Meeting, resolve to issue, with or without preferential rights for the

shareholders, against payment in cash, payment in kind or payment through set-off, shares or share warrants or convertibles referring to such shares, signifying an increase or potential increase of the Company's share capital with a maximum of ten (10) per cent or 2,142,877 shares.

The purpose of the authorization and the reasons for a possible deviation from the shareholders' preferential rights is that new issues of shares shall be able to occur to finance company acquisitions or to finance further growth in the Company in other ways.

Proposal under item 19 (a) Resolution regarding authorization for the Board of Directors to resolve on acquisition of own shares

The Board of Directors proposes that the Annual General Meeting shall decide to authorize the Board of Directors to, on the following terms, acquire own shares in the share class that, at the time of the authorization, is admitted to trading on Nasdaq Stockholm.

Any shares purchased shall be purchased on Nasdaq Stockholm. The authorization may be utilized on one or several occasions during the period until the next Annual General Meeting. The number of shares that may be acquired shall not exceed a number implying that the Company's total shareholding of own shares after acquisition corresponds to more than 10 per cent of all shares in the Company at any time. The shares in the Company on Nasdaq Stockholm shall be acquired only within the price range, i.e. the spread between the highest purchase price and the lowest selling price.

The purpose of the authorization to acquire own shares is to enable an improvement of the Company's capital structure and to give the Board of Directors an increased scope of action in relation to future company acquisitions by facilitating a fast and cost-effective financing through the disposition of own shares.

Proposal under item 19 (b) Resolution regarding authorization for the Board of Directors to resolve on transfer own shares

The Board of Directors proposes that the Annual General Meeting shall decide to authorize the Board of Directors to, on the following terms, resolve on transfers of own shares in the share class that, at the time of the utilization of the authorization, is admitted to trading on Nasdaq Stockholm.

Transfers of own shares may be carried out on Nasdaq Stockholm or by other means. The authorization may be utilized on one or several occasions during the period until the next Annual General Meeting. Transfers of own shares may be made without preferential rights for the shareholders. The maximum number of shares that may be transferred is the total number of own shares held by the company at the time of the Board of Directors' resolution to transfer the shares. Transfers made on Nasdaq Stockholm shall be carried out at a price within the price range, i.e. the spread between the highest purchase price and the lowest selling price. Transfer of own shares in another manner shall be made at a minimum price that shall be determined in close connection with the shares' quoted price at the time of the Board's resolution to transfer the shares. Payment for own shares that are transferred can be made in cash, in kind or through set-off. The Board of Directors is entitled to determine the other terms and conditions of the transfer which, however, shall be in accordance with the market practice.

The purpose of the authorization to acquire own shares and transfer own shares and the reason for the deviation from the shareholders' preferential rights is to enable an improvement of the Company's capital structure and to give the Board of Directors an increased scope of action in relation to future company acquisitions by facilitating a fast and cost-effective financing through the disposition of own shares.

NUMBER OF SHARES AND VOTES

The total number of shares and votes in the Company, at the time of issue of the notice, is 21,428,773. The Company does not possess shares that cannot be represented at the Annual General Meeting.

SHAREHOLDERS' RIGHT TO REQUEST INFORMATION

The Board of Directors and the CEO shall, if requested by a shareholder and if the Board of Directors considers that it can be done without significant harm to the Company, at the Annual General Meeting, provide information about circumstances that may affect the assessment of an item on the agenda and about circumstances that may affect the assessment of the Company's or the subsidiary Company's financial situation, the consolidated accounts as well as the Company's relation to another group company.

PROCESSING OF PERSONAL DATA

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

AVAILABLE DOCUMENTS

Accounts, the auditor's report, complete proposals and required statements of the Board of Directors as well as other documents that shall be provided prior to the Annual General Meeting according to the Companies Act and the Swedish Code of Corporate Governance, will be available at the Company's office and on the Company's website, www.balcogroup.se, at the latest on Tuesday 30 April 2019 and will also be sent free of charge to the shareholders who make a request to that effect and provide their postal address.

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Växjö in April 2019
Balco Group AB (publ)
The Board of Directors