



Notice to annual general meeting in Sinch AB (publ)

Stockholm, Sweden – Sinch AB (publ) – XSTO: SINCH

The shareholders of Sinch AB (publ) (“**Sinch**” or the “**Company**”) are hereby summoned to the annual general meeting on Tuesday 18 May 2021.

In order to prevent the spread of the coronavirus infection (COVID-19), the board has decided that the annual general meeting shall be held without physical presence of shareholders, proxies and/or external parties and that the shareholders shall have the opportunity to vote by post prior to the general meeting.

Shareholders will have the opportunity to ask questions in writing prior to the annual general meeting, see further under the heading “Shareholders’ right to request information” below.

Right to attend the annual general meeting

Shareholders who wish to attend the annual general meeting must:

- be registered in the share register kept by Euroclear Sweden AB on Friday 7 May 2021 or, if the shares are registered in the name of a nominee, request that the shares are registered in the shareholder’s own name for voting purposes by the nominee not later than on Tuesday 11 May 2021, and
- notify their intention to participate by having submitted a postal vote in accordance with the instructions under the heading “Voting by post” below in such manner that Computershare AB has received the postal vote by Monday 17 May 2021, at the latest. Please note that a notification to attend the annual general meeting can only be done by a postal vote.

Shareholders with nominee-registered shares held via a bank or other nominee must request the nominee to register them in the shareholder’s own name in the share register kept by Euroclear Sweden AB in order to participate in the annual general meeting. As set out above, the nominee must have performed such registration with Euroclear Sweden AB by Tuesday 11 May 2021. Therefore, the shareholder must contact its nominee well in advance of such day and re-register its shares in accordance with the nominee’s instructions.

Voting by post

The board has decided that the shareholders shall have the opportunity to exercise their voting rights by a postal vote pursuant to Sections 20 and 22 of the Swedish Act (2020:198) on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations. When voting by post, the shareholder shall use the voting form and follow the Company’s instructions that are available on the Company’s website: www.sinch.com and at the Company’s offices, Lindhagensgatan 74, SE-112 18, Stockholm. A completed and signed voting form should be sent by mail to Computershare AB, “AGM of Sinch AB”, Box 5267, SE-102 46 Stockholm. Completed forms must be received by Computershare AB by Monday 17 May 2021, at the latest. The completed and signed form may alternatively be submitted electronically and is then to be sent to info@computershare.se. Shareholders can also submit their postal votes electronically with BankID through the Company’s website: www.sinch.com. If the shareholder votes by proxy, a written and dated power of attorney shall be enclosed with the voting form. Proxy form is available upon request and on the Company’s website: www.sinch.com. If the shareholder is a legal entity, a certificate of incorporation or other authorization document shall be enclosed with the voting form.

Shareholders are not allowed to include special instructions or conditions in the postal vote. If special instructions or conditions are included, such postal vote becomes invalid. Further information and conditions can be found in the voting form.

Proposed agenda

1. Opening of the meeting
2. Appointment of chairman of the meeting
3. Election of one or two persons to verify the minutes
4. Preparation and approval of the voting list



5. Approval of the agenda
6. Determination that the meeting has been duly convened
7. Presentation of the annual report and the auditors' report as well as the consolidated annual report and the auditors' group report
8. Resolution on:
 - 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) appropriation of the Company's profit or loss according to the adopted balance sheet; and
 - c) discharge from liability towards the Company of the members of the board of directors and the CEO (including deputy CEO)
9. Resolution on the number of members of the board of directors and deputy members as well as auditors and deputy auditors
10. Resolution on remuneration to the board of directors and the auditors
11. Election of members of the board of directors, chairman of the board of directors and auditors
12. Resolution on the principles for the nomination committee and instructions for the nomination committee
13. Resolution on guidelines for compensation to senior executives
14. Resolution on approval of the remuneration report
15. Resolution on authorization for the board of directors to resolve on new issues of shares
16. Resolution on share split and amendment to the articles of association
17. Resolution on incentive program 2021 and issue of warrants and employee stock options
18. Closing of the meeting

Appointment of chairman of the meeting (item 2)

The Company's nomination committee, consisting of Jonas Fredriksson (who represents Neqst D2 AB), Ulrik Grönvall (who represents Swedbank Robur Fonder), Tomas Risbecker (who represents AMF Pension & Fonder), Marcus Lüttgen (who represents Alecta) and Erik Fröberg (chairman of the board of directors) proposes that the chairman of the board Erik Fröberg, or, in his absence, the person designated by the nomination committee, is appointed as chairman of the annual general meeting.

Election of one or two persons to verify the minutes (item 3)

The board of directors proposes Jonas Fredriksson, who represents Neqst D2 AB or, in his absence, the person designated by the board of directors, as, in addition to the chairman, person to verify the minutes. Also, such assignment includes verifying the voting list and that the received postal votes are correctly reflected in the minutes.

Preparation and approval of the voting list (item 4)

The voting list that is proposed to be approved under item 4 on the agenda is the voting list that Computershare AB has prepared, on behalf of the Company, based on a share register reflecting the shareholdings in the Company as of Friday 7 May 2021 and voting registrations of shares registered in the name of a nominee made not later than on Tuesday 11 May 2021 and received postal votes and which has been verified and approved by the persons to verify the minutes.

Proposal for the appropriation of the Company's profit or loss according to the adopted balance sheet (item 8 b)

The board of directors proposes that no dividend is paid for the financial year 2020.



Resolution on the number of board members and auditors, remuneration to the board members and auditors and election of the chairman of the board, other board members and auditors (items 9–11)

The nomination committee proposes that the board of directors shall consist of six members, elected by the general meeting, with no deputy members and that the Company, in accordance with the recommendations of the Audit Committee, shall have a registered accounting company as auditor.

The nomination committee proposes that the remuneration shall be paid with SEK 700,000 to each of the members of the board of directors who are not employed by the Company and with SEK 1,500,000 to the chairman of the board of directors.

Remuneration shall be paid with SEK 100,000 to each of the members of the audit committee and with SEK 250,000 to the chairman of the audit committee.

Remuneration shall be paid with SEK 50,000 to each of the members in the remuneration committee and with SEK 100,000 to the chairman of the remuneration committee.

The nomination committee proposes re-election of Erik Fröberg, Renée Robinson Strömberg, Johan Stuart, Björn Zethraeus and Bridget Cosgrave and election of Luciana Carvalho as new member of the board of directors. The nomination committee proposes that Erik Fröberg shall be re-elected as chairman of the board of directors.

A closer presentation of the proposed board members (including the nomination committee's evaluation on independence) can be found on <https://investors.sinch.com/>.

The nomination committee proposes, in accordance with the recommendations of the Audit Committee, re-election of the registered accounting company Deloitte AB as the Company's auditor and that remuneration to the auditor is paid in accordance with approved invoices.

Resolution on the principles for the nomination committee and instructions for the nomination committee (item 12)

The nomination committee proposes that the election of the nomination committee for the 2022 annual general meeting shall be made according to the following model.

The general meeting assigns the chairman of the board of directors to contact the four largest shareholders or owner groups in terms of votes (including both directly registered shareholders and custodian registered shareholders), based on Euroclear Sweden AB's extract of the share register as of 30 September 2021, of which each will appoint one representative to, in addition to the chairman of the board of directors, constitute the nomination committee until a new nomination committee is appointed in accordance with the instructions of the annual general meeting 2022. If any of the four largest shareholders or owner groups decline to exercise the right to appoint a representative, the fifth largest shareholder or owner group shall be given the opportunity to exercise such right, and so on until the nomination committee consists of five members.

The majority of the members of the nomination committee shall be independent in relation to the Company and the Company's management. At least one of the members of the nomination committee shall be independent in relation to the Company's largest shareholder or group of shareholders, in terms of votes, working together with the administration of the Company. The CEO or any another member of the Company's management must not be a member of the nomination committee. Members of the board of directors may be appointed to the nomination committee but are not to constitute a majority of its members. If more than one member of the board of directors is appointed to the nomination committee, no more than one member may be dependent in relation to the Company's larger shareholders.

The nomination committee appoints the chairman of the committee among themselves. The chairman of the board of directors or any other member of the board of directors may not be the chairman of the nomination committee. The composition of the nomination committee must be announced no later than six months prior to the 2022 annual general meeting.

If earlier than two months prior to the annual general meeting, one or more of the shareholders having appointed representatives to the nomination committee is/are no longer among the four largest shareholders, representatives appointed by these shareholders shall resign and the shareholders who then are among the four largest shareholders may appoint their representatives. Should a member resign from the nomination committee before its work is completed and the nomination committee considers it necessary to replace him or her, such substitute member is to represent the same shareholder or, if the shareholder is no longer one of the four largest shareholders,



the next largest shareholder in turn, in accordance with the principles above, but based on Euroclear Sweden AB's transcription of the share register as soon as possible after the date the representative left the committee. Changes to the composition of the nomination committee must be announced immediately.

Remuneration shall not be paid to the members of the nomination committee. The Company shall, however, pay any necessary expenses that the nomination committee may incur in its work. The term of office for the nomination committee ends when the composition of the following nomination committee has been announced.

The nomination committee shall fulfil the tasks set out in the Swedish Corporate Governance Code and shall present proposals for the following resolutions at the annual general meeting:

- a) proposal for chairman of the meeting;
- b) proposal for the board of directors;
- c) proposal for chairman of the board of directors;
- d) proposal for auditors;
- e) proposal for remuneration for the board of directors, divided between the chairman and the other members of the board of directors and any remuneration for work in the committees;
- f) proposal for remuneration for the Company's auditors;
- g) proposal for principles for appointing a nomination committee for the annual general meeting; and
- h) proposal for amendments of the instructions for the nomination committee.

The nomination committee has the right, at Sinch's expense, to engage external consultants whom the nomination committee considers necessary to fulfil its task.

Resolution on guidelines for compensation to senior executives (item 13)

The board of directors proposes the following guidelines for compensation to senior executives. These guidelines do not apply to any remuneration decided or approved by the general meeting.

The members of the senior executives' team are the members of the board of directors of the Company who have entered into an employment agreement with the Company or a group Company, the CEO, deputy CEO (if applicable) and other members of the senior executives' team who report to the before mentioned persons. The senior executives' team in the Company currently comprises eleven senior executives, including the CEO.

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. Compensation to the CEO and other senior executives must therefore reflect Sinch's need to recruit and motivate qualified employees by means of compensation packages perceived as fair and competitive. The board of directors is empowered to depart from the guidelines below if in a specific case there is a special cause for the deviation and a deviation is necessary to serve the Company's long-term interests, including sustainability, or to ensure the Company's financial viability.

In the preparation of the board of directors' proposal for these guidelines for compensation to the CEO and other senior executives, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, in the board of directors' basis of decision.

Compensation consists of the following components:

- Fixed base pay
- Short- and long-term variable pay
- Pension benefits
- Other benefits
- Pay during period of notice of termination or resignation



FIXED BASE PAY

The fixed base pay must be market based and reflect the employee's position, qualifications, experience and individual performance.

SHORT-TERM VARIABLE PAY

Short-term variable pay must be measured against predefined financial performance targets. Non-financial objectives may also be used to sharpen focus on achieving the Company's strategic plans. Objectives must be specific, clear, measurable, subject to deadlines and adopted by the board of directors. They shall further be designed to contribute to the Company's business strategy, long-term interests and sustainability. To which extent the criteria for awarding variable remuneration has been satisfied shall be evaluated/determined when the relevant measurement period has ended.

The Remuneration Committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO and other senior executives. However, for variable remuneration to other executives, the CEO is responsible for the evaluation. Levels and targets for variable pay are suggested annually by the CEO for other senior executives and approved by the board of directors. Levels and targets for the CEO are defined by the board of directors. Short-term variable pay may not exceed 30 percent of the fixed base pay, as management compensation should be focused on long term incentives.

LONG-TERM VARIABLE PAY

Long-term variable pay may encompass share-related incentive programs. These guidelines do not apply to remuneration decided or approved by the general meeting. Accordingly, these guidelines do not apply to the Company's share-related incentive programs LTI 2016, LTI 2018, LTI 2019, LTI 2020, LTI II 2020 and the proposed LTI 2021. Each year, the board of directors evaluates whether a long-term share-related incentive program should be proposed to the annual general meeting. The purpose of offering a share-related incentive program is to ensure that the interests of senior executives coincide with those of the Company's shareholders. Individual, long-term ownership among key individuals can be expected to stimulate keener interest in the business and its profitability, increase motivation, and enhance the sense of belonging with the Company and thereby contribute to the Company's business strategy, long-term interests and sustainability. Long-term share-related incentives also helps to retain and attract when recruiting new executives.

MARKET BASED COMPENSATION

The Company has acquired high quality benchmark data from third party sources to secure that compensation to the CEO and other senior executives reflects what is offered to executives in comparable positions in other companies. Market rate is also secured through recruitment processes, in the cases where executives are recruited externally.

PENSIONS

Pension benefits for the CEO and other senior executives must reflect customary market terms, compared with that which generally applies to executives in comparable positions in other companies, and should normally be based upon defined contribution pension plans. Retirement occurs at the relevant/applicable retirement age. Pension benefits may not exceed 35 percent of the fixed base pay to the extent higher contributions follows from an applicable collectively agreed pension plan.

OTHER BENEFITS

Other employee benefits may, among other things, consist of health insurance and fitness/wellness programs. The costs for such benefits may not exceed 6 percent of the fixed base pay.

PAY DURING PERIOD OF NOTICE

As a general rule, employment agreements entered into between the Company and senior executives shall be on an indefinite basis. If the Company terminates the CEO's employment, the period of notice shall be a maximum of six months. If the CEO resigns, the period of notice shall be six months. A period of notice applies between the Company and other senior executives of three to six months, whether the employee resigns or is terminated. Fixed base pay and any severance pay during a period of notice shall not exceed an amount equivalent to the fixed base pay for one year.



COMPENSATION TO COMPANY FOUNDERS

Compensation to founders of the Company is subject to approval by the board of directors. Founders are excluded from the requirement of market-based pay, i.e. their compensation and benefits may be below market, as they are compensated through their ownership in the Company.

Compensation consists of the following components:

- Fixed base pay
- Pension benefits
- Additional vacation entitlement
- Pay during period of notice of termination or resignation

If a founder is temporarily covering another management position, the founder will be compensated during this period with a base pay equal to the person in the management team with the lowest salary at the time, excluding other founders.

APPROVAL

Changes in terms, conditions and compensation to the CEO is subject to approval from the Chairman of the board of directors. Day to day costs such as travel expenses for the CEO are approved by the CFO, and quarterly summaries are sent to the Chairman of the board of directors. New recruitments, salary changes and other significant changes for other senior executives than the CEO are subject to approval from the Chairman of the board of directors, whereas minor adjustments, and day to day costs are approved by the CEO. Payout of fixed base pay is prepared by local payroll departments and are approved before payout by the local HR representative. Payout of short-term variable pay is subject to approval from the CEO as regards other senior executives and from the Chairman of the board of directors as regards the CEO. Eligibility for share-related incentive program must be approved by the board of directors based on the proposal approved at the general meeting.

CONTROLS AND DECISION-MAKING PROCESS

The Company has a Remuneration Committee which consists of two members of the board of directors. The Chairman of the board of directors is also Chairman of the Remuneration Committee.

The Remuneration Committee shall, in relation to the board of directors, have a preparatory function in respect of principles for remuneration, remuneration and other terms of employment regarding the senior executives. Consequently, the Remuneration Committee shall prepare a proposal in respect of guidelines for compensation to senior executives, which the board of directors shall present to, and which shall then be resolved upon by the annual general meeting. The Remuneration Committee shall also evaluate the application of the guidelines resolved upon by the annual general meeting.

The board of directors shall at least every fourth year or upon material changes to the guidelines make a proposal on guidelines to be resolved by the annual general meeting.

The guidelines shall be applied in relation to every commitment on compensation to senior executives and every change in such commitment, which is resolved after the annual general meeting at which the guidelines were adopted. Thus, the guidelines have no impact on already pre-existing contractually binding commitments. Guidelines resolved upon may also be amended by way of a resolution by any other general meeting.

Further, the Remuneration Committee shall, within the scope of the guidelines resolved upon by the annual general meeting, prepare proposals regarding remuneration to the CEO and other senior executives. The Remuneration Committee shall annually evaluate the CEO's performance.

Further, the Remuneration Committee shall observe and evaluate programs for variable compensation to the senior executives which are ongoing or finished during the year as well as the Company's current remuneration structure and remuneration levels. Furthermore, the Remuneration Committee shall annually prepare a remuneration report regarding the compensation to the senior executives. The remuneration report shall be made available to the share-holders on the Company's website by the Remuneration Committee no later than three weeks prior to the annual general meeting. Within the scope and on the basis of the guidelines, the board of directors shall annually decide on the specific revised remuneration terms for



each senior executive and make such other decisions on compensation to senior executives that may be required. The CEO or other senior executives shall not participate in the Remuneration Committee's and the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Compliance with guidelines is controlled annually through the following activities:

- Collection of documented annual targets for short-term variable pay
- Random samples of salary payout approvals
- Sample reports from payroll systems to identify any out of the ordinary payouts

The results of the controls are summarized and reported to the Remuneration Committee.

Resolution on approval of the remuneration report (item 14)

The board of directors proposes that the annual general meeting resolves to approve the remuneration report pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

Resolution on authorization for the board of directors to resolve on new issues of shares (item 15)

The board of directors proposes that the meeting authorizes the board of directors to, on one or several occasions, until the next annual general meeting, resolve on new issues of shares to be paid in cash, in kind or by way of set-off or otherwise on terms and conditions and that such new issue can be performed with deviation from the shareholders' preferential rights. The issues are to be performed on market conditions, taking into account any discount on market terms. The reason for the authorization and the reason for the possible deviation from the shareholders' preferential rights is to enable capital raisings for the acquisition of companies, or parts of companies, and for the operations of the Company. The board of directors is entitled to resolve on share issues causing an increase of the Company's share capital of at most 20 percent of the Company's registered share capital at the time the board of directors first utilizes the authorization.

Resolution on share split and amendment to the articles of association (item 16)

The board of directors proposes that the annual general meeting resolves on a share split 10:1 whereby each share is divided into ten shares, and that § 5 in the Company's articles of association is amended so that the number of shares shall be no less than 250,000,000 and no more than 1,000,000,000. Following completion of the share split, the number of shares will change from 65,023,502 to 650,235,020 shares (based on the number of outstanding shares per the date of this notice) and the quota value of each share will be changed from SEK 0.1 to SEK 0.01.

The board of directors is authorized to determine the record date for the split of the Company's shares.

Proposed wording of § 5 in the Company's articles of association:

§ 5 Number of shares

The number of shares shall be no less than 250,000,000 and no more than 1,000,000,000.

Resolution on incentive program 2021 and issue of warrants and employee stock options (item 17)

Background and reasons

The Company has previously implemented a number of share-related incentive programs. In view of this, the board of directors proposes that the general meeting resolves to implement an additional long-term incentive program for senior executives and key employees within the Sinch group ("LTI 2021"). The proposal to implement an incentive program has been put forward as the board of directors determines that it is important and in the interest of all shareholders to create even greater participation for current and future senior executives and key employees within the group with regard to the group's development. It is also important to be able to attract talent over time, and to encourage continued employment.

In the light of the above, the board of directors proposes that the general meeting resolves to implement the LTI 2021 in accordance with item (a)–(c) below. The resolutions under item (a)–(c) below are proposed to be conditional upon each other and for that reason it is proposed that all resolutions are to be passed as one resolution. LTI 2021 is proposed to include up to approximately 360 current and future senior executives and key employees within the Sinch group.



Proposal regarding the adoption of LTI 2021 (item (a))

LTI 2021 comprises four (4) series. Series 1–3 consist of warrants (Sw. *teckningsoptioner*) to be transferred to employees within the Sinch group in Sweden. The warrants of series 1 have a term of approximately 3.3 years, the warrants of series 2 have a term of approximately four (4) years and the warrants of series 3 have a term of approximately five (5) years, and the holders are entitled to exercise the warrants to subscribe for shares during a period of three (3) months before the end of the term of each series of warrants. Series 4 of LTI 2021 comprise of employee stock options which will be granted to employees within the Sinch group outside Sweden.

The board of directors proposes that the general meeting resolves to issue not more than 33,000 warrants, of which not more than 11,000 warrants may be issued in series 1, not more than 11,000 warrants may be issued in series 2 and not more than 11,000 warrants may be issued in series 3. Further, not more than 290,000 warrants may be issued in order to secure delivery of shares upon exercise of stock options to participants in LTI 2021 series 4. The right to subscribe for the warrants of series 1–4 shall vest in the wholly-owned subsidiary Sinch Holding AB (the “**Subsidiary**”), which company shall transfer the warrants of series 1–3 to employees within the Sinch group in Sweden, and keep warrants of series 4 to ensure delivery of shares upon exercise of stock options within the frame of LTI 2021 series 4. Each warrant entitles the holder to subscribe for one (1) share in the Company. The warrants shall be issued without consideration to the Subsidiary.

Below is a description of the terms and conditions for each of the LTI 2021 series 1–4.

Series 1–3 – Warrants

The Subsidiary will transfer the warrants in series 1–3 to participants at a price corresponding to the market value of the warrants (the warrant premium).

Each warrant of series 1, 2 and 3, respectively, entitles the holder to subscribe for one (1) share in the Company during the call period for each respective series at an exercise price corresponding to 110 per cent, 120 per cent and 130 per cent, respectively, of the volume-weighted average price for the Company’s share on Nasdaq Stockholm during the period from and including 4 May 2021 up to and including 18 May 2021. However, the exercise price may not be less than the share’s quota value (currently SEK 0.1). Day without price quotation shall not be included in the calculation.

The call periods for exercising the warrants for subscription of shares under each series are according to the following:

- Series 1: from and including 17 June 2024 up to and including 17 September 2024;
- Series 2: from and including 17 March 2025 up to and including 18 June 2025; and
- Series 3: from and including 16 March 2026 up to and including 16 June 2026.

The issued warrants of series 1–3 shall, with deviation from the shareholders’ preferential rights, be subscribed for by the Subsidiary – a wholly owned subsidiary of the Company – whereafter the Subsidiary shall offer warrants to participants. The notification period, during which notice of acquisition of warrants shall be made by participants, shall indicatively start on 19 May 2021. Transfer of warrants series 1–3 to participants shall be made at a price corresponding to the market value of the warrants (the warrant premium) calculated according to an established method of valuation (the Black & Scholes valuation model) and determined in connection to the first day of the notification period. The board of directors of the Company shall be authorized to postpone the notification period during which notice of acquisition of warrants shall be made by participants. Warrants shall also be available to future new employees. For acquisitions made by future new employees, the terms shall be the same or equal to the terms that are set out in this resolution. This means, inter alia, that such acquisitions shall take place based on the, at that time, going market value of the warrants and that the board of directors shall set forth an equivalent notification period for new employees whose acquisition takes place after the initial notification period. The valuation of the warrants shall be made by an independent appraiser or audit firm.

Since the warrants are acquired by the participants at market value, there are no performance conditions that need to be fulfilled in order to be offered to acquire warrants or in order to exercise a warrant for subscription of shares. However, the Company will, in connection with the transfer of the warrants to the participants, reserve a pre-emption right regarding the warrants if the participant’s employment or assignment within the group is terminated or if the participant wishes to transfer its warrants.



Series 4 – Employee stock options (with warrants as hedging arrangement)

Each employee stock option series 4 entitles the employee to acquire one (1) share in the Company in accordance with the following terms and conditions:

- The employee stock options of series 4 will be granted without consideration.
- Employee stock options series 4 may be granted to employees of the Sinch group who work outside of Sweden.
- Each employee stock option of series 4 entitles the holder to acquire one (1) share in the Company at an exercise price equal to the fair market value of the share, as determined by the closing price of the Company's share on Nasdaq Stockholm on the last trading day immediately preceding the date of grant of each stock option (however, the exercise price may not be less than the shares' quota value (currently SEK 0.1)).
- Although the allocation of employee stock options is differentiated between employees with reference to inter alia position, responsibility and working performance in the group as well as participation in previously established incentive programs of the Sinch group, there are no defined performance conditions that need to be fulfilled in order to be granted employee stock options. However, the employee stock options of series 4 are subject to both performance and time based vesting requirements as set out below.
- Provided that the holder's employment within the Sinch group has not been terminated as of a vesting date, and that the applicable Performance Condition (as defined below) has been satisfied as of the applicable vesting date, the employee stock options of series 4 will vest on, and become exercisable soon after, (i) the first anniversary of the date of grant (the "**Initial Vesting Date**") with respect to 20 per cent of the total number of stock options granted to a participant, and (ii) the last day of each of the following 16 calendar quarters (each a "**Subsequent Vesting Date**"), with respect to an additional five (5) per cent at a time of the total number of stock options granted to a participant. The total vesting period, after which all granted stock options will have vested (as applicable), is five (5) years from the date of grant.
- In order for the stock options to vest, the Company's consolidated adjusted EBITDA per share must, during a measurement period of between four (4) and twelve (12) calendar quarters as is further described below, have increased by an average of at least ten (10) per cent, where the change is measured as the relative change in adjusted EBITDA per share compared to the same quarter in the previous year (the "**Performance Condition**"). The Performance Condition will initially, in respect of the Initial Vesting Date, be measured over a period of four (4) calendar quarters, starting with the calendar quarter ongoing at the date of grant, after which the measurement period will gradually be increased by one (1) calendar quarter at each Subsequent Vesting Date. The measurement period will however never exceed twelve (12) calendar quarters and will always end on the last day of the calendar quarter immediately preceding the respective vesting date.
- If the applicable Performance Condition is not satisfied as of a vesting date, the stock options concerned will remain unvested and will immediately be deemed forfeited without consideration.
- Upon vesting, unless the employee's employment within the Sinch group ends sooner, employee stock options of series 4 remain exercisable for a period of six (6) years from the date of grant.
- The detailed terms and conditions for participants in series 4 may differ between countries due to differences in local legislation, however the terms and conditions shall not be more favorable for participants than what is set out in this resolution proposal.



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

The exercise price for warrants series 1-3 as well as stock options series 4, determined as set out above, shall be rounded to the nearest SEK 0.1 whereby SEK 0.05 shall be rounded upwards. The exercise price and the number of shares that each warrant or stock option entitles to subscription of shall be recalculated in the event of a split, consolidation, new share issue etc. in accordance with customary re-calculation terms. Inter alia, if the share split that has been proposed by the board of directors is adopted by the 2021 annual general meeting, the number of shares that each warrant or stock option entitles to acquisition of, as well as the exercise price for each share subscribed by exercise of such warrant or stock option, will be recalculated after the effectuation of the share split.

Allocation of warrants and stock options, limitations in the disposition over the warrants and the right to receive warrants and employee stock options

The participants' right to acquire warrants or to be granted employee stock options is differentiated between employees with reference to inter alia position, responsibility and working performance in the group as well as participation in previously established incentive programs of the Sinch group, and the participants have for this reason been divided into two (2) different categories:

Category A – Members of the group management and selected key employees

Category B – Other personnel

A precondition for being entitled to acquire warrants, as regards employees in Sweden, is that the participant enters into a pre-emption agreement with the Company and that the participant acquires an equal number of warrants of series 1, 2 and 3, respectively. Pre-emption shall be made at market value, to the extent that it does not cause adverse tax consequences. The warrants are otherwise freely transferable. The right to receive employee stock options of series 4 shall vest in employees of the Sinch group outside of Sweden. The following allocation principles apply to the grant of warrants/stock options within each of the categories set out above.

	Maximum number of warrants/stock options for each participant	Total number of warrants/stock options within the category
Category A – not more than ten (10) people	20,000	50,000
Category B – not more than 350 people	5,000	273,000

In the event that all warrants and/or stock options within category A are not transferred after the initial notification period, such non-transferred warrants/stock options may be offered to employees in category B, and in the event that all warrants and/or stock options within category B are not transferred after the initial notification period, such non-transferred warrants/stock options may be offered to employees in category A. The maximum number of warrants and/or stock options per person within each category as set out above may however not be exceeded for any individual.

The Company's board members, nor the founders, shall be eligible to participate in LTI 2021.

Proposal regarding issue of warrants series 1-3 (item (b))

The board of directors proposes that the Company shall issue not more than 33,000 warrants for subscription of shares, whereof not more than 11,000 warrants in series 1, not more than 11,000 warrants in series 2 and not more than 11,000 warrants in series 3, whereby the Company's share capital may be increased by not more than SEK 3,300.0 at full exercise of the warrants for subscription of shares, corresponding to approximately 0.05 per cent of the share capital in the Company as of the day of this resolution proposal.

The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, only vest in the Subsidiary, with the right and obligation to dispose of the warrants as described further above.



Each warrant entitles the holder to subscribe for one (1) share in the Company. The warrants will be issued without consideration to the Subsidiary.

In order to fulfil the commitments arising from LTI 2021, the board of directors proposes that the general meeting authorizes that the Subsidiary may assign warrants to a third party, or in another way dispose over the warrants, in accordance with the above.

The warrants series 1–3 will be governed by complete terms and conditions, including inter alia re-calculation provisions.

Proposal regarding issue of warrants series 4 (item (c))

The board of directors proposes that the Company shall issue not more than 290,000 warrants series 4, whereby the Company's share capital may be increased by not more than SEK 29,000.0 at full exercise of the warrants for subscription of shares, corresponding to approximately 0.45 per cent of the share capital in the Company as of the day of this proposal.

The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, only vest in the Subsidiary, with the right and obligation to dispose of the warrants as described further above. Each warrant entitles the holder to subscribe for one (1) share in the Company during the period from and including 18 May 2022 up to and including 18 May 2028, at an exercise price equal to the shares' quota value (currently SEK 0.1). The warrants shall be issued to the Subsidiary without consideration.

In order to fulfil the commitments arising from LTI 2021, the board of directors proposes that the general meeting authorizes that the Subsidiary may assign warrants to a third party, or in another way dispose over the warrants, in accordance with the above.

The warrants series 4 will be governed by complete terms and conditions, including inter alia re-calculation provisions.

Market value of warrants

Based on a market value of the underlying share of SEK 1,600.0, the market value of the warrants series 1–3 is, in accordance with a preliminary valuation made by PwC, SEK 353.8, SEK 352.5 and SEK 367.6 per warrant series 1, 2 and 3, respectively, assuming an exercise price of SEK 1,760.0, SEK 1,920.0 and SEK 2,080.0 per share. The Black & Scholes valuation model has been used for the preliminary valuation of the warrants, assuming a risk-free interest of -0.16, -0.09 and 0.00 per cent for each of the warrants series 1, 2 and 3 and an estimated volatility during the term of the warrants of approximately 36 per cent.

Costs

Given that the warrants of series 1–3 shall be transferred at a price corresponding to the market value of the warrants, the Company estimates that no social security costs will arise for the Company in connection with the transfer of warrants to the participants. Neither should any social security costs arise in connection to the exercise of the warrants.

The employee stock options series 4 are expected to incur accounting costs (accounted for in accordance with the accounting standard IFRS 2) as well as social security costs during the term of the stock options. According to IFRS 2, the employee stock option costs shall be recorded as a personnel expense in the income statement during the vesting period. The total costs for employee stock options series 4, calculated in accordance with IFRS 2, are estimated to amount to approximately SEK 145.0 million during the term of the program (excluding social security costs). The estimated costs have been calculated based on, inter alia, the following assumptions: (i) a market price of the Company's share of SEK 1,600.0 at the time of grant, (ii) an estimated future volatility in respect of the Company's share during the term of the stock options of 36 per cent, (iii) that the maximum number of stock options encompassed by this resolution proposal are granted to participants and (iv) that all granted stock options will vest and be exercised. Social security costs, which are expected to arise primarily in connection to the exercise of stock options, are estimated to amount to approximately SEK 20.7 million during the term of the program, based on inter alia the assumptions set out under items (i)–(iv) above as well as an average social security rate of 3.0 per cent and an annual increase in the market price of the Company's share of 20 per cent during the vesting period.

Other costs related to the LTI 2021, including inter alia expenses related to fees to external advisors, external appraiser and administration of the incentive program, are estimated to amount to approximately SEK two (2)



million during the term of the program.

Based on the assumptions set out above, the total costs of the LTI 2021 are estimated to approximately SEK 167.7 million in total during the term of the program. These costs shall be seen in relation to the total employee benefits expenses of the Sinch group, which during the financial year 2020 amounted to SEK 869.4 million.

Effect on important key ratios

If the LTI 2021 had been implemented in 2020 and if the company had had costs in accordance with the example and based on the assumptions set out in the section "Costs" above, the adjusted EBITDA per share during the financial year 2020 would have decreased by SEK 1.20, from SEK 34.21 pro forma to SEK 33.02. The IFRS 2 costs will be accounted for during the vesting period, in accordance with the graded vesting schedule. The result of the graded vesting schedule is that 46 per cent (approximately SEK 77.7 million) of the total costs will be accounted for during the first year. The calculation has been based on adjusted EBITDA per share pro forma for 2020, assuming that (i) the acquired companies ACL Mobile Limited, SAP Digital Interconnect (SDI) and Movile Internet Móvel S.A. and Wavy Global Holdings BV (Wavy), as well as Inteliquent (the acquisition of which has been signed but not yet closed), had been a part of Sinch during the entire year 2020 and (ii) including estimated positive synergies related to the acquisitions of SDI and Wavy.

If the LTI 2021 had been implemented in 2020 and if the total costs of the entire program of approximately SEK 167.7 million would have been accounted for during the financial year 2020, and otherwise based on the same assumptions as set out above, the adjusted EBITDA per share during the financial year 2020 would have decreased by SEK 2.58, from SEK 34.21 pro forma to SEK 31.63.

Dilution

Upon exercise of all warrants/stock options issued within the frame of LTI 2021, up to 323,000 shares (with reservation for any re-calculation) may be issued, equivalent to a maximum dilution of approximately 0.49 per cent of the shares and votes of the Company. Upon full exercise of the warrants, the Company's share capital will increase with SEK 32,300.0. Together with warrants and stock options which have been transferred or granted to participants in LTI 2016, LTI 2018, LTI 2019, LTI 2020 and LTI II 2020 and which have not yet been exercised for subscription or acquisition of shares as of the date of this resolution proposal, the maximum dilution will amount to approximately 4.58 per cent of the shares and votes of the Company. The dilution calculations have been based on the maximum number of shares and votes which may be issued upon exercise of the warrants and stock options, divided by the total number of shares and votes in the Company after such issues.

Motivation in respect of series 4 vesting and exercise conditions

According to recommendations laid down by the Swedish Corporate Governance Board (Sw. *Kollegiet för svensk bolagsstyrning*), the vesting period, or the period between the date of grant until the date when a warrant or stock option may be exercised, shall as a general rule not be shorter than three (3) years. As set out further above, vesting of employee stock options series 4 will start on the first anniversary of the date of grant of the stock options to participants, and on the third anniversary of the date of grant, up to 60 per cent of the employee stock options granted to a participant may have vested (provided that all applicable vesting conditions have then been fulfilled). Further, vested stock options become exercisable soon after they have vested. The reason for applying such terms, which are not in line with the recommendations of the Swedish Corporate Governance Board as set out above, is that the board of directors of the Company deem such terms to be in line with market practice for employee stock option programs in most of the countries where the intended participants in the LTI 2021 series 4 are operative. It is therefore, in the opinion of the board of directors of the Company, in the best interest of the Company and its shareholders to apply such terms in order to fulfil the objectives of the LTI 2021.

Preparation of the proposal

This proposal in respect of LTI 2021 has been prepared by the Company's remuneration committee and board of directors in consultation with external advisers.

The reason for the deviation from the shareholders' preferential rights

The reason for the deviation from the shareholders' preferential rights is to implement LTI 2021.



Majority requirement

A resolution to approve the present proposal is valid only where supported by shareholders holding not less than nine-tenths (9/10) of the votes cast as well as the shares represented at the general meeting.

Authorization

It is proposed that the board of directors, or a person appointed by the board of directors, shall be authorized to make such minor adjustments to this resolution that may be required for the registration with the Swedish Companies Registration Office (Sw. *Bolagsverket*) and Euroclear Sweden AB, and that the board of directors shall have the right to undertake minor adjustments to the incentive program due to applicable foreign rules and laws.

Outstanding incentive programs

The Company does have the following outstanding share-related incentive programs.

LTI 2016. An annual general meeting held on 5 December 2016 approved the board's proposal regarding an incentive program for key employees and resolution of issue of not more than 1,500,000 warrants and resolution of approving transfer of warrants. In total, 1,500,000 warrants were subscribed by the Subsidiary and 1,215,700 warrants and stock options have been acquired by or granted to participants, of which a number of warrants and stock options have been exercised (series 1, 2, 4 and 5) as of the date of this resolution proposal. No more warrants or employee stock options will be offered out of LTI 2016. The exercise price was set to SEK 127.67 per share. Upon exercise of all warrants and stock options which have been acquired by or granted to participants and which have, as of the date of this resolution proposal, not yet been exercised, a maximum of 334,499 shares will be issued in the Company, equivalent to a dilution of approximately 0.51 per cent.

LTI 2018. An annual general meeting held on 18 May 2018 approved the board's proposal regarding an incentive program for key employees and resolution of issue of not more than 1,500,000 warrants and resolution of approving transfer of warrants. In total, 1,500,000 warrants were subscribed by the Subsidiary and 1,380,920 warrants and stock options have been acquired by or granted to participants. No warrants or stock options under the LTI 2018 have been exercised as of the date of this resolution proposal, and no more warrants or employee stock options will be offered out of LTI 2018. The exercise price was set to SEK 91.30 per share. Upon exercise of all warrants and stock options which have been acquired by or granted to participants, a maximum of 1,380,920 shares will be issued in the Company, equivalent to a dilution of approximately 2.08 per cent.

LTI 2019. An annual general meeting held on 17 May 2019 approved the board's proposal regarding an incentive program for key employees and resolution of share issue of not more than 510,000 warrants and resolution of approving transfer of warrants. In total, 510,000 warrants were subscribed by the Subsidiary and 326,000 warrants and stock options have been acquired by or granted to participants. No warrants or stock options under the LTI 2019 have been exercised as of the date of this resolution proposal, and no more warrants or employee stock options will be offered out of LTI 2019. The exercise price was set to SEK 174.10 per share. Upon exercise of all warrants and stock options which have been acquired by or granted to participants, a maximum of 326,000 shares will be issued in the Company, equivalent to a dilution of approximately 0.50 per cent.

LTI 2020. An annual general meeting held on 15 May 2020 approved the board's proposal regarding an incentive program for senior executives and key employees and resolved to issue not more than 580,000 warrants and resolution of approving transfer of warrants. In total, 580,000 warrants were subscribed by the Subsidiary and 327,800 warrants and stock options have been acquired by or granted to participants. No warrants or stock options under the LTI 2020 have been exercised as of the date of this resolution proposal, and no more warrants or stock options will be offered out of LTI 2020. The exercise price of warrants and stock options series 1–6 was set to SEK 602 per share. As regards series 7, stock options have been granted at three different occasions; in June 2020, November 2020 and February 2021. Consequently, the exercise price for stock options series 7 (which shall equal to the fair market value of the share, as determined by the closing price of the Company's share on Nasdaq Stockholm on the last trading day immediately preceding the date of grant of each stock option) varies and has been set to SEK 624 per share, SEK 1,040 per share and SEK 1,422 per share, respectively. Upon exercise of all warrants and stock options which have been acquired by or granted to participants, a maximum of 327,800 shares will be issued in the Company, equivalent to a dilution



of approximately 0.50 per cent.

LTI II 2020. An extraordinary general meeting held on 27 November 2020 approved the board's proposal regarding an incentive program for senior executives and key employees and resolved to issue not more than 470,260 warrants and resolution of approving transfer of warrants. In total, 470,260 warrants were subscribed by the Subsidiary and 422,889 warrants and stock options have been acquired by or granted to participants. No warrants or stock options under the LTI II 2020 have been exercised as of the date of this resolution proposal, and no more warrants or stock options will be offered out of LTI II 2020. The exercise price has been set to SEK 1,361 per share subscribed by exercise of warrants series 1-3. As regards series 4, stock options have been granted at three different occasions; twice in November 2020 and once in February 2021. Consequently, the exercise price for stock options series 4 (which shall equal to the fair market value of the share, as determined by the closing price of the Company's share on Nasdaq Stockholm on the last trading day immediately preceding the date of grant of each stock option) varies and has been set to SEK 1,040 per share, SEK 1,206 per share and SEK 1,422 per share, respectively. Upon exercise of all warrants and stock options which have been acquired by or granted to participants, a maximum of 422,889 shares will be issued in the Company, equivalent to a dilution of approximately 0.65 per cent.

The dilution calculations above have been based on the maximum number of shares and votes which may be issued upon exercise of the warrants and stock options, divided by the total number of shares and votes in the Company after such issues (based on the total number of shares and votes outstanding as of the date of this resolution proposal).

Majority requirements

The resolutions under items 15 and 16, respectively, above are valid only if the resolutions are supported by shareholders representing at least two thirds (2/3) of the votes cast as well as of the shares represented at the annual general meeting. The resolution under item 17 above is valid only if the resolution is supported by shareholders representing at least nine tenths (9/10) of the votes cast as well as the shares represented at the meeting.

Available documents

The complete proposals, together with ancillary documentation, will be made available at the Company's offices, Lindhagensgatan 74, SE-112 18, Stockholm, in accordance with the requirements of the Swedish Companies Act and will be sent to shareholders who so request and who inform the Company of their mailing address. The documents will also be made available on the Company's website: www.sinch.com. All documents above will be presented at the annual general meeting.

A share register reflecting the shareholdings in the Company as of Friday 7 May 2021 and voting registrations of shares registered in the name of a nominee made not later than on Tuesday 11 May 2021 will be made available at the Company's offices, Lindhagensgatan 74, SE-112 18, Stockholm prior to the annual general meeting.

Shareholders' right to request information

At the meeting, shareholders have the right to information pursuant to Chapter 7, Section 32 of the Swedish Companies Act. A request for such information should be made in writing to Sinch AB (publ), Attn. Ola Hanson or by e-mail to ola.hanson@sinch.com at the latest on Saturday 8 May 2021. Requested information will be made available at the Company's offices, Lindhagensgatan 74, SE-112 18, Stockholm and at www.sinch.com by Thursday 13 May 2021, at the latest. Within the same time, the information will also be sent to the shareholder that has requested it and provided an address.

Processing of personal data

For information on how personal data is processed in connection with the general meeting, see the privacy notices of Euroclear Sweden AB and Computershare AB available on their respective websites, www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf. and www.computershare.com/se/gm-gdpr.



Other information

The Company has, per the date of this notice, 65,023,502 outstanding shares and votes. The Company holds, per the date of this notice, no treasury shares.

Stockholm in April 2021
Sinch AB (publ)
The board of directors