

**Translation of Announcement No. 6 – 2017
to Nasdaq Copenhagen**



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DANSKE BANK GLOSTRUP
KONTONR. 4440 137040
CVR-NR. 58 21 06 17

NOTICE CONVENING THE ANNUAL GENERAL MEETING OF BRØDRENE A & O JOHANSEN A/S

The Board of Directors hereby gives notice of the annual general meeting of Brødrene A & O Johansen A/S, CVR (Central Business Register) No. 58 21 06 17, to be held on

FRIDAY, 24 MARCH 2017, AT 11.00 A.M.

at

**BRØDRENE A & O JOHANSEN A/S
RØRVANG 3
2620 ALBERTSLUND**

with the following

AGENDA:

1. The Board of Directors' report on the Company's activities in 2016.
2. Approval of the audited 2016 Annual Report.

The Board of Directors recommends approval of the 2016 Annual Report.
3. Allocation of profits or covering of losses in accordance with the approved Annual Report.

Brødrene A & O Johansen A/S' result for the year amounts to DKK 105,403 thousand. In accordance with article 3, paragraph 10, cf. article 18, paragraph 2, of the Articles of Association, the preferred stock holders are entitled to an advance cumulative dividend of 6%. Subsequently, the percentage dividend for the ordinary share capital holders is determined, and if additional dividend is declared, the ordinary shareholders and the preference shareholders are entitled to receive the same percentage dividend.

The Board of Directors proposes to declare a dividend of DKK 60 per DKK 100 share, corresponding to 6% per year for the nine (9) years in which no dividend has been declared, and 6% for the financial year 2016. Thus, dividend is declared to both preference shareholders and ordinary shareholders.

4. Resolution to discharge the Board of Directors and the Executive Management from liability.

The Board of Directors proposes that the members of the Company's Board of Directors and the Executive Management are discharged from liability in relation to the approved 2016 Annual Report.

5. Election of members to the Board of Directors.

The Board of Directors proposes re-election of the present members of the Board of Directors:

Henning Dyremose, Michael Kjær, Erik Holm, Preben Damgaard Nielsen (elected by the preference shareholders) and Niels A. Johansen. The backgrounds of the members of the Board are described in Schedule 1.

6. Election of company auditor

The Board of Directors proposes to re-elect Ernst & Young Godkendt Revisionspartnerselskab in accordance with the recommendation of the audit committee.

In connection with its recommendation, the audit committee states that the committee has not been influenced by third parties and that no agreements exist that can restrict the choice of auditor.

7. Proposals from the Board of Directors or shareholders.

7.1 Changing the denomination of the shares

The Board of Directors proposes to reduce the smallest denomination of the Company's preference shares from DKK 100, nominal value, to DKK 10, nominal value, and to reduce the smallest denomination of the Company's ordinary shares from DKK 1,000, nominal value, to DKK 100, nominal value.

As a consequence hereof, it is proposed to amend the Articles of Association as follows:

Article 3, paragraph 3:

"The ordinary share capital is divided into shares of DKK 100 each and multiples hereof."

Article 3, paragraph 4:

"The preference share capital of DKK 51,360,000 is divided into shares of DKK 10 each and multiples hereof."

Consequently, it is proposed to amend article 8, paragraph 1 of the Articles of Association as set out below, whereby the difference in the shares' voting rights is maintained:

"Any ordinary share in the amount of DKK 100 carries 100 votes and any preference share in the amount of DKK 10 carries 1 vote."

The Board of Directors, in continuation of this proposal, intends to carry through a share split in a ratio of 1:10, so that the preference shareholders for each one (1) preference share of DKK 100, nominal value, receive ten (10) new preference shares of DKK 10, nominal value.

The proposal is based on the Board of Directors' wish that the individual shares can be traded at Nasdaq Copenhagen at a more customary value per share.

7.2 Reduction of the preference share capital

The Board of Directors proposes a reduction of the Company's preference share capital of DKK 29,000,000, nominal value, from DKK 51,360,000, nominal value, to DKK 22,360,000, nominal value, by cancelling a part of the Company's own preference shares. The nominal capital reduction of DKK 29,000,000 is divided into 290,000 preference shares of DKK 100 each (after changing the shares' denomination, cf. item 7.1 above, the capital reduction will be divided into 2,900,000 preference shares of DKK 10 each).

After the capital reduction, the Company will have a share capital of DKK 28,000,000, nominal value, which will be divided into an ordinary share capital of DKK 5,640,000, nominal value, and a preference share capital of DKK 22,360,000.

The purpose of the capital reduction is distribution to the shareholders, cf. section 188(1)(2) of the Danish Companies Act. Distribution has taken place in connection with the repurchase of shares from Sanistål A/S and J-F. Lemvigh-Müller Holding A/S, respectively.

The Company repurchased (i) preference shares in the amount of DKK 22,300,500, nominal value, from Sanistål A/S on 21 March 2016 and (ii) preference shares in the amount of DKK 7,135,100, nominal value, from J-F. Lemvigh-Müller Holding A/S on 6 January 2017. Out of the total repurchased shares in the amount of DKK 29,435,600, nominal value, the Board of Directors proposes to cancel DKK 29,000,000, nominal value. The following is stated in respect of the repurchase prices:

- (i) The preference shares (DKK 22,300,500, nominal value) repurchased from Sanistål A/S were acquired for DKK 400,844,000, corresponding to a price of DKK 1,797.47 (rounded off) per share.
- (ii) The preference shares (DKK 7,135,100, nominal value) repurchased from J-F. Lemvigh-Müller Holding A/S were acquired for DKK 185,512,600, corresponding to a price of DKK 2,600 per share. It is noted that the proposal solely implies that a part of these shares (DKK 6,699,500, nominal value) be cancelled in connection with the capital reduction, and the proportional share of the purchase price for the shares that are proposed to be cancelled amounts to DKK 174,187,000.

The capital reduction takes place at a premium, whereby, in addition to the nominal capital reduction, an amount of DKK 546,031,000 has been distributed to the shareholders.

Adoption of the proposal to reduce the Company's preference share capital implies the following amendments to article 3 of the Articles of Association, which will take effect as of the completion of the capital reduction:

Article 3, paragraph 1:

"The Company's share capital, which is fully paid up, amounts to DKK 28,000,000."

Article 3, paragraph 2:

"The share capital is divided into an ordinary share capital in the amount of DKK 5,640,000 and a preference share capital in the amount of DKK 22,360,000."

Article 3, paragraph 4:

“The preference share capital of DKK 22,360,000 is divided into shares of DKK 10 each or multiples hereof.”

7.3 Authorisation to acquire own shares

The Board of Directors proposes as usual that it be authorised by the general meeting during the period until 1 May 2018 to let the Company acquire own preference shares equivalent to a total of 10 % of the Company's share capital at the time of being granted authorisation, provided that the Company's total holding of own shares at no point exceeds 10 % of the Company's share capital. The consideration must not deviate by more than 10 % from the official price quoted at Nasdaq Copenhagen at the time of acquisition.

Adoption requirement

Adoption of the proposals set out in items 7.1 and 7.2 of the agenda requires at least 2/3 of the votes cast and of the voting share capital represented at the general meeting. The other proposals on the agenda may be adopted by a simple majority of votes.

Share capital and voting rights

The Company's share capital amounts to DKK 57,000,000, nominal value, of which DKK 5,640,000, nominal value, constitutes ordinary share capital, and DKK 51,360,000, nominal value, constitutes preference share capital. The ordinary share capital is divided into shares of DKK 1,000 each or multiples hereof, while the preference share capital is divided into shares of DKK 100 each or multiples hereof. Any ordinary share in the amount of DKK 1,000 carries 100 votes, while any preference share in the amount of DKK 100 carries 1 vote.”

Shareholders registered in the Company's shareholders' register on the record date or who have notified and documented their acquisition of shares in the Company in order to become registered in the shareholders' register not later than on the record date, are entitled to attend and vote at the general meeting. The record date is **Friday, 17 March 2017**. Attendance is subject to the shareholder having received an admission card as described below.

Admission cards

Shareholders who wish to attend the general meeting must request an admission card.

Admission cards may be requested:

- electronically via "Investor Relations" on the Company's website, www.ao.dk, or
- by contacting the Company by telephone at +45 70 28 01 80.

The request must be received by the Company not later than **Monday, 20 March 2017**.

A shareholder or proxy holder may attend the general meeting together with an advisor, provided that an admission card for the advisor has been requested in time.

Representation by proxy

A shareholder, who is unable to attend the general meeting, may choose to give proxy to the Board of Directors or to a designated third party.

Proxy may be granted:

- by completing, signing and returning the proxy form by post to Brødrene A & O Johansen A/S, Rørvang 3, 2620 Albertslund, Denmark, or by email to suh@ao.dk. The proxy form may be downloaded from the Company's website, www.ao.dk.

Proxy forms must be received by the Company not later than **Monday, 20 March 2017**.

Postal votes

A shareholder, who is unable to attend the general meeting, may submit a postal vote. A postal vote cannot be revoked.

Postal votes may be submitted:

- by completing, signing and returning the voting form by post to Brødrene A & O Johansen A/S, Rørvang 3, 2620 Albertslund, Denmark, or by email to suh@ao.dk. The voting form may be downloaded from the Company's website, www.ao.dk.

Postal votes must be received by the Company not later than **Thursday, 23 March 2017 at 3 pm**.

Please note that it is not possible to both issue a proxy and cast a postal vote.

Additional information

Up until and including the date of the general meeting, the following additional information concerning the general meeting will be available at the Company's website, www.ao.dk:

- Notice of general meeting, including the agenda and the complete proposals with appendices and CVs of candidates nominated to the Board of Directors.
- The documents to be presented at the general meeting, including the 2016 annual report.
- Proxy and voting forms.
- The total number of shares and votes as at the date of the notice.

Questions from the shareholders

The Shareholders may prior to the general meeting submit questions concerning the agenda or the documents to be considered at the general meeting in writing to Brødrene A & O Johansen A/S by email to: suh@ao.dk.

Albertslund, February 2017

The Board of Directors

Schedule 1

INFORMATION ABOUT THE BOARD OF DIRECTORS' MANAGERIAL POSTS

- **Henning Baunbæk Dyremose, Chairman of the Board**

- Born 1945
- Nationality: Danish
- Chairman of the Board since 2007
- Member of the Board since 1997
- Chairman of Brødrene A & O Johansen A/S' Audit Committee
- Elected by the ordinary shareholders
- As Henning Dyremose has been a member of the Board for more than 12 years, he cannot, according to the "Danish Recommendations on Corporate Governance", be characterised as being independent of special interests.

Qualifications

- Broad leadership experience in business, finance and politics
- Experience as managing director of a wholesale company with the same customers as Brødrene A & O Johansen A/S
- Former Minister of Finance

Managerial Posts

- Chairman of the boards of:

KRB Holding A/S
Rosendahls A/S - Print Design Media

- **Michael Kjær, Deputy Chairman of the Board**

- Managing Director of F GROUP A/S
- Born 1956
- Nationality: Danish
- Deputy Chairman of the Board since 2007
- Member of the Board since 2002
- Member of Brødrene A & O Johansen A/S' Audit Committee
- Elected by the ordinary shareholders
- As Michael Kjær has been a member of the Board for more than 12 years, he cannot, according to the "Danish Recommendations on Corporate Governance", be characterised as being independent of special interests.

Qualifications

- Management (CEO) of major retail chain
- Expertise in strategy, sales, marketing and accounting
- Experience with business organisations and employers' associations

Managerial Posts

- Chairman of the boards of:
Artha Holding A/S
Kraks Fond
Realfiction ApS
TC Holding A/S
- Member of the boards of:
Jacobsgaard Investment Advisory ApS
- Ad hoc expert judge at the Maritime and Commercial High Court

• **René Alberg**

- Product Manager
- Born 1971
- Nationality: Danish
- Staff-elected member of the Board of Directors
- Member of the Board since 2006
- Re-elected in 2014, term expires in 2018

• **Erik Holm**

- Managing Partner and Manager of Maj Invest Holding A/S, Manager of Fondsmæglerselskabet Maj Invest A/S, Manager of Erik Holm Holding ApS, Managing Director of Maj Invest Equity A/S
- Born 1960
- Nationality: Danish
- Member of the Board since 2009
- Elected by the ordinary shareholders
- Considered to be independent of special interests.

Qualifications

- Experience as managing director of a wholesale company with the same customers as Brødrene A & O Johansen A/S
- Broad leadership experience in sales, finance and logistics, both in Denmark and internationally
- Experience from Board work in other listed companies

Managerial Posts

- Chairman of the boards of:
Sticks'n'Sushi A/S
Sticks'n'Sushi Holding A/S
Vernal A/S
- Deputy Chairman of the boards of:
SP Group A/S
SP Moulding A/S
Arvid Nilssons Fond

- Member of the boards of:

Fonden Maj Invest Equity General Partner
Maj Invest Equity A/S
Muuto A/S
Muuto Holding A/S
Vega Sea A/S
Svendsen Sport A/S

- **Leif Hummel**

- Distribution Manager
- Born 1963
- Nationality: Danish
- Staff-elected member of the Board
- Member of the Board since 2014
- Elected in 2014, term expires in 2018

Qualifications

- Leadership experience in staff management, logistics and warehouse management
- Experience with national and international distribution and transport
- Experience with environmental management and working environment assessment
- Experience in finance and accounting
- Experience with board work in private institutions

- **Carsten Jensen**

- Logistics Coordinator
- Born 1955
- Nationality: Danish
- Staff-elected member of the Board
- Member of the Board since 1990
- Re-elected in 2014, term expires in 2018

- **Niels Axel Johansen**

- Chief Executive Officer of Brødrene A & O Johansen A/S
- Born 1939
- Nationality: Danish
- Member of the Board since 1979
- Elected by the ordinary shareholders
- As Niels A. Johansen has been a member of the Board for more than 12 years, he cannot, according to the "Danish Recommendations on Corporate Governance", be characterised as being independent of special interests.

Qualifications

- Long-time managerial experience as CEO
- In-depth knowledge of the wholesale industry for installation materials in Denmark and the rest of Europe

- **Preben Damgaard Nielsen**

- Managing Director of Damgaard Company A/S, Damgaard Group A/S, Damgaard Group Holding A/S, Ejendomsselskabet Oktanten ApS, The Closet ApS, Katrine Damgaard Invest ApS, Olivia Damgaard Invest ApS, Markus Damgaard Invest ApS, Damgaard Family Invest ApS, Damgaard Family Invest II ApS, Galleri BB Holding ApS, Galleri Bo Bjerggaard International ApS, PD International Invest ApS, Ejendomsselskabet Tesch Alle ApS, DGH I ApS, DGH II ApS, DGH III ApS.
- Born 1963
- Nationality: Danish
- Member of the Board since 2007
- Member of Brødrene A & O Johansen A/S' Audit Committee
- Elected by the preference shareholders
- Considered to be independent of special interests

Qualifications

- Broad leadership experience
- Long-time experience as CEO
- Long-time experience as board member
- Worked as CEO of listed company from 1999-2003
- In-depth knowledge of accounting and IT systems
- In-depth knowledge of and experience with business acquisitions and disposals

Managerial Posts

- Chairman of the boards of:

Proactive A/S
Proactive Holding 2008 A/S
7N A/S

- Member of the boards of:

Skolebordet.dk ApS
Damgaard Company A/S
Damgaard Group A/S
Damgaard Group Holding A/S
Templafy ApS
Scalepoint Ltd.
Configit A/S
Configit Holding A/S
Configit Build A/S
OrderYOYO ApS
Broadway ApS

- Member of the Investment Committee for Seed Denmark