

Description of the main differences in minority shareholders' rights between the UK Companies Act and the Swedish Companies Act

Verisure plc (the “**Company**”) is a public company limited by shares incorporated under UK the Companies Act 2006 (the “**UK Companies Act**”) and registered in England and Wales. As an issuer incorporated outside the European Economic Area, the Company is required under the Nasdaq Nordic Main Market Rulebook for Issuers of Shares to publish a general description of the main differences in minority shareholders' rights between the Company's place of domicile and the country where its shares are admitted to trading. This document sets out the main differences between minority shareholders' rights under the UK Companies Act and the Swedish Companies Act (the “**Swedish Companies Act**”).

The Swedish Companies Act	The UK Companies Act
Shareholders' right to convene a general meeting	
Under the Swedish Companies Act, shareholders holding at least 10% of the shares in the company may require a general meeting to be convened.	Under the UK Companies Act, shareholders representing at least 5% of the total voting rights in the company may require a general meeting to be convened.
Notice period for general meetings	
Under the Swedish Companies Act, notice of the annual general meeting must be issued no earlier than six weeks and no later than four weeks prior to the meeting. For an extraordinary general meeting, notice must be made no earlier than six weeks and no later than three weeks prior to the meeting, however, if the extraordinary general meeting is convened to amend the articles of association, notice must instead be issued no later than four weeks prior to the meeting.	Under the UK Companies Act, an annual general meeting shall be called by at least 21 clear days' notice, and all other general meetings shall be called by not less than 14 clear days' notice, subject to certain statutory provisions.

The Swedish Companies Act	The UK Companies Act
Distribution of notice	
Under the Swedish Companies Act, notice of a general meeting is to be published in the Swedish Official Gazette (Sw. <i>Post- och Inrikes Tidningar</i>) and on the company's website, with a separate publication confirming the notice made in a daily newspaper with national coverage.	Under the UK Companies Act, notice of a general meeting must be given to all shareholders entitled to receive it in hard copy, electronic form, or by means of a website.
Participation in general meetings	
Under the Swedish Companies Act, participation requires shareholders to be recorded in the shareholders' register as of the record date, being six banking days prior to the meeting, and to provide notice of their attendance no later than the date set out in the notice convening the meeting.	Under the UK Companies Act, shareholders, proxies of shareholders, corporate representatives and auditors have the right to attend and speak at a general meeting.
Location of the general meeting	
Under the Swedish Companies Act, the general meeting must be held at the location of the registered office of the board of directors, unless the articles of association specify an alternative location or allow for the meeting to be held digitally.	Under the UK Companies Act, a general meeting can be held in person and with electronic participation and the notice must specify the location.
Shareholder initiatives	
Under the Swedish Companies Act, each shareholder wishing to have a matter brought before the general meeting must submit a written request to the board of directors in sufficient time, normally no later than seven weeks prior to the general meeting.	Under the UK Companies Act, shareholders representing at least 5% of the total voting rights in the company, or at least 100 shareholders who have a right to vote and hold shares in the company on which there has been paid up an average sum, per shareholder, of at least £100, may require the company to circulate a statement of a matter to be dealt with at a general meeting.

The Swedish Companies Act	The UK Companies Act
Shareholders' right to ask questions at the general meeting	
<p>Under the Swedish Companies Act, any shareholder may request information from the board or the CEO that may impact the assessment of an item on the agenda or, at an annual general meeting, the assessment of the company's financial situation, as well as, where applicable, the relationships with other group companies, and where the company is a parent company, the consolidated accounts and information relating to the assessment of subsidiaries' financial situation. Disclosure may always be refused if it would cause material harm to the company.</p>	<p>Under the UK Companies Act, all shareholders of the company are entitled to raise questions at general meetings.</p>
Majority requirements	
<p>Under the Swedish Companies Act, resolutions are passed by simple majority of the votes cast, with elections determined by the candidate receiving the most votes. Certain matters, such as amendments to the articles of association, directed share issues, acquisitions of own shares, and capital reductions, require a stricter majority.</p>	<p>Under the UK Companies Act, ordinary resolutions are passed by a simple majority and special resolutions are passed by a majority of not less than 75%. Certain matters, such as amendments to the articles of association require special resolutions.</p>
Resolution on rights issues	
<p>Under the Swedish Companies Act, the general meeting must approve a rights issue of equity instruments by simple majority, or, where applicable, grant the board of directors the authority to resolve on the matter. Under the general rule, shareholders have pre-emption rights to subscribe for new equity instruments based on their current shareholding proportion.</p>	<p>Under the UK Companies Act, authority to allot shares must be granted by way of an ordinary resolution, which may also grant a general authority to allot. Shareholders have pre-emption rights to subscribe for new shares based on their current shareholding proportion, unless disapplied by special resolution.</p>

The Swedish Companies Act	The UK Companies Act
Resolution on directed issues	
<p>Under the Swedish Companies Act, a directed equity issuance requires approval from the general meeting by a two thirds majority of votes cast and shares represented, or authorisation for the board of directors to resolve on the matter, accompanied by valid reasons for deviating from existing shareholders' pre-emption rights. Further, if the issue is directed to members of the board of directors, the CEO, employees or any individual or entity closely related to these, the resolution requires a majority of at least nine tenths of the votes cast and the shares represented at the general meeting and may not be adopted by the board of directors by way of utilising an authorisation from the general meeting.</p>	<p>Under the UK Companies Act, authority to allot shares must be granted by way of an ordinary resolution, which may also grant a general authority to allot. Shareholders of the company have pre-emption rights to subscribe for new shares based on their current shareholding proportion, unless disapplied by special resolution.</p>
Derivative actions	
<p>Under the Swedish Companies Act, shareholders holding at least 10% of the shares in the company may vote in favour of a resolution to file a suit on behalf of the company or have voted against the discharge of liability of a board member or the managing director at a general meeting and subsequently file a suit on behalf of the company against the founders of the company, the board members, the managing director, the auditor or other shareholders for damages. Such owners may also prevent the company from approving a settlement in respect of such damage.</p>	<p>Under the UK Companies Act, subject to certain limits, all shareholders (including minority shareholders) of the company can bring derivative actions on behalf of the company against its board members. Such actions can be brought through a court, subject to the court procedure in the UK, where a loss is alleged to have been suffered by the company as a result of a board member's negligence, default, breach of duty or breach of trust in relation to the company. Any damages would be for the benefit of the company, rather than the shareholders.</p>

The Swedish Companies Act	The UK Companies Act
Dividend	
<p>Under the Swedish Companies Act, shareholders holding at least 10% of the shares in the company can demand that the annual general meeting resolves to distribute not less than half of any profits of the preceding financial year remaining after deduction for any losses brought forward. The general meeting is however not required to resolve on dividends exceeding 5% of the company's shareholders' equity. The distribution of profits may not violate the general rules on distribution of dividends in the Swedish Companies Act.</p>	<p>Under the UK Companies Act, the shareholders acting alone cannot compel a distribution to be made.</p>
Special auditor and special examination	
<p>Under the Swedish Companies Act, shareholders representing at least one tenth of the shares in the company have a right to request that the Swedish Companies Registration Office appoints a minority auditor, participating in the audit alongside the company's auditor, and/or a special examiner for review of certain past events or circumstances in the company.</p>	<p>Under the UK Companies Act, shareholders do not have an equivalent right and there are no provisions for special auditors or special examinations for listed companies, as there are under Swedish law.</p>
Certain transactions with related parties	
<p>Under the Swedish Companies Act, the general meeting of a public company whose shares are traded on a regulated market must by simple majority approve transactions that, alone or together with other transactions with the same related party carried out by the company and its wholly-owned Swedish subsidiaries in the past year, involve at least SEK 1 million and account for at least 1% of the company's value. However, the aforementioned does not apply to, e.g., intra-group transaction and transactions that are a part of the company's day-to-day operations and which are carried out on market terms and conditions.</p>	<p>Under the UK Companies Act, there is no general threshold for transactions with related parties that must be approved at a general meeting, however certain transactions with board members require shareholder approval, for example, substantial property transactions.</p>

The Swedish Companies Act	The UK Companies Act
Suit for liquidation	
<p>Under the Swedish Companies Act, shareholders holding at least 10% of the shares in the company may in certain situations where a shareholder has abused his/her influence over the company and deliberately contributed to a violation of the Swedish Companies Act, the Swedish Act on Annual Reports or the articles of association, file a suit for the liquidation of the company. If requested by the company, the relevant court may in such a case order the company to redeem the shares of the complaining minority instead of ordering the company's liquidation.</p>	<p>Under the UK Insolvency Act 1986, shareholders of the company can pass a special resolution to enter into voluntary liquidation within five weeks of a statutory declaration of solvency given by the board of directors. There is not an equivalent to the Swedish suit for liquidation.</p>