

# DEMERGER PLAN for NKT A/S

NKT A/S  
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CVR 62725214

11 September 2017

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*The English text is a translation of the Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text prevails.*

The undersigned board of directors of NKT A/S (**NKT or the Transferring Company**) hereby draws up the following plan for a partial, tax exempt demerger (the Demerger) of NKT.

### **1. Basis of the Demerger**

- 1.1 Upon completion of the Demerger, part of the assets and liabilities of NKT (as the Transferring Company) will be transferred to a new limited liability company (aktieselskab) to be incorporated under the name of "Nilfisk Holding A/S" (**Nilfisk Holding or the Receiving Company**). The incorporation of the Receiving Company will be completed at registration of the Demerger with the Danish Business Authority, cf. Section 269 of the Danish Companies Act.
- 1.2 The assets and liabilities comprised by the transfer from the Transferring Company to the Receiving Company are the following:
  - i. NKT's shares in Nilfisk A/S (**Nilfisk**), company registration no. (CVR) 62572213, equal to 5,000,000 shares of nom. DKK 100 each and representing 100 pct. of the outstanding share capital in Nilfisk;
  - ii. The group functions of NKT directly related to Nilfisk's business;

- iii. NKT's obligations pursuant to parental guarantees issued by NKT on behalf of Nilfisk or any subsidiaries thereof;
- iv. NKT's liabilities arising out of the demerger statement to be published by NKT via Nasdaq Copenhagen A/S in connection with the Demerger;
- v. The further assets and liabilities that appear from the opening balance sheet of the Demerger set out in Schedule 1.

## **2. Demerger date**

- 2.1 The Demerger shall be effective from 1 January 2017, whereupon the above-mentioned assets and liabilities shall be deemed transferred to the Receiving Company for accounting purposes.

## **3. Articles of Association, registered office and name**

- 3.1 Draft Articles of Association of Nilfisk Holding are attached as Schedule 2 to the demerger plan.
- 3.2 The registered office of the Transferring Company is situated on Vibeholms Allé 25, DK-2605 Brøndby. The registered office of the Receiving Company is to be situated on Kornmarksvej 1, DK-2605 Brøndby.
- 3.3 The Transferring Company has the name "NKT A/S" and the secondary name "Aktieselskabet Nordiske Kabel og Traadfabrikker". The name of the Receiving Company shall be "Nilfisk Holding A/S". In connection with the Demerger, the Receiving Company will not take over the name or secondary names of the Transferring Company.

## **4. Consideration to the shareholders of the Transferring Company**

- 4.1 Upon completion of the Demerger, the shareholders of NKT will receive 1 (one) share of nom. DKK 20 in the Receiving Company for each 1 (one) share of nom. DKK 20 such shareholder holds in the Transferring Company.
- 4.2 The shareholders of the Transferring Company eligible to receive shares in the Receiving Company as part of the Demerger will be those of the NKT's shareholders that hold shares in NKT as of 13 October 2017 at 5.59 p.m. CET pm (the Record Date). The Record Date is subject to change. Any change in the Record Date will be announced by NKT via Nasdaq Copenhagen A/S.

## **5. Shares in the Receiving Company**

- 5.1 The shares in the Receiving Company confer on the holders the right to receive dividend as from the financial year beginning on 1 January 2017, and other rights as from the time when the Demerger takes legal effect pursuant to Section 268 of the Danish Companies Act.
- 5.2 The shareholders of the Transferring Company will be registered by name in the Receiving Company's register of shareholders as soon as possible following the registration of the Demerger with the Danish Business Authority.
- 5.3 The shares in Nilfisk Holding are issued via VP Securities and will upon completion of the Demerger become listed on Nasdaq Copenhagen A/S.

## **6. Special benefits to members of the Companies' Management**

6.1 No special benefits are granted to the members of the Transferring or Receiving Companies' management in connection with the Demerger.

## **7. Tax status of the Demerger**

7.1 The Danish tax authorities (SKAT) have granted an approval that the Demerger shall be a tax-exempt demerger pursuant to the provisions of the Danish Merger Tax Act (in Danish: "fusionsskatteloven"). SKAT's approval is subject to the fulfillment of and compliance with certain conditions and material assumptions made in connection with the approval, including that (i) the shares in the Receiving Company shall become listed on a regulated market in connection with the Demerger; and (ii) the shares in the Transferring Company will remain listed on a regulated market after the Demerger.

7.2 If any of the conditions set out in SKAT's approval or any of the material assumptions underlying SKAT's approval are not fulfilled or are no longer fulfilled during the first three years after the Demerger has been approved by the general meeting, SKAT shall be so informed and this may lead SKAT to revoke its approval that the Demerger be a tax-exempt demerger pursuant to the provisions of the Danish Merger Tax Act.

*Brøndby 11 September 2017*

The Board of Directors of NKT A/S:

Jens Due Olsen  
*Chairman*

René Svendsen-Tune  
*Deputy Chairman*

Jens Maaløe

Anders Runevad

Jutta of Rosenborg

Lars Sandahl Sørensen

Niels Henrik Dreesen

René Engel Kristiansen

Gitte Toft Nielsen

# Demerger Balance Sheet

Schedule 1

## Balance per 31 December 2016

## Opening balance 1/1 2017

Amounts in EURm	Note	31 Dec. 2016 NKT A/S	NKT A/S	Nilfisk Holding A/S
<b>Assets</b>				
<b>Non-current assets</b>				
Investments in subsidiaries		401.9	401.9	
Receivables from subsidiaries		669.9	669.9	
		<b>1,071.8</b>	<b>1,071.8</b>	<b>0.0</b>
<b>Total non-current assets</b>		<b>1,071.8</b>	<b>1,071.8</b>	<b>0.0</b>
<b>Current assets</b>				
Receivables from subsidiaries		4.9	4.9	
Other receivables		7.5	7.5	
Income tax receivable		0.4	0.4	
Cash at bank and in hand		91.4	91.4	
Shares in Nilfisk A/S held for distribution to owners		216.1	0.0	216.1
		<b>320.3</b>	<b>104.2</b>	<b>216.1</b>
<b>Total assets</b>		<b>1,392.1</b>	<b>1,176.0</b>	<b>216.1</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		72.0	72.0	
Retained comprehensive income		1,031.3	932.2	99.1
Proposed dividends		0.0	0.0	
<b>Total equity</b>		<b>1,103.3</b>	<b>1,004.2</b>	<b>99.1</b>
<b>Non-current liabilities</b>				
Deferred tax		0.7	0.7	
Credit institutions, etc.		0.1	0.1	
		<b>0.8</b>	<b>0.8</b>	<b>0.0</b>
<b>Current liabilities</b>				
Credit institutions, etc.		0.0	0.0	
Payables to subsidiaries		164.9	164.9	
Trade payables and other liabilities		6.1	6.1	
Liabilities associated with assets held for distribution to owners	1	117.0	0.0	117.0
		<b>288.0</b>	<b>171.0</b>	<b>117.0</b>
<b>Total liabilities</b>		<b>288.8</b>	<b>171.8</b>	<b>117.0</b>
<b>Total equity and liabilities</b>		<b>1,392.1</b>	<b>1,176.0</b>	<b>216.1</b>
<b>Note 1</b>				
Loans and payables to Nilfisk subsidiaries		117.0	0.0	117.0
Bonus and holiday pay to Nilfisk employees		0.0	0.0	0.0
<b>Total liabilities associated with assets held for distribution to owners</b>		<b>117.0</b>	<b>0.0</b>	<b>117.0</b>

Draft Articles of Association  
**Nilfisk Holding A/S**

## **Name and Objectives of the Company**

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### **Article 1**

#### **1.1**

The name of the Company is Nilfisk Holding A/S.

#### **1.2**

The objectives of the Company are to carry out manufacturing business and trade. The Company may participate with capital in other enterprises in situations where this, in the opinion of the Board of Directors, may contribute towards promoting the objectives of the Company.

## **Share Capital and Shareholders**

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### **Article 2**

#### **2.1**

The Company has a share capital of DKK 542,527,380. The share capital is fully paid up.

#### **2.2**

The shares shall be issued through VP Securities and divided into shares of DKK 20 each in accordance with the statutory provisions on the issuing of listed securities. Rights regarding the shares must be notified to VP Securities according to the relevant rules.

#### **2.3**

None of the shares have special rights. No shareholder shall be obliged to redeem his shares in full or in part.

#### **2.4**

The shares of the Company are shares registered in the name of the shareholder in the Company's register of shareholders. The Company's register of shareholders is maintained by an external registrar, Computershare A/S (Company Registration no. 27 08 88 99).

## **Authority to Increase the Share Capital**

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### **Article 3**

#### **3.1**

The share capital may, by resolution of the Board of Directors, be increased by a maximum nominal amount of DKK 200,000,000 (10,000,000 shares of DKK 20 each) at market price through one or more issues of new shares. This authorization shall be valid until October 9, 2022. The increase may be carried out through the issue of shares for cash consideration, conversion of debt or payment in values other than cash. The capital increase shall be carried out through the issue of shares, giving existing shareholders pre-emptive rights.

### **3.2**

The share capital may, by resolution of the Board of Directors, be increased by a maximum nominal amount of DKK 100,000,000 (5,000,000 shares of DKK 20 each) at market price through one or more issues of new shares. This authorization shall be valid until October 9, 2022. The increase may be carried out through the issue of shares for cash consideration, conversion of debt or payment in values other than cash. The capital increase shall be carried out through the issue of shares, without giving existing shareholders pre-emptive rights.

### **3.3**

New shares issued in accordance with the authorizations in articles 3.1 and 3.2 shall carry dividends from such time as may be decided by the Board of Directors, but not later than for the financial year in which the increase in share capital takes place. The shares shall be negotiable instruments and registered in the name of the shareholder. The new shares shall, with regards to rights, redemption and negotiability, in all respects be subject to the same terms as the existing shares.

### **3.4**

The foregoing authorizations to the Board of Directors under articles 3.1 and 3.2 and the authorizations to the Board of Directors under articles 4.1 and 5.1, below, can, subject to the limitations set forth therein, be utilized to increase the share capital by a total maximum of nominally DKK 200,000,000, and the authorizations to the Board of Directors under articles 3.2, above, and 4.1 and 5.1, below, can, subject to the limitations set forth therein, be utilized to increase the share capital by a total maximum of nominally DKK 100,000,000.

## **Authority to Issue Warrants**

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### **Article 4**

#### **4.1**

In the period up to October 9, 2022 the Board of Directors is authorized to issue warrants, in one or several transactions and without pre-emptive rights for existing shareholders, up to a nominal amount of DKK 20,000,000 (1,000,000 shares of nominal DKK 20 each) to the employees and management of the Company and companies consolidated with the Company and at an exercise price and with time limits for exercising which are determined by the Board of Directors. In the period up to October 9, 2022 the Board of Directors is furthermore authorized to resolve a capital increase, in one or several transactions, without preferential right of subscription for existing shareholders and against payment in cash, by up to a nominal amount of DKK 20,000,000 in connection with exercise of the warrants.

#### **4.2**

In the case of capital increases pursuant to the above, the new shares shall be negotiable instruments and shall be shares registered in the name of the shareholder and shall in all respects rank equally with the Company's existing shares, also with respect to redemption and restrictions in negotiability. The new shares shall carry a right to dividend from the time decided by the Board of Directors, but not later than from the financial year following the capital increase.

#### **4.3**

The Board of Directors shall determine the details of the conditions applicable to the warrants issued and the capital increases resolved in accordance with the authorization in article 4.

## **Authority to Raise Convertible Loans**

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### **Article 5**

### **5.1**

For a period of five years until October 9, 2022 the Company may, by the decision of the Board of Directors, by one or more issues raise loans against bonds or other financial instruments with a right for the lender to convert his claim to a nominal amount of DKK 100,000,000 (5,000,000 shares of nominal DKK 20 each) as a maximum (convertible loans). Convertible loans may be raised in DKK or the equivalent in foreign currency computed at the rates of exchange ruling on the day of loan. The Board of Directors is also authorized to effect the consequential increase of the capital. Convertible loans may be raised against payment in cash or in other ways. The subscription shall take place without pre-emption rights for the shareholders and the convertible loans shall be offered at a subscription price and a conversion price that correspond in aggregate to at least the market price of the shares at the time of the decision of the Board of Directors. The time limit for conversion may be fixed for a longer period than five years after the raising of the convertible loan. The terms for the raising of convertible loans shall be determined by the Board of Directors, including loan terms and the rules for conversion of the loans as well as the holder's legal position in case of capital increase, capital decrease, raising of new convertible loans, dissolution, merger or demerger of the Company before the expiration of the right of conversion. Time and terms for the capital increase shall be decided by the Board of Directors observing the rules in article 5.2.

### **5.2**

If the Board of Directors exercises the authorization granted in article 5.1, the new shares shall be shares registered in the name of the shareholder and carry dividend as of a date to be fixed by the Board of Directors. No restrictions shall apply as to the pre-emption right of the new shares, and they shall rank pari passu with the existing shares with respect to rights, redeemability and negotiability. The Board of Directors is authorized to make the necessary amendments to these Articles of Association in connection with the capital increases.

## **Dividend**

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### **Article 6**

#### **6.1**

Dividend is paid through transfer to the accounts designated by the shareholders in accordance with the rules for VP Securities.

#### **6.2**

Dividend that has not been withdrawn three years after the day it was due and payable shall accrue to the Company.

#### **6.3**

The Board of Directors is authorized to decide on the distribution of extraordinary dividends in accordance with the Danish Companies Act.

## **General Meeting**

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### **Article 7**

#### **7.1**

Within the limits established by law, the General Meeting shall have supreme authority in all Company matters.

#### **7.2**

General Meetings shall be held in the Danish Capital Region (Region Hovedstaden) at a place decided by the Board of Directors.



### **7.3**

General Meetings shall be called by the Board of Directors not earlier than five weeks and not later than three weeks before the General Meeting by publishing a notice on the Company's website, [www.nilfisk.com](http://www.nilfisk.com). The notice shall also be forwarded by e-mail to all shareholders entered in the Company's register of shareholders who have so requested.

### **7.4**

Notices calling a General Meeting shall include the agenda of the meeting and the substantial part of the proposals for amendments of the Articles of Association. Where required under the Danish Companies Act, the notice calling the meeting shall comprise the full wording of the proposal for the amendment to the Articles of Association.

### **7.5**

Proposals for resolutions at the Annual General Meeting may be submitted in writing by any shareholder, but such proposals must be received by the Company's Board of Directors no later than six weeks before the General Meeting. A proposal which is received by the Board of Directors later than six weeks before the Annual General Meeting can be placed on the agenda if the Board of Directors assesses that the request is made in sufficient time for the issue to be placed on the agenda.

### **7.6**

The Annual General Meeting shall be held before the end of April of each year.

### **7.7**

An Extraordinary General Meeting shall be held at the request of the General Meeting, the Board of Directors, or the auditor chosen by the General Meeting. An Extraordinary General Meeting shall be called no later than two weeks after shareholders owning at least 5% of the share capital have requested such General Meeting in writing for the consideration of a specific issue.

### **7.8**

The Company shall in a consecutive period of three weeks, beginning not later than three weeks before the General Meeting, including the day of the holding of such General Meeting, make the following information available to the shareholders on the Company's website ([www.nilfisk.com](http://www.nilfisk.com)):

1. The notice convening the General Meeting
2. The total share capital and voting rights at the time of the notice
3. The documents which are to be submitted at the General Meeting, including for the Annual General Meeting the audited annual report containing annual results and group results with the management's and auditor's reports
4. Agenda together with the full proposals
5. The necessary forms to be used for voting by proxy and voting by letter, unless such forms are sent directly to the shareholders. If, due to technical difficulties, such forms cannot be made available on the internet, the Company will advise on its website how such forms may be obtained in paper form. In such cases the Company will send the form to any shareholders who request it.

### **7.9**

The complete annual report shall only be forwarded to the shareholders in electronic form. The annual report will be published on the Company's website ([www.nilfisk.com](http://www.nilfisk.com)) and will be forwarded by electronic mail to any registered shareholders who have requested it and informed the Company of their e-mail address. The procedure for sending the report by e-mail and any special system requirements necessary will be published on the Company's website.

## **Article 8**

The agenda for the Annual General Meeting shall comprise:

1. Report by the Board of Directors on the Company's activities in the past year

2. Presentation of the annual report, containing the annual and consolidated accounts, the statements of the management and the Board of Directors, the auditor's report, and reviews for the year
3. Adoption of the audited annual report
4. Proposal by the Board of Directors for the distribution of profit or cover of loss
5. Resolution regarding discharge of obligations of the management and the Board of Directors
6. Remuneration of the Board of Directors
7. Election of Board Members
8. Election of one or more public accountants
9. Any other proposals from the Board of Directors or the shareholders

## **Article 9**

### **9.1**

General Meetings shall be conducted by a chairman appointed by the Board of Directors, who does not have to be a shareholder and who shall decide all questions regarding the way in which business is transacted and votes are carried out, with due consideration for the rules of the Danish Companies Act.

### **9.2**

Any shareholder shall be entitled to attend the General Meeting if the shareholder, not later than three calendar days before the General Meeting, has requested to have an admission card handed over at the Company's office or in such other manner as described in the notice calling the meeting. The admission card, upon which the shareholder's number of votes is indicated, is handed over to the shareholder on the basis of the registered ownership in the shareholders register on the registration date, which is one week before the General Meeting, as well as on the basis of the notification that the Company has received with the intention of being registered in the shareholders register on the registration date at the latest, if such notifications have not already been registered in the shareholders register..

### **9.3**

The right to vote at the General Meeting belongs to shareholders registered in the Company's shareholders register or shareholders having reported and documented their acquisition. Only persons who are shareholders on the registration date, which is one week before the General Meeting, have the right to attend and vote at the General Meeting. Any share amount of DKK 20 shall carry one vote at the General Meeting.

### **9.4**

Shareholders are entitled to be present at the General Meeting by proxy or with an adviser, just as a proxy may be present with an adviser. Voting rights can be exercised by proxy when upon delivery of the proxy the agent has received an admission card. The agent must produce a written and dated proxy.

### **9.5**

The language at General Meetings shall be Danish or English without any simultaneous interpretation to and from English/Danish, as the case may be. All documents prepared for use by the General Meeting at or after the General Meeting shall be in English.

### **9.6**

Shareholders have the right to vote in writing. A written vote shall be unequivocally identifiable, including the statement of the shareholder's name and VP-reference number. In order to maintain its validity a written vote shall be in the possession of Computershare A/S (Company registration Number 27 08 88 99) not later than 10 am two working days before the General Meeting. Forms for voting in writing shall be made available to the shareholders in accordance with article 7.8.

### **9.7**

Minutes shall be kept of the proceedings at General Meetings, which shall be signed by the chairman of the meeting. The minutes (or a certified copy of the minutes) shall be available for

inspection by the shareholders no later than two weeks after the General Meeting. The results of voting at the meeting shall be announced on the Company's website no later than 2 weeks after the General Meeting.

## **Article 10**

All matters at the General Meeting shall in general be decided by the General Meeting by simple majority, except where otherwise required under the Danish Companies Act or these Articles of Association.

## **Board of Directors and Management**

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### **Article 11**

#### **11.1**

The Board of Directors shall be elected by the General Meeting, except for any members of the Board of Directors who are elected by the employees according to the Danish Companies Act. The part of the Board of Directors that is elected by the General Meeting shall consist of at least five and not more than eight members.

#### **11.2**

The Members of the Board of Directors elected by the General Meeting shall resign each year at the Annual General Meeting. Re-election may take place.

#### **11.3**

The Members of the Board of Directors shall receive an annual fee fixed by the General Meeting. The Board of Directors may delegate special duties to one or several of its members and decide that a fee is to be received for the performance of such duties.

### **Article 12**

The Board of Directors shall employ a management consisting of one or several managers.

### **Article 13**

#### **13.1**

The Board of Directors and the management shall be responsible for the management and organization of the Company's business in accordance with the rules of the Danish Companies Act.

#### **13.2**

The management shall be responsible for the day-to-day management of the Company in accordance with the guidelines and directions established by the Board of Directors. The day-to-day management shall not include transactions of an unusual nature or of significant importance considering the affairs and conditions of the Company.

#### **13.3**

The Board of Directors has, in accordance with the Companies Act section 139, prepared a set of general guidelines for the Company's use of incentive pay to the Board of Directors and the management. The guidelines have been presented to and adopted at the General Meeting. The guidelines have been published on the Company's website ([www.nilfisk.com](http://www.nilfisk.com)).

### **Article 14**

#### **14.1**

From among its members the Board of Directors shall appoint a chairman and a deputy chairman, who shall act as chairman in the chairman's absence.

#### **14.2**

The Board of Directors shall prepare a set of rules of procedures setting out the rules for its duties. Unless otherwise provided by the rules of procedure for the Board of Directors, any decisions are made by simple majority. In case of parity of votes the chairman shall have the casting vote. No valid resolution can be passed unless more than half of all members, including the chairman or the deputy chairman, are represented.

#### **14.3**

A minute book shall be kept and signed by the represented members of the Board of Directors.

#### **14.4**

The Company's corporate language shall be English.

### **Power to bind the Company**

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#### **Article 15**

##### **15.1**

The power to bind the Company shall be vested in: the chairman together with one other member of the Board of Directors or together with one manager; the deputy chairman together with two members of the Board of Directors or together with one manager; two managers jointly; or by the entire Board of Directors.

##### **15.2**

The Board of Directors may grant power of procuration.

### **Electronic Communication**

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#### **Article 16**

The Company may use electronic exchange of documents and electronic mails (e-mails) when communicating with its shareholders. This includes, but is not limited to: giving notice to shareholders of Annual and Extraordinary General Meetings, along with the complete proposals for amendment of the Articles of Association; forwarding the agenda and the annual report, etc.; and providing other general information to the shareholders. The Company may always use ordinary mail as an alternative to electronic communication. The shareholders are responsible for ensuring that the Company is in possession of the correct electronic contact details. The shareholders may request information on the system requirements and on the procedure to be followed when communicating by electronic means by contacting the Company.

### **Audit**

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#### **Article 17**

##### **17.1**

The General Meeting elects one or more state-authorized public accountants to serve as auditors until next year's General Meeting.

##### **17.2**

The auditors shall keep an audit report book to be submitted at every board meeting. Any additions to this book shall be signed by all the members of the Board of Directors.

## Annual Report

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### Article 18

#### 18.1

The Company's financial year shall be the calendar year. The annual accounts and consolidated accounts contained in the annual report shall be laid out in a structured manner in accordance with the legislation and shall give a true and fair view of the Company's and the Group's assets and liabilities, their financial position and profit/loss.

#### 18.2

The annual report and any interim reports are prepared and presented in English. The Board of Directors can decide that the annual report and interim financial reports are also prepared in Danish or that a summary hereof is prepared in Danish.

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As resolved on October 10, 2017

Board of Directors:

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_____	_____
_____	_____
_____	_____
_____	_____