

PROPOSAL BY THE BOARD OF DIRECTORS OF NOBIA AB (PUBL) REGARDING THE INTRODUCTION OF A PERFORMANCE SHARE PLAN AND TRANSFER OF SHARES UNDER THE PLAN

The Board of Directors proposes that the Annual General Meeting resolves on the introduction of a performance share plan for Nobia AB (publ) ("Nobia") and on the transfer of shares under the plan according to item A) and B) below.

A) INTRODUCTION OF PERFORMANCE SHARE PLAN

1.1 Background

Based on resolutions of Annual General Meetings in Nobia during 2005-2011 approximately 100-200 senior managers have annually been offered the opportunity to participate in long term incentive plans based on employee share options.

Following an evaluation of the previous incentive plans, the Board of Directors now proposes a new long term incentive plan based on shares instead of employee share options ("Performance Share Plan 2012"). As part of the Performance Share Plan 2012, a requirement will also be introduced, in contrast with the previous plans, for the participant to acquire Nobia shares.

1.2 Performance Share Plan 2012 in brief

The fundamental reasons for the Performance Share Plan 2012 are the same as for the previous incentive plans of Nobia. By way of a share based incentive plan, the employees' reward can be linked to the company's future earnings and value growth. The long-term value growth is thereby rewarded and shareholders and the employees concerned will have the same objective. Share based incentive plans create a group-wide focus for the concerned employees throughout the Group and thereby encourage actions with a long-term view. It is also considered that incentive plans facilitate the company's recruitment and retention of senior managers, particularly outside of Sweden, where approximately 90 percent of the Nobia Group's staff are employed.

The Performance Share Plan 2012 comprises of approximately 100 employees consisting of senior managers and employees with senior positions within the Nobia Group. To participate in the plan, a personal investment in Nobia shares is required. After the vesting period, the participants will be allocated shares in Nobia free of charge, provided that certain conditions are fulfilled. In order for so-called matching share rights to entitle the participant to receive shares in Nobia, continued employment in Nobia is required during the vesting period and the entire investment in Nobia shares must be retained in the same period. In addition, the allocation of shares under the so-called performance share rights requires that a financial performance target related to accumulated profits per share for Nobia in the financial years 2012-2013 has been achieved. The maximum number of shares in Nobia which may be granted under the plan shall be limited to 1,500,000¹, representing approximately 0.9 per cent of the outstanding shares and votes.

¹ Subject to possible recalculation.

1.3 Participants in the Performance Share Plan 2012

The Performance Share Plan 2012 comprises of approximately 100 employees consisting of senior managers and employees with senior positions within the Nobia Group, divided into three categories. The first category includes the CEO, the second category comprises of approximately ten members of the Group Management and the third category comprises about 85 additional employees in senior positions within the Nobia Group.

1.4 Personal investment and allocation of share rights

To participate in the plan, the participants must purchase Nobia shares at market price ("Saving Shares") at a value corresponding to 50, 75 or 100 per cent of the participant's monthly salary for March 2012, before tax.

For category 1, i.e. the CEO of the company, each Saving Share gives entitlement to one matching share right ("Matching Share Right") and four performance share rights ("Performance Share Right") (together referred to as "Share Rights"). For category 2, i.e. the other approximately ten members of the Group Management, each Saving Share gives entitlement to one Matching Share Right and three Performance Share Rights. For category 3, i.e. additional employees in senior positions, each Saving Share gives entitlement to one Matching Share Right and one Performance Share Right. Allocation of Nobia shares is made at the earliest the day after the announcement of Nobia's interim report for the first quarter during year 2015 and at the latest two weeks thereafter ("Vesting Period").

1.5 Terms for all Share Rights

For all Share Rights the following conditions apply:

- The Share Rights are allocated free of charge.
- Each Share Right entitles the participant to purchase, free of charge, one Nobia share on condition that the participant remains employed within the Nobia Group and that all Saving Shares held are retained during the Vesting Period. In addition, allocation of shares due to Performance Share Rights requires fulfilment of a financial performance target condition.
- The participants are not entitled to transfer, pledge or dispose of the Share Rights or perform any shareholders' rights regarding the Share Rights during the Vesting Period.
- Nobia will not compensate the participants in the plan for dividends made in respect of the shares that the respective Share Right qualifies for.

1.6 Performance Share Rights

The number of Performance Share Rights that can be awarded depends on the degree of fulfilment of a range established by the Board of Directors in relation to Nobia's cumulative earnings per share in the fiscal years 2012 and 2013.² The outcome will be measured linearly, whereby if the minimum required

² The range has been adjusted for structural non-recurring costs and structural non-recurring revenues during the same period. The established range will be adjusted for any share splits, reverse share splits, bonus issues or other measures affecting the number of shares in Nobia AB. Furthermore, adjustments will be made for any changes in accounting principles.

level has been reached, 25 per cent of the Performance Share Rights will give entitlement to shares. If the minimum level in the range is not achieved the Performance Share Rights will not give entitlement to any shares and if the maximum level in the range is achieved, each Performance Share Right gives entitlement to one share.

1.7 Formulation and administration

The Board of Directors, or a specific committee appointed by the Board of Directors, shall be responsible for determining the formulation and administration of the Performance Share Plan 2012, and the terms that will apply between Nobia and the participants in the plan, within the scope of the terms and directions set out herein. In connection therewith, the Board of Directors shall be authorised to establish divergent terms for the plan regarding inter alia the Vesting Period, allocation of Nobia shares in the event of termination of employment during the Vesting Period as a result of e.g. early retirement. The Board of Directors shall be authorised to make the necessary adjustments to fulfil specific rules or market prerequisites in other jurisdictions. In the event that the delivery of shares to persons outside of Sweden cannot be achieved at reasonable cost and with reasonable administrative efforts, the Board of Directors shall be entitled to determine that the participating person may instead be offered cash based settlement. The Board of Directors shall, in some cases, be entitled to reduce the final allocation of Nobia shares or, in whole or in part, terminate the plan in advance without compensation to the participants if significant changes occur in the company or on the market.

1.8 Scope

The number of Saving Shares depends on the amount the participant invests and the price of the Nobia share at the time of acquisition. The maximum number of shares in Nobia that can be allocated under the plan shall however be limited to 1,500,000, which represents approximately 0.9 per cent of the outstanding shares and votes. The number of shares included in the Performance Share Plan 2012 shall, under conditions that the Board of Directors stipulates, be subject to recalculation due to Nobia implementing a bonus issue, a share split or a reverse share split, a rights issue or similar measures, with regard to customary practice for similar incentive plans.

1.9 Hedging

In order to secure the delivery of Nobia shares under the Performance Share Plan 2012, the Board of Directors proposes that the Board of Directors shall have the right to decide on alternative methods for transfer of Nobia shares under the plan. The Board of Directors therefore proposes that it will have the right to transfer its own Nobia shares to the participants or to enter into so-called equity swap agreements with third parties in order to meet the requirements under the plan (under item B) below). In the event that delivery of Nobia shares is carried out by an equity swap agreement, the Board of Directors proposes that it shall be entitled to transfer its own Nobia shares on Nasdaq OMX Stockholm to fund potential costs related to the agreement and the plan. The Board of Directors regards the first alternative, i.e. the transfer of its own Nobia shares to the participants, to be the most cost efficient and flexible arrangement for the conveyance of Nobia shares and for covering certain cost, mainly social security cost.

1.10 Estimated costs and values of the Performance Share Plan 2012

The Share Rights cannot be pledged or transferred to others, but an estimated value for each right can be calculated. The Board of Directors has estimated that the average value of each Share Right is SEK

30,90. This estimate is based on generally accepted valuation models using the closing price for the Nobia share on 1 March 2012, with a deduction for the present value of the estimated dividend for the financial years 2012-2014. Based on the assumption that all persons who have been offered participation in the plan participate, that they make the maximum investment and that there is a 100% fulfilment of performance conditions as well as estimates regarding employee turnover, the aggregate estimated value of the Share Rights is approximately MSEK 20. This value is equivalent to approximately 0.3 per cent of the market capitalisation for Nobia as of 1 March 2012.

The costs are treated as staff costs in the profit and loss accounts during the Vesting Period, in accordance with IFRS 2 on share-based payments. In the profit and loss accounts, social security costs will accrue in accordance with UFR 7 over the Vesting Period. The size of these costs will be calculated on the Nobia share price development during the Vesting Period and allocation of the Share Rights. Based on a constant share price during the plan, and a Vesting Period of approximately three (3) years, the cost of the Performance Share Plan 2012 including social security costs amounts to approximately MSEK 25, which on an annual basis is approximately 0.3 per cent of Nobia's total staff costs during the financial year 2011. The plan has no limit per Share Right and therefore no maximum social security costs can be calculated.

1.11 Effects on key ratios

In the event of full participation in the Performance Share Plan 2012, Nobia's staff costs are expected to increase with approximately MSEK 9 annually. On a proforma basis for 2011, these costs are equal to a negative effect on Nobia's operating margin of approximately 0.06 percentage points and a decrease of earnings per share of approximately SEK 0.04.

Nevertheless, the Board of Directors considers that the positive effects on results which are expected to arise from the increase of the shareholding by senior managers and persons in senior positions and which, in addition, may further be expanded as a result of the shareholding in the Performance Share Plan 2012, exceed the costs related to the Performance Share Plan 2012.

1.12 The preparation of the proposal

The Performance Share Plan 2012 has been initiated by the Board of Directors and prepared together with external advisors based on an evaluation of previous incentive plans. The plan has been prepared by the Remuneration Committee and dealt with at Board meetings during the end of 2011 and the first months of 2012.

1.13 Other incentive plans in Nobia

Please refer to Nobia's annual report for 2011 for a description of all Nobia's other share based incentive plans. Nobia has no share based incentive plans other than those described above.

1.14 The proposal by the Board of Directors

Referring to the description above, the Board of Directors proposes that the Annual General Meeting resolves to introduce the Performance Share Plan 2012.

1.15 Majority requirement

A resolution to introduce the Performance Share Plan 2012, in accordance with the Board of Directors' proposal, is valid where supported by shareholders holding more than half of the votes cast at the Annual General Meeting.

B) TRANSFER OF SHARES WITH REFERENCE TO THE PERFORMANCE SHARE PLAN 2012

1.1 Background

In order to implement the Performance Share Plan 2012 in a cost efficient and flexible manner, the Board of Directors has considered different methods for the transfer of shares under the plan. Based on these considerations, the Board of Directors intends to secure delivery of Nobia's shares under the Performance Share Plan 2012 by transferring shares held by Nobia to the participants. In the event that the Board of Directors' proposal regarding the transfer of its own shares to the participants (item 1.2 below) does not receive the required majority decision (item 1.4 below), the Board of Directors intends to enter into an equity swap agreement with a third party.

To the extent that delivery of Nobia's shares is secured by an equity swap agreement, it is proposed that the Board of Directors shall be entitled to transfer its own Nobia shares on Nasdaq OMX Stockholm to finance potential costs related to the agreement and the plan (item 1.3 below). A transfer of Nobia's own shares in this way requires a special majority decision (item 1.4 below). If no such majority decision is reached, the Board of Directors intends to enter into an equity swap agreement and to finance the agreement in other ways than those proposed below.

1.2 The Board of Directors proposal of transfer of own shares to participants

The Board of Directors therefore proposes, as the main option, that the Annual General Meeting resolves on the transfer of shares in accordance with the terms set out below:

- (i) A transfer of a maximum of 1,500,000 Nobia shares to be transferred to participants in the Performance Share Plan 2012 may be made (or a higher number of shares that may result from a recalculation due to changes resulting from a bonus issue, a share split or a reverse share split, a new issue of shares or similar actions carried out by Nobia, according to customary practice for corresponding incentive plans).
- (ii) The transfer of shares shall be made free of charge at the relevant time and in accordance with the conditions under which the participants in the Performance Share Plan 2012 are entitled to receive allocation of shares.

The reason for the deviation from shareholders' preferential rights is that the transfer of the shares is a step in establishing the Performance Share Plan 2012. Therefore, and in light of the above, the Board of Directors considers it to be advantageous for Nobia to transfer shares in accordance with the proposal.

The Board of Directors intends to propose to the Annual General Meeting 2015 that the Annual General Meeting resolves that a maximum of 300,000 shares of Nobia's total equity holding in the

company may be transferred on Nasdaq OMX Stockholm, to the extent that the shares in question will not be required for the completion of Nobia's obligation to deliver shares to the participants in accordance with the terms of the Performance Share Plan 2012. Such a transfer will be made to cover costs such as social security costs for the Performance Share Plan 2012.

1.3 The Board of Directors' proposal for a resolution on the transfer of own shares on Nasdaq OMX Stockholm

To the extent that the main option in item 1.2 does not receive the required majority decision, the Board of Directors proposes that the Annual General Meeting resolves on the transfer of its own shares as follows. Until the next Annual General Meeting, a transfer may be made on one or more occasions, of maximum 1,500,000 Nobia shares on Nasdaq OMX Stockholm to cover potential costs related to the equity swap agreement or to the Performance Share Plan 2012 (or a higher number of Nobia shares that may result from a recalculation due to Nobia implementing a bonus issue, a share split or a reverse share split, a rights issue or similar measures, in accordance with what is customary practice for corresponding incentive plans). The transfer shall take place at the registered spread at the given time.

The reason for the deviation from shareholders' preferential rights is that the transfer of the shares is a step in achieving the Performance Share Plan 2012. Therefore, and in light of the above, the Board of Directors considers it to be advantageous for Nobia to transfer the shares in accordance with the proposal.

1.4 Majority Requirement

A resolution to approve the Board of Directors' proposal under item 1.2 above is valid where supported by shareholders holding no less than nine tenths of both the votes cast and the shares represented at the Annual General Meeting. The Board of Directors' proposal pursuant to item 1.3 above, which will apply only to the extent that the proposal in item 1.2 has not received the required majority, is valid where supported by shareholders holding no less than two third of both the votes cast and the shares represented at the Annual General Meeting. The Board of Directors' proposal pursuant to this item B is conditional on the Board of Directors' proposal regarding the introduction of the Performance Share Plan 2012 being approved by the Annual General Meeting (see item A above).

Nobia AB (publ)

The Board of Directors

March 2012