

## **Notice to attend the Annual General Meeting of Addtech AB (publ)**

**The shareholders of Addtech AB (publ), organisation number 556302-9726, are hereby given notice to attend the Annual General Meeting to be held at 4:00 p.m., Wednesday, 27 August 2014, at IVA, Grev Turegatan 16, Stockholm.**

### **NOTICE OF PARTICIPATION**

Shareholders who wish to participate in the proceedings of the Annual General Meeting must:

- be entered in the shareholders' register maintained by Euroclear Sweden AB as of Thursday, 21 August 2014.
- notify the Company's head office at Addtech AB (publ.), Box 5112, SE-102 43 Stockholm, Sweden, or by telephone +46 (0)8 470 49 00, fax +46 (0)8 470 49 01 or via the Company's website, [www.addtech.com/investors](http://www.addtech.com/investors), or by e-mail to [info@addtech.com](mailto:info@addtech.com), no later than by 3:00 p.m., Thursday, 21 August 2014. Such notice must contain the shareholder's name, personal registration number (organisation number), address, telephone number and the number of shares represented as well as any attending counsel, maximum two. Details provided will be processed electronically and will be used for the purposes of the 2014 Annual General Meeting.

Shareholders whose shares are registered under a trustee must temporarily register their shares in their own name in order to exercise their voting rights at the Annual General Meeting. Such changes in registration must be completed as of Thursday, 21 August 2014, in order for due registration to take place.

Where participation will be by proxy, an original copy of the proxy documentation and any documents verifying authority must be submitted to the Company well in advance of the Annual General Meeting. Proxies for legal entities must also submit a certified copy of a certificate of incorporation or equivalent document verifying authority. The Company provides a proxy form to shareholders, and this form is available at the Company's head office or on the Company's website [www.addtech.com/arsstamma](http://www.addtech.com/arsstamma) latest on July 17, 2014.

### **PROPOSED AGENDA**

1. Opening of the Meeting.
2. Election of Chairman to preside over the Meeting.
3. Preparation and approval of Electoral Register.
4. Approval of the agenda.
5. Election of one or two persons to approve the Minutes.
6. Determination of whether the Meeting has been properly convened.
7. Presentation of the Annual Accounts and the Audit Report and the Consolidated Financial Statements and the Consolidated Audit Report.

8. Address by the President and Chief Executive Officer.
9. Resolutions
  - a) regarding adoption of the Income Statement and the Balance Sheet and the Consolidated Income Statement and the Consolidated Balance Sheet,
  - b) regarding allocation of the Company's earnings in accordance with the duly adopted Balance Sheet, and
  - c) regarding discharge from liability for the members of the Board of Directors and the President/CEO.
10. Report on the work of the Election Committee.
11. Determination of the number of Board members.
12. Ratification of fees for the Board of Directors and the Auditor.
13. Election of Board members and Chairman of the Board of Directors.
14. Election of Auditor.
15. Resolution regarding guidelines for remuneration of members of senior management.
16. Resolution regarding issuing call options for repurchased shares and the transfer of repurchased shares to management personnel ("the 2014 Share-Related Incentive Scheme").
17. Resolution regarding authorisation for the Board of Directors to decide on the purchase and conveyance of own shares.
18. Closing of the Meeting.

#### **PROPOSED RESOLUTION WITH RESPECT TO ITEMS 2 AND 11-14 ON THE AGENDA**

The 2012 Annual General Meeting resolved that the principles for appointing Election Committee shall be valid until further notice. According to these principles the Chairman of the Board of Directors contacted the five known largest shareholders by vote as at 31 December 2013 and requested that they appoint members who, together with the Chairman of the Board of Directors, will constitute the Election Committee ahead of the 2014 Annual General Meeting.

The Election Committee consists of Anders Börjesson (Chairman of the Board of Directors), Tom Hedelius, Marianne Nilsson (appointed by Swedbank Robur), Martin Wallin (Lannebo Fonder) and Johan Strandberg (SEB Fonder). Anders Börjesson is the Chairman of the Election Committee. The Election Committee, the members of which represent 50 percent of the votes in the Company, has entered the following proposals:

#### **2. Election of Chairman to preside over the Meeting**

The Chairman of the Board, Anders Börjesson, is proposed as Chairman to preside over the Meeting.

**11. Determination of the number of Board members**

Six directors proposes.

**12. Determination of fees for the Board of Directors and the Auditor**

Total fees to the Board of Directors of SEK 1,630,000, unchanged from last year, to be distributed as follows: SEK 500,000 to the Chairman of the Board of Directors, SEK 380,000 to the Vice Chairman of the Board of Directors, and SEK 250,000 to each of the other Board members appointed by the Annual General Meeting and not employed by the Company.

No fees are payable for committee work. Based upon individual agreement with Addtech AB, a Board fee may be invoiced by a company wholly owned by the director. If this is done, the fee shall be increased by an amount corresponding to the social security charges and value-added tax.

Audit fees will be paid according to approved invoice.

**13. Election of Board members and Chairman of the Board of Directors**

Re-election of the Board members Anders Börjesson, Eva Elmstedt, Tom Hedelius, Ulf Mattsson, Johan Sjö and Lars Spongberg.

Anders Börjesson to be appointed to serve as Chairman of the Board.

Descriptions of the members of the Board of Directors can be found in the Company's Annual Report for 2013/2014 and at the Company's website.

**14. Election of Auditor**

Proposes election of KPMG AB as Auditor. KPMG AB will appoint the authorized auditor George Pettersson as Auditor in charge.

**PROPOSAL BY THE BOARD OF DIRECTORS WITH RESPECT TO RESOLUTIONS UNDER ITEMS 9b AND 15-17**

**9b. Resolution with respect to disposition of the Company's earnings according to the adopted Balance Sheet**

The Board of Directors proposes that the funds available for distribution are allocated as follows: 199 MSEK (175) to be paid as dividend to the shareholders and the remaining, 704 MSEK (732), to be carried forward.

This means that the Board of Directors proposes a dividend to the shareholders of SEK 3.00 per share (SEK 2.67) and Monday, 1 September 2014, as the record day for receipt of the dividend.

Subject to approval by the Annual General Meeting in accordance with the proposal, the dividend is expected to be paid via Euroclear Sweden AB on Thursday, 4 September 2014, to shareholders of record on the record day.

## **15. Resolution with respect to guidelines for remuneration to members of senior management**

The Board of Directors proposes that the Annual General Meeting passes a resolution on guidelines for remuneration to members of senior management, essentially as follows:

The guidelines shall apply to remuneration to the President/CEO and the other members of Addtech's Group management ("the Group Management").

Addtech strives to offer total remuneration which is reasonable and competitive, and which thereby serves to attract and retain qualified associates. The total remuneration, which varies in relation to the individual's and the Group's performance, may consist of the components set out below.

A fixed salary shall constitute the basis for the total remuneration. The salary shall be competitive and reflect the responsibility involved in the work. The fixed salary shall be reviewed on an annual basis.

Variable remuneration is primarily based on the Group's growth in earnings, profitability and cash flow. The annual variable portion may be for a maximum of 40 percent of the fixed salary.

The Board of Directors will evaluate on an annual basis whether or not a long-term incentive scheme shall be proposed to the Annual General Meeting and, if such is the case, whether or not the proposed long-term incentive scheme shall include conveyance of shares in the Company.

Retirement pension, health care benefits and medical benefits shall be designed in such a way as to reflect rules, regulations and established practice in the marketplace. Pension plans shall be defined-contribution pension plans to the greatest extent possible.

Other benefits may be provided to individual members or the entire Group Management and will be designed relative to established practice in the marketplace. These benefits shall not constitute a significant portion of total remuneration.

Members of Group Management are obliged to observe a 6-month period of notice in the event of termination at the initiative of the employee and shall have a right to a maximum of a 12-month period of notice in the event of termination at the initiative of the Company. In the event of termination at the initiative of the Company, members of the Group Management shall have the right to a severance payment equivalent to a maximum of 12 months' salary, in addition to salary and other employment benefits during the period of notice. No severance payment shall be payable in the event of termination at the initiative of the employee.

The Board of Directors shall have the right to deviate from the abovementioned guidelines in individual cases and where special reasons exist. In the event of any such deviation, information about this and the reasons for the deviation shall be reported at the next Annual General Meeting.

The Remuneration Committee appointed by the Board of Directors prepares and compiles proposals to the Board of Directors for remuneration to the President / CEO. Based on proposals by the President /CEO, the Remuneration Committee makes decisions regarding remuneration to the other members of the Group Management. The Board of Directors is informed of the decisions of the Remuneration Committee.

This statements of the proposal for resolution is complete.

**16. Resolution regarding issuing call options for repurchased shares and the transfer of repurchased shares to management personnel (“the 2014 Share-Related Incentive Scheme”)**

The Board of Directors proposes that the Annual General Meeting should pass a resolution to adopt a long-term incentive scheme, the 2014 Share-Related Incentive Scheme (“the Scheme”). The Scheme is proposed to include 25 members of management personnel within the Addtech Group in which the participants is being given the opportunity to acquire, at market price, call options relating to class B shares in Addtech AB (publ) (“the Company”) repurchased by the Company, with the participants receiving a certain subsidy on premiums paid for the options after two years.

The proposal of the Board of Directors also involves the Annual General Meeting approving the Company transferring – in deviation from the shareholders’ preferential rights – up to 350,000 of the Company’s repurchased class B shares to the option holders at the agreed exercise price in connection with any exercise of the call options (subject to any recalculations). Finally, the proposal of the Board of Directors also involves the Annual General Meeting approving the possibility of class B shares which the Company has acquired in accordance with previous authorisation being transferred in order to guarantee the provision of shares in accordance with the proposed Scheme. The Company currently holds a total of 1,740,000 class B shares in the Company.

This proposal has been prepared by the Company’s Remuneration Committee in consultation with the Company’s Board of Directors. The decision to propose the Scheme to the Annual General Meeting has been taken by the Board of Directors.

The Scheme involves the following main terms and conditions:

- a) The number of call options to be issued shall not exceed 350,000, corresponding to approximately 0.5% of the total number of shares and approximately 0.4% of the total number of votes in the Company. Each call option entitles the holder to acquire one (1) repurchased class B share in the Company during the period from 17 September 2017 to 1 June 2018, inclusive. Shares may not, however, be purchased during any such period when trading in the Company’s shares is forbidden in accordance with section 15 of the Swedish Reporting Duty for Certain Holdings of Financial Instruments Act (2000:1087) or any other equivalent legislation which applies at any given time.
- b) The purchase price for shares on exercising options shall correspond to 120% of the volume-weighted average of the price paid for the Company’s B shares on the NASDAQ OMX Stockholm during the period from 29 August 2014 to 11 September 2014, inclusive.
- c) The right to acquire call options shall be granted to the Group Management and 19 members of management within the Addtech Group who are directly able to have an impact on the Group’s profits. Members of the Group Management team shall be offered a maximum of 30,000 call options, and other management personnel will be divided into two different categories, in which individuals will be offered a maximum of 12,500 and a minimum of 7,500 call options.
- d) If persons who are entitled to an allocation refrain in full or in part from acquiring call options offered to them, such unacquired call options shall be divided on a pro rata basis between those persons who are entitled to an allocation and who have expressed their interest in acquiring additional call options in writing. Persons who are entitled to an allocation may not come to acquire more than an additional 30% of the original number of call options offered in this manner.
- e) The Board of Directors shall establish with final effect the distribution of call options according to the principles outlined in items c) and d) above, and the number of call options the employees within each category shall be offered for acquisition.

- f) Notice of acquiring call options must be given no later than 16 September 2014.
- g) The premium for the call options shall correspond to the market value of the call options as per an external independent valuation, applying the Black & Scholes model. The measuring period for underlying share prices on calculating the option premium shall be from 5 September 2014 until 11 September 2014 inclusive.
- h) Issuing call options to employees outside Sweden is dependent on tax effects, there being no legal impediment, and the Board of Directors deeming that such allocation can be carried out with reasonable administrative and financial resources. The Board of Directors shall be entitled to make such minor amendments to the Scheme as required by applicable foreign legislation and regulations.
- i) The call options are freely transferable.
- j) The number of shares which the call options bring entitlement to acquire and the exercise price may be recalculated as a result of e.g. bonus issues, share consolidations or splits, new issues, a reduction in the share capital or similar actions. The point in time at which shares are transferred may be brought forward as a result of any merger or similar actions.
- k) In order to encourage participation in the Scheme, a subsidy shall be paid corresponding to the premium paid for each call option. This subsidy shall be paid during September 2016, providing that the option holder's employment with the Group has not been terminated and that the call options have not been disposed of prior to this point.
- l) Within the constraints of the above terms, conditions and guidelines, the Board of Directors shall be responsible for the further formulation and administration of the Scheme.

The costs of the Scheme consist of the subsidy paid during September 2016 as detailed above and the social security charges payable on this subsidy. The total cost of the subsidy, including social security charges, has been estimated at approximately SEK 3.3 million after corporation tax (calculated based on the prevailing market conditions on 27 June 2014). Against this subsidy, the option premium corresponds to a total of approximately SEK 3.2 million which the Company will receive on transferring the call options, as a result of which the Scheme will not involve any net charge to the Company's equity.

The reason for allowing deviations from shareholders' preferential rights and the Board's reasons for carrying out this Scheme are that senior management in the Addtech Group should be able to benefit from and strive for, through their own investment, an increase in the price of the Company's shares, thus more closely aligning the interests of senior managers and shareholders in the Company. The intention of the Scheme is also to contribute towards management personnel increasing their shareholdings in Addtech in the long term. The Scheme is also expected to create the right conditions for retaining and recruiting skilled personnel for the Addtech Group, to provide competitive remuneration and to align the interests of the shareholders and management. Those members of management included in the Scheme are the group who, in an otherwise heavily decentralised organisation, are able to have a positive impact on profits through cooperation between the Group's subsidiaries. On the basis of this, the Board of Directors believes that the introduction of the Scheme will have a positive effect on the continued development of the Addtech Group, and that the Scheme will benefit both the shareholders and the Company.

The Company has three long-term incentive schemes, the 2011, 2012 and the 2013 Share-Based Incentive Schemes.

The 2011 Share-Based Incentive Scheme, has been in effect by which 25 members of senior management have acquired a total of 200,000 call options entitling the holders to acquire 600,000 class B shares in the Company. The exercise price for these call options is set at

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SEK 59.80 per share, and the exercise period is from 15 September 2014 to 29 May 2015, inclusive. If all these options were to be exercised, the number of shares outstanding would increase by 600,000. The total of these 600,000 shares are represented by class B shares already repurchased by the Company.

The 2012 Share-Based Incentive Scheme has been in effect by which 25 members of senior management have acquired a total of 200,000 call options entitling the holders to acquire 600,000 class B shares in the Company. The exercise price for these call options is set at SEK 71.50 per share, and the exercise period is from 14 September 2015 to 3 June 2016, inclusive. If all these options were to be exercised, the number of shares outstanding would increase by 600,000. The total of these 600,000 shares are represented by class B shares already repurchased by the Company.

The 2013 Share-Based Incentive Scheme has been in effect by which 25 members of senior management have acquired a total of 180,000 call options entitling the holders to 540,000 class B shares in the Company. The exercise price for these call options is set at SEK 106.13 per share, and the exercise period is from 19 September 2016 to 2 June 2017, inclusive. If all these options were to be exercised, the number of shares outstanding would increase by 540,000. The total of these 540,000 shares are represented by class B shares already repurchased by the Company.

The resolution proposed by the Board of Directors in accordance with point 16 must be seconded by shareholders representing not less than nine tenths of the votes cast and shares represented at the Annual General Meeting.

#### **17. Authorisation for the Board of Directors to decide on the purchase and conveyance of own shares**

The Board of Directors proposes that the Annual General Meeting passes a resolution authorising the Board of Directors to decide – during the period until the next following Annual General Meeting – to repurchase up to the maximum number of class B shares so that the Company's holding of own shares at any given time does not exceed 10 percent of the total number of shares outstanding in the Company. Purchases shall be made on the NASDAQ OMX Stockholm at a price within the price range registered at any given time, which is the interval between the highest purchase price and the lowest sale price. Purchase may be done at one or several occasions.

The Board of Directors further proposes that the Annual General Meeting authorises the Board of Directors – during the period until the next Annual General Meeting – to sell its own shares held in treasury in conjunction with acquisitions of companies or businesses in ways other than on the NASDAQ OMX Stockholm. The authorisation may be exercised on one or more occasions and includes all shares held in treasury by the Company at the time of the decision of the Board of Directors. The authorisation includes a right to decide to deviate from shareholders' preferential rights and that payment may be effected in forms other than money.

The purpose of the authorisation is to enable the Group's capital structure to be adjusted as well as to enable companies or business operations to be acquired in future through payment of own shares. Holding its own shares also safeguards the Company's commitments in the Share-Based Incentive Schemes resolved by the 2011, 2012 and the 2013 AGM and the Share-Based Incentive Scheme proposed in item 16 above.

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The resolution proposed by the Board of Directors in accordance with item 17 must be seconded by shareholders representing not less than two thirds of the votes cast and shares represented at the Annual General Meeting.

## **SHARES AND VOTES**

The Company has issued a total of 68,198,496 shares. 3,253,800 of these are class A shares and 64,944,696 are class B shares, of which 1,740,000 are held by the Company. The total number of votes, after deducting the shares held by the Company, is 95,742,696. This information relates to the situation at the time of issuing this notice.

## **DOCUMENTATION**

The financial accounts, the auditor's report and the Board of Directors' full proposals in accordance with points 9b (including the Board of Directors' statement in accordance with Chapter 18, section 4 of the Swedish Companies Act), 15 (including the auditor's statement in accordance with Chapter 8, section 54 of the Swedish Companies Act and the Remuneration Committee's assessment of incentive schemes and application of the guidelines for remuneration to senior management approved by the AGM), 16 and 17 (including the Board of Directors' statement in accordance with chapter 19, section 22 of the Swedish Companies Act) on the agenda will be available at the Company latest on Thursday 17 July 2014 onwards, and will be sent to those shareholders who request this and provide their postal address. These documents will also be available on the Company's website from the same time. The Election Committee's proposals and details of all proposed members of the Board of Directors will be available on the Company's website from the date of issue of this notice.

*Stockholm, July 2014*

*The Board of Directors*

*Addtech AB (publ)*

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