



Shareholders in  
**MICRO SYSTEMATION AB (publ)**

are hereby given notice to attend the Annual General Meeting (AGM) on Wednesday, 10 May, 2017 at 18.00 in Gällöfsta City's premises at Biblioteksgatan 29 in Stockholm. Registration for the AGM will commence at 17:15.

**RIGHT TO PARTICIPATE**

Shareholders in Micro Systemation AB (publ), organisation number 556244-3050, who wish to participate at the AGM must:

- be registered in Euroclear Sweden AB's shareholder register by 4 May 2017
- give their notice to participate with the company at the latest 4 May 2017

Shareholders who have allowed their equity manager to register their shares must, to be entitled to participate at the AGM, temporarily re-register their shares in their own name with Euroclear Sweden AB. Shareholders who wish to re-register their shares must advise their equity manager in good time and before 4 May 2017 for the re-registration to be finalised in time.

**NOTICE TO PARTICIPATE**

Notice to participate must have been received by the company latest 4 May 2017, at 24:00, through one of the following channels; via the form available at [www.msab.com](http://www.msab.com), by telephone 08-402 90 75, weekdays 9.00 - 16.00, or by letter to the following address: Micro Systemation AB, Årsstämman, Box 7835, 103 98 Stockholm. A notice to participate received in any other manner will not be accepted.

Notification of participation shall include name, personal ID or organisation number, address, and telephone number, as well as the name of any possible alternate who may attend.

**AGENTS AND PROXY FORM**

Anyone who is not personally present at the Meeting may exercise their rights at the Meeting by proxy with a written, signed and dated proxy.

Representatives of a legal entity, a copy of the registration certificate or corresponding document of the legal entity shall be presented. To facilitate admission to the Annual General Meeting, powers of attorney, registration certificates and other authorization documents should be received by the Company at the above address not later than Thursday, May 4, 2017.

A separate notification concerning a Shareholder participants of the Meeting will take place even if the shareholder wishes to exercise its right to vote at the Meeting by proxy.

Submitted proxy is not valid as a notice of attendance.

Proxy forms are available from the Company on request and is available on [www.msab.com](http://www.msab.com).



## **NUMBER OF SHARES AND VOTES**

The total number of shares is 19,082,000 of which 1,000,000 are A-shares, 17,460,000 are B-shares, and 622,000 are C-shares. The total number of votes is 28,082,000 of which 10,000,000 votes are ascribed to A-shares, 17,460,000 votes are ascribed to B-shares, and 622,000 votes are ascribed to C-shares. All C-shares and 81,596 B-shares are held by the company.

## **PROPOSED AGENDA**

1. Election of AGM chairman and appointment of meeting secretary
2. Preparation and approval of voting list
3. Approval of agenda
4. Election of at least one person to approve the AGM minutes
5. Determination of whether the AGM has been duly convened
6. Presentation of the annual report and audit report, the consolidated financial statements, and the auditor's report for the Group
7. Resolutions regarding the adoption of the income statement and balance sheet, as well as the consolidated income statement and consolidated balance sheet
8. Resolution regarding appropriation of the company's profit in accordance with the adopted balance sheet
9. Resolution of record date regarding distribution of proposed dividend
10. Resolution regarding discharge from liability for members of the Board of Directors and the CEO
11. Determination of fees for members of the Board of Directors and the auditor
12. Election of members of the Board of Directors and auditor
13. Consideration of the Board's proposal concerning adoption of guidelines for remuneration for the executive management
14. Resolution of long-term incentive scheme 2017/2020 for executive management and other key employees by issuing warrants with deviation from shareholders preferential right.
15. Resolution to
  - a. Authorize the Board of Directors to repurchase own shares
  - b. Authorize the Board of Directors to transfer own shares
16. Election of Nomination Committee members
17. Meeting Adjournment

## **RESOLUTION PROPOSALS IN BRIEF**

### **AGM Chairman (Item 1)**

The Nomination Committee proposes Henrik Tjernberg be elected Chairman of the AGM.

## **Appropriation of company's profit (Item 8)**

The Board proposes that the AGM appropriates the company's profits in accordance with the board's proposals in the annual report. Further, the board proposes an ordinary dividend of SEK 2,2 per share.

## **Resolution of record date for distribution of dividend (Item 9 )**

The record date for the proposed dividend in accordance with item 8 shall be Friday 12 May, 2017. If the AGM adopts the proposal in item 8 and 9, payment of the dividend from Euroclear Sweden AB will take place on 17 May, 2017.

## **Determination of fees for members of the Board of Directors and the auditor, as well as election of the Chairman of the Board and board members (Items 11)**

The Nomination Committee has proposed a fee for board members who are not employed by the company in the amount of SEK 175,000, a fee for the board chairman in the amount of SEK 475,000, and that the auditors shall be paid as invoiced.

## **Election of members of the Board of Directors and auditor (Items 12)**

The Nomination Committee proposes the re-election of board members Robert Ahldin, Jan-Olof Backman, Katarina Bonde, Carl Bildt Örjan Gatu and Henrik Tjernberg.

The Nomination Committee proposes re-election of Chairman of the Board Henrik Tjernberg for the period up to and including the next AGM.

In accordance with the recommendation of the Board of Directors, the Nomination Committee proposes the re-election of auditor Deloitte AB, with authorised public accountant Erik Olin as Chief Auditor for the period up to and including the next AGM.

## **Consideration of the board's proposal for a decision on adoption of guidelines for remuneration of executive management (Item 13)**

The Board proposes that the Meeting resolves to approve the following guidelines for remuneration and other employment terms for senior executives.

The company will offer compensation and other terms of employment that enable the company to recruit, motivate and retain senior executives with such expertise that the company needs to implement its strategy and achieve business goals.

The overall principles for remuneration to senior executives shall be based on market conditions and position, individual performance, group performance and considering competitive compensation. The total remuneration to senior executives shall consist of fixed salary, variable salary in the form of incentives based on performance.

For variable remuneration paid in cash, the maximum is determined. The variable remuneration in the form of share or share price related incentive program shall be designed with the aim of achieving greater alignment of interests between the participating executives and shareholders and to promote the company's long-term value creation.



Pension benefits shall be competitive relative to those of comparable executives in the market in the respective executives work.

The Board is entitled to deviate from the proposed guidelines if special reasons exist.

**Resolution of long-term incentive scheme 2017/2020 for executive management and other key employees by issuing warrants with exception of shareholders preferential right (item 14)**

Background

The Board proposes a share based long-term incentive program for senior executives and other key employees based on warrants in the company. The objective of the Long Term Incentive Program 2017–2020 is to maintain the company's senior executives and key employees in a competitive market, and promote the long-term value for its shareholders by aligning the interests of the shareholders and the company's senior executives and key employees.

The program basically means that the participants at market value are offered to acquire up to 190,000 warrants with a term of three years and giving the right to subscribe for an equal number of Series B shares at a subscription price equal to 130 percent of the average volume-weighted price paid for shares of series B during May 11 to and including 24th May 2017.

The proposed long-term incentive plan has been prepared by the Board. The program aims to in the near future increase participants shareholder interest. The Board believes that this will benefit the company's development and thus the interests of shareholders.

Proposed resolution

The Board proposes that the Meeting resolves on the implementation of a long-term incentive program 2017/2020 for senior executives and certain other key employees through the issue of warrants with deviation from the preferential right of shareholders to the following conditions.

1. The Company shall issue a maximum of 190 000 warrants.
2. The right to subscribe for the warrants shall, with deviation from the preferential right of shareholders, be offered to the company's senior executives and certain key employees (total maximum of 20 people). The maximum number of warrants that individual participants will be offered shall not exceed 40 000.
3. The options issued at a rate per warrant corresponding warrants' by external valuation estimated market under the so-called Black & Scholes model.
4. The warrants shall be subscribed for on a separate subscription list that contains the issue decision, the calculated exercise price and the valuation by fixed rate per



subscription warrant later than 15 October 2017. The Board of Directors is entitled to extend the subscription period. Over-subscription is not possible. A subscription payment will be in cash at the latest in connection with the subscription.

5. Each warrant entitles the holder to subscribe for one (1) new share of series B in the Company during the period from 1 June 2020 and 31 August 2020 or until the earlier date in accordance with the warrant conditions.
6. The subscription price will be set to the equivalent of 130 percent of the average volume price for shares of series B during the period from May 11, 2017 to and including 24th May 2017. The calculated subscription price will be rounded to the closest integer penny, wherein 0.5 penny be rounded up. The subscription price may not be set below the share's quota value.
7. The new shares shall entitle to dividend for the first time on the record date that occurs immediately following the subscription.
8. The complete terms of the warrants are presented in Appendix A. As shown in Appendix A, the subscription price and number of shares to warrant entitles the holder to subscribe may be recalculated in conjunction with a new share issue and in certain other cases.
9. The increase in the company's share capital upon exercise of the warrants will amount to a maximum of 38 000, not considering the increase that may be caused by the conversion of the subscription price and the number of shares that each warrant entitles the holder to subscribe that may occur as a result of a new share issue.
10. The reasons for deviation from the shareholders' preferential rights is to enable the participants in LTIP 2017 to 2020 to subscribe for warrants under the program, which the Board believes promotes the company's development and contribute to the long-term value for its shareholders.
11. The Board is authorized to make minor adjustments in the resolution made by the Annual General Meeting that may be required in connection with the registration with the Swedish Companies Registration Office.

#### **Requirement of majority**

A valid resolution pursuant to this item 14 requires the approval of shareholders representing at least nine tenths of the votes and shares represented at the Annual General Meeting.

#### **Dilution and cost**

At full subscription and utilization of all 190 000 warrants, the number of shares will increase with a maximum of 190 000 new class B, corresponding to a dilution of 1.0 percent for the capital and about 0.7 percent for the voting rights per day of issue of this notice.



Since the warrants are issued at a subscription price at market value the company as a starting point is not obligated to pay any social security contributions for the warrants subscribed by senior executives and other key persons employed in Sweden. Warrants may also be offered to employees of the company's subsidiaries in the United States and elsewhere where taxation is different from Sweden and then some social costs may be applicable. The eventual cost of social charges are assessed as scant by the Board, given the number of warrants that may be offered to employees outside of Sweden and that the level of social security contributions is lower than in Sweden. Consequently, the issue of warrants will result, in addition to limited administrative costs, no or limited cost to the company.

#### **Authorization**

The Board, or the person appointed by the Board, shall be entitled to extend the period for subscription or payment.

The board, or whom the board appoints, shall also be authorized to make minor adjustments in the AGM resolution that may prove necessary in connection with registration of the resolution with the Swedish Companies Registration Office.

#### **Resolution to Authorize the Board of Directors to repurchase own shares (item 15 a)**

The Board proposes that the Meeting resolves to authorize the Board during the period until the next AGM, on one or more occasions, to decide on the acquisition of shares in the company in accordance with the following conditions:

- i. The company may acquire a maximum number of Class B shares that the company's holding of its own shares for each of these acquisitions amounts to a maximum of ten percent of the total shares in the company.
- ii. Acquisition shall take place on NASDAQ Stockholm.
- iii. Acquisitions shall be made at a price per share that falls within the current price range, referring to the acquisition may not occur at a price higher than the higher of (i) the last independent trade and (ii) the highest current independent purchase order.
- iv. The class B shares will be paid in cash.

The Board has issued a statement according to Chapter 19. § 22 Companies Act.

#### **Requirement of majority**

A valid resolution pursuant to this item 15 (a) requires the approval of shareholders representing at least two thirds of the votes and shares represented at the Annual General Meeting.

#### **Resolution to Authorize the Board of Directors to transfer own shares (item 15 b)**

The Board proposes that the Meeting resolves to authorize the Board to, on one or more occasions until the next AGM, to decide on the transfer of own shares of series B in accordance with the following conditions.

- i. Transfer may be made by the company's own class B shares held by the company at the time of the Board's decision.



ii. Transfer shall take place (i) Nasdaq Stockholm exchange, or (ii) otherwise than by transfer on the Nasdaq Stockholm, for the Board to decide on the transfer of shares for cash with preferential rights of shareholders, or as payment for the acquisition of companies or assets.

iii. Transfer of shares on Nasdaq Stockholm may only occur at a price within the, at each time, prevailing price interval.

iv. Transfer of shares otherwise than by transfer on the Nasdaq Stockholm, where the transfer is made with deviation from the shareholders preferential right or as payment for acquisitions of businesses or assets, the lowest at a price per share corresponding to the last independent trade the company's shares of series B Nasdaq Stockholm at that time.

The reason that the Board, in connection with the transfer of shares otherwise than by transfer of a regulated market, to decide on the transfer of shares in deviation from the shareholders' preferential rights is that the company thus can sell shares in a more time efficient manner, in the event that the liquidity the company's shares on the regulated market at the time of transfer is limited.

The authorization is intended to give the Board greater freedom of action and opportunity to continuously adapt its capital structure, as well as to finance future acquisitions.

#### **Requirement of majority**

A valid resolution pursuant to this item 15 (b) requires the approval of shareholders representing at least two thirds of the votes and shares represented at the Annual General Meeting.

#### **Election of Nomination Committee members (Item 16)**

The Nomination Committee is currently comprised of Chairman Erik Hermansson, and committee members Joakim Dal and Henrik Tjernberg. The Nomination Committee proposes that the AGM re-elect Erik Hermansson as chairman, and Henrik Tjernberg and Joakim Dal as committee members. The Nomination Committee proposes that if a committee member leaves the committee before its work is completed that the remaining committee members, in consultation with the Board of Directors, shall appoint a new committee member taking into consideration that the Nomination Committee shall represent all of the company's shareholders.

#### **Additional information**

The financial statements and the audit report for the company and the Group and any other documentation which should be available at the AGM as per the Swedish Companies Act, as well as proxy forms and the board's complete proposals for decisions, and the board's statements pursuant to chapter 18, paragraph 4 and chapter 19, paragraph 22 of the Swedish Companies Act, will be available at company premises and on the company's website ([www.msab.com](http://www.msab.com)) latest three weeks prior to the AGM, and will be sent free of charge to shareholders who so request and who provide their postal address. The Board of Directors and the CEO shall, if any shareholder so requests, and if the board deems that this can be done without causing material harm to the company, provide information regarding circumstances which may affect the assessment of a matter on the agenda, assessment of



the company's or its subsidiaries' financial situation, or the company's relationship to other companies within the Group.

For more information, please contact: [henrik.bergentoft@msab.com](mailto:henrik.bergentoft@msab.com) or [henrik.tjernberg@msab.com](mailto:henrik.tjernberg@msab.com)

Stockholm, April 2017

**Micro Systemation AB (publ)**  
Members of the Board of Directors