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Notice of the Annual General Meeting of Björn Borg AB (publ)

The shareholders of Björn Borg AB (publ) are hereby invited to attend the annual general meeting, to be held on Monday, 11 May 2015 at 6 p.m., at the company's premises, at Tulegatan 11, Stockholm, Sweden. Registration starts at 5.15 p.m.

Notification of attendance

Shareholders who wish to attend the meeting must, firstly, be listed in the shareholders' register maintained by Euroclear Sweden AB on Tuesday, 5 May 2015, and secondly, give notice of their intention to attend the meeting no later than said day (Tuesday, 5 May 2015), by regular mail to Björn Borg AB, Tulegatan 11, 113 53 Stockholm, by telephone to +46 (0)8 506 33 700, on the corporate website (<http://corporate.bjornborg.com/sv>) or by e-mail to stamma@bjornborg.com. Name, civic registration number/corporate registration number, address, telephone number and any accompanying persons, should be stated when notice is given.

Proxy holders and corporate representatives are asked to submit authorization documents to Björn Borg well in advance of the annual general meeting. Proxy forms are available on the company website (see web address set out above).

In order to attend the meeting, shareholders with custodian registered shares must have such shares temporarily registered in their own names, in the shareholders' register maintained by Euroclear Sweden AB. In order for such registration to have been effected on Tuesday 5 May 2015, the shareholder must request the custodian well in advance of this date to have its shares re-registered (so-called voting rights registration).

Proposed agenda

1. Opening of the meeting
2. Election of the chairman of the meeting
3. Preparation and approval of the voting list
4. Election of one or two persons to check the minutes
5. Determination of whether the meeting has been duly convened
6. Approval of the agenda
7. Presentation of the annual report and the auditor's report, and the consolidated financial statements and the consolidated audit report
8. Presentation by the managing director
9. Resolution on
 - a) adoption of the income statement and balance sheet, and of the consolidated income statement and the consolidated balance sheet
 - b) disposition of the company's profits in accordance with the approved balance sheet and record date for dividends, in case the annual general meeting decides a dividend
 - c) discharge from personal liability of the directors and the managing director
10. Report on the work of the nomination committee
11. Resolution on the number of directors
12. Resolution on the remuneration to be paid to the chairman of the board of directors and to other directors
13. Election of directors and chairman of the board of directors
14. Election of auditor and resolution on the remuneration to be paid to the auditor
15. The proposal by the board of directors regarding a share split and automatic share redemption program, including
 - a) share split 2:1,
 - b) reduction of the share capital through redemption of shares, and
 - c) increase of the share capital through a bonus issue without issuance of new shares
16. The proposal by the board of directors to authorize the board of directors to resolve on new issues of shares, warrants and/or convertibles
17. The proposal by the board of directors for a long-term incentive plan including resolution regarding (A) issue and approval of transfer of convertible debentures, and (B) issue and approval of transfer of warrants
18. The proposal by the board of directors regarding guidelines for remuneration to the executive management
19. Proposal regarding the nomination committee
20. Closing of the meeting

Proposals

Item 2 - Election of the chairman of the meeting

The nomination committee has proposed Fredrik Löfstedt, the chairman of the board of directors, as chairman of the annual general meeting.

Item 9b – Resolution on disposition of the company's profits in accordance with the approved balance sheet and record date for dividends, in case the annual general meeting resolves on a dividend

The board of directors proposes that no dividend be paid for the financial year 2014. The total unappropriated earnings at the disposal of the annual general meeting amount to SEK 89,466,542. The board of directors has proposed a share redemption program instead of dividend, whereby the shareholders will receive a total amount of SEK 37,722,576 in accordance with item 15 on the agenda, which will result in SEK 51,743,966 being carried forward.

Item 11-13 – Resolution on the number of directors; resolution on the remuneration to be paid to the chairman of the board of directors and other directors; and election of directors and chairman of the board

The nomination committee has proposed that the number of directors remains seven. The nomination committee proposes to elect Heiner Olbrich as new director of the Board and to re-elect Isabelle Ducellier, Kerstin Hessius, Fredrik Löfstedt, Nathalie Schuterman, Martin Bjäringer och Mats H Nilsson, with no deputies. Anders Slettengren has declined re-election. The nomination committee has proposed that Fredrik Löfstedt is re-elected chairman of the board. The nomination committee has further proposed that the remuneration to the board shall remain unchanged, meaning that the chairman of the board of directors shall receive SEK 350,000 and the other directors SEK 140,000 each. Remuneration to board members for work on board committees shall be paid with SEK 15,000 to each of the members of the remuneration committee, and SEK 25,000 to the chairman of the remuneration committee, and with SEK 50,000 to each of the members of the audit committee and SEK 75,000 to the chairman of the audit committee. The total remuneration to the board of directors, including for committee work, according to the proposal amounts to unchanged SEK 1,405,000. The nomination committee's reasoned statement regarding the proposed board of directors, and information about the proposed directors, can be found on the company's web site (corporate.bjornborg.com).

Item 14 – Election of auditor and resolution on the remuneration to be paid to the auditor

The nomination committee has proposed re-election of the registered public accounting firm Deloitte AB for the period until the end of the next annual general meeting. Deloitte will, if elected, again appoint Fredrik Walmeus to be auditor in charge. The nomination committee has further proposed that fair remuneration to the auditors shall be paid on approved accounts.

Item 15 – The proposal by the board of directors regarding share split and automatic share redemption program, including (a) share split 2:1, (b) reduction of the share capital through redemption of shares, and (c) increase of the share capital through a bonus issue without issuance of new shares

The board of directors proposes that the annual general meeting resolves on a so-called automatic share redemption program encompassing a distribution to the shareholders of a total of SEK 1.50 per existing share according to item 15(a) - 15(c) below. The resolutions of the annual general meeting according to item 15(a) - 15(c) shall be taken together as one resolution.

(a) Resolution on share split 2:1: The board of directors proposes that the annual general meeting resolves on a share split, whereby one (1) existing share in the company is split into two (2) shares, of which one will be a so-called redemption share. The board of directors proposes that the board of directors is authorized to set the record date for the share split, which at the time of the notice is estimated to be 21 May 2015. Based on the estimated record date for the share split, the last trading day for the Björn Borg share including the right to receive redemption shares will be 19 May 2015 and the first trading day for the Björn Borg share excluding the right to receive redemption shares will be 20 May 2015.

(b) Resolution on reduction of the share capital through redemption of shares: The board of directors proposes that the annual general meeting resolves that the share capital shall be reduced for repayment to the shareholders by SEK 3,929,435 through the redemption of 25,148,384 shares. The shares so redeemed shall be those shares which are referred to as redemption shares after the share split described above. A payment of SEK 1.50 shall be made for each redemption share (of which approximately SEK 1.34 exceeds the quota value of the share). The total redemption amount will be SEK 37,722,576. The board of directors proposes that trading in redemption shares shall take place as from 25 May 2015 up to and including 5 June 2015, based on the above-mentioned estimated record date for the share split. The board of directors further proposes that the board of directors is authorized to set the record date for the right to receive the redemption amount, which at the time of the notice is estimated to be 9 June 2015. Payment of the redemption amount is estimated to be made by Euroclear Sweden AB on 12 June 2015. The company's share capital will, after the execution of the reduction of the share capital, amount to SEK 3,929,435, divided into 25,148,384 shares, each with a quota value of approximately SEK 0.16. Except for the reduction of the share capital, the company's restricted equity will not be affected. Statements and

reports from the board of directors and the auditor will form part of, or be attached to, the complete proposal for decision.

(c) Resolution on increase of the share capital through a bonus issue without issuance of new shares: In order to achieve a time-efficient redemption procedure, without having to obtain permission from the Swedish Companies Registration Office (Sw. Bolagsverket) or a court, the board of directors proposes that the annual general meeting resolves to, through a bonus issue, restore the company's share capital to its original level, SEK 7,858,870, by increasing the company's share capital with SEK 3,929,435 through a transfer from the company's unrestricted equity to the company's share capital. No new shares will be issued in connection with the share capital increase. The quota value of the share will, after the bonus issue, amount to its original level, SEK 0.3125.

Item 16 - The proposal by the board of directors to authorize the board of directors to resolve on new issues of shares, warrants and/or convertibles

The board of directors proposes that the annual general meeting authorizes the board of directors, until the next annual general meeting, on one or several occasions, with or without deviation from the shareholders' preferential rights, to resolve on new issues of shares, warrants or convertibles. Resolutions that are passed under the authorization may not, in the aggregate, involve an increase of the share capital by more than SEK 390,625 (distributed on not more than 1,250,000 new shares). The authorization shall also include the right to resolve on new issues where the shares are to be paid for with non-cash consideration or through set-off of a claim, or otherwise with terms and conditions pursuant to the Swedish Companies Act Ch. 13 Sec. 7, Ch. 14 Sec. 9, or Ch. 15 Sec. 9.

The reasons for deviating from the shareholders' preferential rights shall be to enable directed share issues for the purpose of acquisitions of companies or businesses, in whole or in part, alternatively for raising capital to be used for such acquisitions. The basis for the subscription price shall be the market price of the share. The authorization may not be used to resolve on cash issues, which are directed, in whole or in part, to one or more existing shareholders – instead, in connection with cash issues where shareholders shall be entitled to subscribe, the Swedish Company Act's rules on preemption rights shall apply.

Item 17 – The proposal by the board of directors for a long-term incentive plan including resolution regarding (A) issue and approval of transfer of convertible debentures, and (B) issue and approval of transfer of warrants

The board of directors proposes that the annual general meeting resolves on a long-term incentive plan involving resolutions regarding (A) issue and approval of transfer of convertible debentures (Sw. konvertibler) to introduce a convertible debenture plan for all employees in the Swedish companies in the Björn Borg Group (the "Convertible Debenture Plan") and (B) issue and approval of transfer of warrants (Sw. teckningsoptioner) to introduce a warrant plan for the senior management (the "Warrant Plan"). The Convertible Debenture Plan and the Warrant Plan are hereinafter referred to as the "Incentive Plan".

The purpose of the Incentive Plan and the reason for the deviation from the preferential rights of shareholders is to align the interests of the employees with the interests of the shareholders and to promote an increased shareholding in Björn Borg AB (publ) ("Björn Borg") among employees in the Björn Borg Group.

Scope and Participants

The Convertible Debenture Plan

The Convertible Debenture Plan involves that Björn Borg raises a convertible debenture loan in a nominal amount of up to SEK 34,800,000 corresponding to up to 580,000 convertible debentures, which upon conversion can be converted into up to 580,000 shares, through an offer directed to all employees in the Swedish companies in the Björn Borg Group. In the event that the conversion price, to be determined as set out below, would be set to be an amount which would increase the share capital by more than SEK 181,250 upon full conversion at this conversion price, the maximum loan amount shall however be reduced so that the maximum increase of the share capital will be SEK 181,250.

Allocation of convertible debentures shall be decided by the board of directors in accordance with the following guidelines:

Category	Position	Guaranteed number of convertible debentures	Maximum allocation
I	Employees within the Swedish companies	1,000	10,000
II	Senior management (except for CEO)	10,000	100,000
III	CEO	100,000	150,000

In total, the Convertible Debenture Plan comprises of approximately 110 employees, divided into category I (approx. 100 persons), category II (approx. ten persons) and category III (one person). The minimum allocation for all categories shall be 1,000 convertible debentures. The guaranteed number of convertible debentures set forth is based on a total number of convertible debentures equalling to 580,000. If the final loan amount is adjusted in order for the maximum increase of the share capital upon full conversion not to be exceeded, a corresponding adjustment shall be made to the guaranteed allocation set forth. In case of oversubscription, all participants shall initially be granted the guaranteed allocation and, secondly, the remaining convertible debentures shall be allocated to employees within category I and II, whereby allocation shall be made in proportion to each participant's application, but not exceeding the maximum number of convertible debentures for category I and category II. Thereafter, if there would be any remaining convertible debentures, these convertible debentures shall be allocated to the employee within category III.

The offer to participate in the Convertible Debenture Plan will be given not later than 3 June 2015, involving a right for the employees to submit a binding application not later than 16 June 2015 to acquire convertible debentures. Only the employees of the Swedish companies in the Björn Borg Group have the right to acquire convertible debentures. Eligible employees means employees who have a permanent employment in the Björn Borg Group and who has not resigned or been given notice of termination prior to the last day of the application period, nor entered into an agreement regarding termination of employment. In addition, employees who, prior to the annual general meeting 2016, have entered into an agreement regarding permanent employment in the Björn Borg Group and taken up his/her position at that time shall be regarded as permanent employees.

The Warrant Plan

The Warrant Plan involves that Björn Borg issues up to 520,000 warrants, which give entitlement to subscription of up to 520,000 shares, through an offer directed to the senior management.

Allocation of warrants shall be decided by the board of directors in accordance with following guidelines:

Category	Position	Guaranteed number of warrants	Maximum allocation
I	Senior management (except CEO)	10,000	100,000
II	CEO	150,000	250,000

The Warrant Plan comprises of approximately eleven persons, divided into category I (approx. ten persons) and category II (one person). In case of oversubscription, the participants shall initially be granted the guaranteed allocation and, secondly, the remaining warrants shall be allocated to participants who have applied for additional allocation in proportion to their application, but in no event so that the total number of warrants exceeds 520,000 warrants.

The offer to participate in the Warrant Plan will be given not later than 3 June 2015, involving a right to invited participants to, not later than 16 June 2015, submit a binding application to acquire warrants. Any new persons in the senior management who have not yet commenced his/her employment at the time when application to participate in the plan must have been made at the latest may, on condition that the employment is commenced no later than before the annual general meeting 2016, be offered to participate in the Warrant Plan if the board of directors considers it to be in line with the purpose of the Incentive Plan.

Subscription in the Incentive Plan and the subscription price for the convertible debentures (the loan amount) and the warrants (the warrant price)

The right to subscribe for the convertible debentures and the warrants in the Incentive Plan is granted, with deviation from the shareholders' preferential rights, solely to Björn Borg Services AB, reg. no. 556068-9209, a wholly-owned subsidiary of Björn Borg, (the "Subsidiary") with a right and an obligation for the Subsidiary to on market terms offer the participants in the Convertible Debenture Plan to acquire convertible debentures and the participants in the Warrant Plan to acquire warrants, in accordance with the allocation determined by the board of directors, to be based on the principles that the annual general meeting has resolved on. The convertible debentures and the warrants shall be subscribed for by the Subsidiary through payment during the period 1-5 June 2015 to a bank account designated by Björn Borg.

The convertible debentures and the warrants shall be freely transferable, but a condition for allocation is that the employee has signed a designated right of first refusal agreement with the company granting a repurchase right in case the employment is terminated or the holder wishes to transfer the convertible debentures or the warrants to a third party.

The convertible debentures shall be issued at nominal value, which corresponds to the conversion price. The subscription price corresponds to 100 per cent of the nominal value of the convertible debentures. Elleme AB has made a valuation of both the value of the loan portion of the convertible debentures and of the conversion

right, in accordance with a generally accepted valuation method (Black & Scholes). The subscription price for the warrants (warrant price) shall be the market value calculated by Elleme AB in accordance with a generally accepted valuation method (Black & Scholes) based on the average volume weighted bid price of the Björn Borg share on Nasdaq Stockholm during the period 21-29 May 2015.

Interest on the convertible debentures

The convertible debentures carry an annual interest from and including 1 July 2015, as specified in the complete terms for the convertible debentures, which is payable in arrears on 30 June each year, with the first payment on 30 June 2016, and on the date when the loan falls due. Every interest payment comprises of interest for exactly one year. As stated in § 7 of the complete terms of the convertible debentures, the right to interest from the immediately preceding interest payment date will lapse upon conversion. The interest rate is determined separately for each interest period. The annual interest rate shall correspond to STIBOR 3M plus 3.1 percentage units, assuming an average share price for the Björn Borg share during the measurement period of SEK 32.00, a conversion price of SEK 38.40, STIBOR 3M 0.5 per cent and a risk free interest of 0.5 per cent.

Acquisition of Björn Borg shares, conversion price and subscription price, time period during which convertible debentures and warrants may be exercised

Each convertible debenture and warrant under the Incentive Plan gives entitlement to conversion to, or subscription of, one (1) new share in Björn Borg, at a conversion price or subscription price equivalent to 120 per cent of the average volume weighted bid price of the Björn Borg share on Nasdaq Stockholm during the period 21-29 May 2015. A day without listing of a bid price shall not be included in the calculation. The conversion price or the subscription price, determined as set forth above, shall be rounded off to the closest whole öre, whereby 0.5 öre shall be rounded down. The conversion price or the subscription price shall in no event be below the quota value of the share. In the event that the conversion price, determined as set forth above, would be set to be an amount that would increase the share capital by more than SEK 181,250 upon full conversion at this conversion price, the maximum loan amount shall be reduced so that the maximum increase of the share capital will be SEK 181,250. Conversion of the convertible debentures or subscription of shares with the support of the warrants may be made from and including 1 June 2019 until and including 14 June 2019, or from and including and until and including the earlier day that follows from the complete terms for the convertible debentures and for the warrants. As stated in the complete terms for the convertible debentures and the warrants, the conversion price and the subscription price can be recalculated upon certain corporate events.

Dilution

In the event of full participation in the Incentive Plan, and that all convertible debentures in the Convertible Debenture Plan are converted and all the warrants in the Warrant Plan are exercised, the share capital of Björn Borg may be increased by up to SEK 343,750, of which SEK 181,250 is a result of conversion of convertible debentures and SEK 162,500 is a result of exercise of warrants, through the issuance of up to 1,100,000 shares, each with a quota value of SEK 0.3125 (subject to any recalculation upon certain corporate events according to the complete terms). This corresponds to a dilution effect of approximately 4.2 per cent of the share capital and the number of votes, calculated after full conversion and exercise.

Item 18 – The proposal by the board of directors regarding guidelines for remuneration to the executive management

The board of directors proposes that the annual general meeting shall adopt the following guidelines for remuneration to the executive management. The term executive management refers to the managing director and the other members of the group management team. Björn Borg shall apply competitive remuneration levels and employment terms in order to attract and retain a highly competent management, able to achieve the company's targets. The forms of remuneration shall incentivize the executive management to do their utmost to safeguard a positive financial development. Remuneration to the managing director and the other individuals in the executive management may consist of base salary, a variable remuneration, share related long-term incentive plans and additional benefits and pensions. The total remuneration shall correspond to market practice and be competitive, and be related to responsibility and authority. The variable remuneration shall be based on the result, measured in relation to defined and measurable targets, tailored to contribute to build long-term value in the company, and be limited in relation to the fixed salary that has been determined. The variable remuneration shall not exceed the fixed salary. The board of directors shall, when determining the variable remuneration to the executive management, also consider to introduce restrictions which (i) makes it a condition for part of the variable remuneration that the performance on which the remuneration is based proves to be sustainable over time, and (ii) entitles the company to recover remuneration which has been paid out due to information that later proves to be obviously incorrect. In the event of termination of employment initiated by the company, the notice period shall not be longer than 12 months. Severance pay shall not be applied. Pension benefits are to be determined by charge and entitle the executive management to pension from the age of 65 years. Any incentive program shall safeguard a long-term commitment to the company's development, an increased alignment of interests between the participant of the incentive program and the shareholders of the company, and shall be implemented on

market terms. The board of directors may deviate from these guidelines only in case special circumstances so warrant in an individual case.

Item 19 - Proposal regarding the nomination committee

The nomination committee of the company proposes that the representatives of the nomination committee shall be appointed through a procedure where the chairman of the board of directors contacts the four largest shareholders in terms of votes based on shareholders statistics from Euroclear Sweden AB as per 31 August 2015, and that such shareholders each appoints a person to, together with the chairman of the board of directors, constitute the nomination committee up until the next annual general meeting, or, if applicable, up until a new nomination committee has been appointed. If the chairman of the board, directly or through companies, would be one of the four aforementioned largest shareholders, the nomination committee shall be composed of four members only (the chairman and the three representatives appointed by the other three largest shareholders). If any of these shareholders elects to renounce its right to appoint a member, the right shall pass to the largest shareholder in turn. Should a representative resign from the nomination committee before its work is completed and provided that the nomination committee considers it necessary, a substitute shall be appointed by the same shareholder that has appointed the resigning representative, or, if this shareholder is no longer one of the four largest shareholders in terms of votes, by the new shareholder that has such shareholding. The nomination committee shall appoint one of its members as chairman. The composition of the nomination committee shall be made public on the company's web site as soon as the nomination committee has been formed and no later than six months before the annual general meeting. In the event that the ownership structure is changed after the nomination committee has been composed such that one or several shareholders that have appointed a representative to the nomination committee is no longer in the group of the four largest shareholders in terms of votes, the composition of the nomination committee may be changed in accordance therewith if the nomination committee considers that so is necessary. The tasks of the nomination committee shall be to prepare, for the next shareholders' meeting, proposals in respect of number of directors of the board, remuneration to the chairman of the board of directors, the other directors of the board and the auditors respectively, remuneration, if any, for committee work, the composition of the board of directors, the chairman of the board of directors, resolution regarding the nomination committee, chairman at the annual general meeting and election of auditors. The company shall pay for reasonable costs that the nomination committee has considered to be necessary in order for the nomination committee to be able to complete its assignment.

Specific majority requirements

The proposals under item 15 and 16 are subject to the resolutions by the annual general meeting being supported by shareholders representing at least 2/3 of the votes cast as well as the number of shares represented at the meeting. The proposal under item 17 is subject to the resolution by the annual general meeting being supported by shareholders representing at least 9/10 of the votes cast as well as the number or shares represented at the meeting.

Other information

There are in the aggregate 25,148,384 shares outstanding in Björn Borg carrying one vote each; accordingly there are 25,148,384 votes. The company owns no own shares. In accordance with the Swedish Companies Act Ch. 7 Sec. 32, the shareholders have the right to ask questions at the annual general meeting regarding the items on the agenda and about the financial situation of the company and the group. Shareholders who wish to submit questions in advance of the annual general meeting, shall send these to Björn Borg AB, Tulegatan 11, 113 53 Stockholm or per e-mail to stamma@bjornborg.com.

Available documents

The accounts, the auditor's report, the board of director's reasoned statement regarding the reduction of the share capital, an information brochure regarding the proposal on the share split and the automatic share redemption procedure, the auditor's report regarding whether the previous guidelines for remuneration to the executive management have been complied with and the complete proposals for decisions with respect to items 15, 16, and 17 and 18 including the auditor's reports with respect to item 15, will be available to the shareholders at the company and at the company's website (corporate.bjornborg.com) no later than as from 20 April 2015, and will also be distributed to shareholders that so request and provide their postal address.

Stockholm, April 2015

The Board of Directors