



## Proposals for decisions

To be made by the  
Annual General Meeting  
of shareholders in

**Semcon AB (publ)**

Thursday 26 April 2012, 3 p.m.

Theres Svenssons gata 15, Göteborg

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## **PROPOSED AGENDA**

1. Opening of the Shareholders' Meeting
2. Election of chairman of the Shareholders' Meeting
3. Drafting and approval of the voting list
4. Approval of the agenda
5. Election of two people to approve the minutes together with the chairman
6. Review as to whether the Shareholders' Meeting has been duly convened
7. Presentation of the annual report, auditors' report and consolidated accounts and consolidated auditors' report, along with a presentation of the work of the Board during the year by the President; questions from the meeting to the Board and management team
8. Decision regarding adoption of the income statement and balance sheet and the consolidated income statement and the consolidated balance sheet
9. Decision regarding appropriation of the company's profits according to the adopted balance sheet
10. Decision regarding indemnification of the board members and the CEO
11. Presentation of the work and proposals of the nominations committee
12. Decision regarding the number of Board members and deputies
13. Decision regarding number of auditors, deputy auditors or registered public accounting firms
14. Determination of remuneration to the Board of Directors
15. Determination of remuneration to the auditors
16. Election of Board chairman, Board members and deputies
17. Election of auditors, deputy auditors or registered public accounting firms
18. Decision regarding the nominations committee
19. Decision regarding guidelines for determining salaries and other remuneration to senior executives
20. Decision to authorize the Board to decide on new issues of ordinary shares

21. Decision to authorize the Board to decide on (a) acquisitions of ordinary shares and (b) transfer of ordinary shares
22. Other matters
23. Closing of the shareholders' meeting

## **NOMINATIONS COMMITTEE'S PROPOSALS**

The nominations committee of Semcon AB (publ), corporate registration number 556539-9549, was appointed in accordance with the procedure decided by the 2011 AGM and comprises Hampus Ericsson, JCE Group, chairman of the nominations committee; Jimmy Bengtsson, Skandia Liv; Kerstin Stenberg, Swedbank Robur Fonder, and Semcon's chairman Hans-Erik Andersson, who together represent around 47% of the votes associated with all the shares in the company.

The nominations committee submits the following proposals to the AGM on 26 April 2012:

### **Point 2 – Election of chairman for the meeting**

The nominations committee proposes Hans-Erik Andersson as chairman of the Meeting.

### **Point 12 – Decision regarding the number of Board members and deputies**

The nominations committee proposes no changes from last year, and that there be six ordinary Board members and no deputies.

### **Point 13 – Decision regarding the number of auditors, deputy auditors or registered public accounting firms**

The nominations committee proposes that a registered public accounting firm be appointed as auditor.

### **Point 14 – Determination of remuneration to the Board of directors**

The nominations committee proposes that the total fee to the Board be unchanged from last year at SEK 1,200,000, of which SEK 400,000 to the chairman and SEK 200,000 to each of the Board members elected by the meeting and not already an employee of the company or a subsidiary, and that no special fees be paid for work on Board committees.

### **Point 15 – Determination of remuneration to the auditors**

The nominations committee proposes that the fee paid to auditors be made on open account

### **Point 16. Election of Board chairman, Board members and deputies**

The nominations committee proposes re-election of Kjell Nilsson, Marianne Brismar, Gunvor Engström, Håkan Larsson and Joakim Olsson as Board members and the election of Kjell Nilsson as chairman. Hans-Erik Andersson will not be standing for re-election.

Kjell Nilsson (born 1948), MBS, Göteborg School of Economics. Elected to the Board in 2007, President and CEO of Semcon since February 2008. Stepping down as President and CEO of the company in conjunction with the AGM 2012. Other board assignments: Chair-

man of Symbrio AB. Board member of Choice Hotels AS, Home Properties AB and Home Invest AS. Shareholding in Semcon: 127,859 shares. Citizen of Sweden.

Gunvor Engström (born 1950), MBS, Stockholm School of Economics. Elected to the Board in 2007. Other board assignments: Länsförsäkringar Liv Försäkringsaktiefbolag (publ), Apotekgruppen, Metria AB, Hexicon AB, Third Swedish National Pension Fund and chairman of the Swedish Association of Independent Schools. Shareholding in Semcon (own and related parties): 30,000 shares. Citizen of Sweden.

Marianne Brismar (born 1961), Chemist and Economist. Elected to the Board in 2008. Other board assignments: Chairman of Newbody AB. Board member of Engelhardt AB, Wollenius Invest AB, Imego AB, Beijer Alma AB and Concentric AB. Shareholding in Semcon: 5,000 shares. Citizen of Sweden.

Håkan Larsson (born 1947), MBS, Göteborg School of Economics. Elected to the Board in 2008. Other board assignments: Chairman of Schenker AB, Inpension Asset Management and Valea AB. Board member of Bure Equity AB, Chalmers University of Technology, Handelsbanken Region Väst, Rederi AB Transatlantic, Stolt-Nielsen Ltd. and Wallenius Lines AB. Shareholding in Semcon: 10,000. Citizen of Sweden.

Joakim Olsson (född 1965), MBA, Master of Business Administration from INSEAD, Fontainebleau, France and graduate engineer from the Royal Institute of Technology, Stockholm, elected to the Board in 2011. President and CEO of SAG Group GmbH (Germany). Other board assignments: Concentric AB and Teknikföretagen. Shareholding in Semcon: 4,000. Citizen of Sweden.

In addition to holdings stated above, none of Kjell Nilsson's, Marianne Brismar's, Gunvor Engström's, Håkan Larsson's or Joakim Olsson's or their close associates own shares or other share-related instruments in the company.

Through his position as President and CEO, Kjell Nilsson cannot be considered independent in relation to the company and the senior management team. Otherwise, all the other Board members can be considered independent in relation to the company, the senior management team and major shareholders.

The Nomination Committee's statement, explaining the proposal and information about the proposed board members, can be found on the company's website:

[www.semcon.com](http://www.semcon.com).

### **Point 17 – Election of auditors, deputy auditors or registered public accounting firms**

The 2011 AGM elected Deloitte AB as auditors of the company up to the time of the end of the 2012 AGM. The nominations committee proposes that the registered public accounting firm Deloitte AB be re-elected as the company's auditor for a period of one year.

### **Point 18 – Decision regarding the nominations committee**

The nominations committee proposes that the company shall have a nominations committee, that no remuneration be paid to the committee although the company shall pay the costs of the committee, and that there be a nominations process with the following content.

1. The nominations committee shall comprise the chairman of the Board and three, or in some cases four (see point 6 below), additional members.
2. Based on the shareholder statistics received from Euroclear Sweden AB on 31 August, the chairman shall without undue delay contact the three largest shareholders (based on number of votes) and ask each of them to appoint one member of the nominations committee. If a shareholder declines this offer, the offer shall be made to the next largest shareholder who does not already have the right to appoint a member to the committee.
3. The member proposed by the shareholder holding the most votes shall act as chairman of the nominations committee.
4. Membership of the nominations committee applies until a new committee is appointed.
5. The names of the members of the nominations committee shall be announced as soon as the committee is appointed and six months before the next AGM at the latest.
6. If there are changes in the shareholder structure after 31 August and earlier than two months before the AGM, and if a shareholder consequently becomes one of the three largest shareholders and wishes to be represented on the nominations committee, then this shareholder shall have the right to either appoint an additional committee member or, if the nominations committee so decides, to appoint a representative to replace the representative of the shareholder who has the least number of votes following the changes in ownership structure.
7. If a member of the nominations committee resigns during the mandate period or is unable to fulfil his or her obligations, then the chairman of the Board shall without delay ask the shareholder who appointed the member to appoint a new representative within a reasonable time. If the shareholder declines to replace a representative the place on the committee shall be offered to the next largest shareholder who has not already appointed a representative or has refrained from doing so.

8. The nominations committee shall perform the duties that from time to time arise in accordance with Swedish Code of Corporate Governance. The duties of the nominations committee include making proposals for (i) chairman of the AGM, (ii) chairman of the Board and other Board members, (iii) fees and other remuneration for Board assignments for each Board member, (iv) fees for auditors (v) selection of auditors and (vi) fees for members of the nomination committee and proposals for the nomination process in general.



## **BOARD'S PROPOSALS**

The Board of Semcon AB (publ), corporate registration number 556539-9549, proposes that the AGM of 27 April 2011 make the following decisions:

### **Point 9 – Decision regarding appropriation of the company's profits according to the adopted balance sheet**

The Board proposes that the AGM decides not to pay a dividend to shareholders and to carry SEK 274,626,998 forward to a new account.

### **Point 19 – Decision regarding guidelines for determining salaries and other remuneration to senior executives**

The Board proposes that the AGM decides establish the following guidelines for determining salaries and other remuneration to senior executives up to the time of the 2013 AGM.

1. In these guidelines, senior executives are the CEO and President and the other members of the Semcon Group's senior management team.
2. These guidelines shall apply for agreements reached after the 2012 AGM and for previous agreements changed after the 2012 AGM.
3. The company shall have a remuneration level and other employment terms that are needed to recruit and keep key decision makers with the right skills and capabilities to achieve the company's objectives. Total remuneration – made up of various components such as fixed salary, bonus, participation in share-linked incentive scheme, pension benefits and other remuneration and benefits – shall be reasonable, competitive and market-based, and shall be decided with regard to, among other things, performance, position and importance for the Group.
4. Fixed salary shall be paid for satisfactory work and shall normally be reviewed once a year.
5. A bonus shall be offered to key decision-makers, but shall be primarily based on results and bonus targets, established once a year, and be a maximum of 6 months' salary.
6. In addition to applicable collective agreements and similar, key decision-makers shall be given the right to arrange individual pension solutions, whereupon salary and bonus relinquishment may be utilized to increase pension payments provided no increased cost is incurred for the company over time. All pension solutions agreed in future shall be premium-based.
7. Notice of resignation for key decision-makers shall be a minimum of 6 months and maximum of 12 months. Notice of dismissal from the company's side shall be at most 12 months. Dismissal salary and severance compensation combined shall not exceed 12 months' salary.

8. In addition, other remuneration and benefits may be offered to key decision-makers to facilitate them in carrying out their work.
9. The Board has the right to deviate from these guidelines in individual cases if there is good reason.

To ensure continuity, the Board's proposals are in line with previous years' remuneration principles and agreements.

The Board has not exercised its right to deviate in certain cases from the remuneration principles established at the 2011 AGM.

In other matters, see the 2011 annual report for details of remuneration paid to key decision-makers in 2011.

### **Point 20 – Decision to authorize the Board to decide on new issues of ordinary shares**

#### **Background and reasons for the proposal, etc.**

The Board has in previous years been authorized to decide on the issue of new ordinary shares. This proposal requests similar authorization.

On full utilization of the authorization to issue new shares, the total number of shares and votes in the company can increase by 1,811,253, representing dilution of around 10% of current shares and votes, and the same dilution effect on the key indicators reported by the company regarding the Semcon share. The dilution effect is calculated as follows: 1,811,253 new shares divided by current 18,112,534 shares.

The reason for the proposal, and the reason for deviating from preferential rights for existing shareholders, is that the Board wishes to create cost-efficient and flexible opportunities for making payments for acquisitions of companies or businesses or parts thereof. Against this background, a decision in accordance with the proposal is judged to be beneficial for shareholders.

#### **Authorization for the Board to decide on new share issue of ordinary shares**

Against the background of the statements above, the Board proposes that the AGM authorize the Board up to the time of the next AGM on one or more occasions to decide on the new issue of ordinary shares in the company on the following conditions:

1. New shares may only be issued to enable use of ordinary shares as liquidity in the acquisition of companies or businesses or parts thereof.
2. New shares may be issued with deviation from existing shareholders' preferential rights.
3. The new share issue shall comprise a maximum of 1,811,253 ordinary shares.
4. The subscription price shall correspond to the share's assessed market value at the time of issue.

5. Payment for the shares shall be in capital contributed in kind through settlement of a receivable. The Board has the right to set other conditions for issuing new shares.
6. Both the company's CEO and CFO are authorized to make minor formal adjustments to the decision on changes that may be necessary for registration with the Swedish Companies Registration Office or Euroclear Sweden AB.

#### **Majority requirement**

For decisions to be valid requires the respective decision to be supported by shareholders with a minimum of two-thirds of the voting rights and shares represented at the meeting.

### **Point 21 – Decision to authorize the Board to decide on (a) acquisition of ordinary shares and (b) transfer of ordinary shares**

#### **Background and reasons for the proposal, etc.**

The Board has in previous years been authorized to decide on the acquisition and transfer of ordinary shares. This proposal requests new authorization.

The reason for the proposal, and the reason for deviating from preferential rights for existing shareholders, is that the Board wishes to create cost-efficient and flexible opportunities for improving the company's capital structure and thereby increase share value, and for making payments for, or financing, acquisitions of companies or businesses or parts thereof. Against this background, a decision in accordance with the proposal is judged to be beneficial for shareholders.

#### **(a) Authorization for the Board to decide on acquisition of ordinary shares**

Against the background of the statements above, the Board proposes that the AGM authorize the Board up to the time of the next AGM on one or more occasions to decide on the acquisition of ordinary shares in the company on the following conditions:

1. Purchases shall only be made to improve the company's capital structure or to enable use of ordinary shares as liquidity in making payments for, or financing, acquisition of companies or businesses or parts thereof.
2. Purchases may only be made on NASDAQ OMX Stockholm or through purchase offers directed to all owners of ordinary shares.
3. Purchases of shares on each occasion shall be a maximum, after the purchase, of 10% of all shares in the company.
4. Purchases on NASDAQ OMX Stockholm shall be at a price within the current share price range for ordinary shares, purchases linked with an acquisition offer shall have as their maximum price per share the market price at the time of the offer plus at most 20%.

5. Payment for ordinary shares shall be in cash.
6. The appropriate terms in the listing agreement with NASDAQ OMX Stockholm shall be observed for purchases.
7. The Board has the right to set other conditions for acquisition of shares.

In connection with the proposal, the Board has made a statement in accordance with chapter 19 § 22 of the Companies Act, see Supplement A.

**(b) Authorization for the Board to decide on the transfer of ordinary shares**

Against the background of the statements above, the Board proposes that the AGM authorizes the Board up to the time of the next AGM on one or more occasions to decide on the transfer of ordinary shares in the company on the following conditions:

1. Transfers shall only be made to use ordinary shares as liquidity for acquisition of companies or businesses or parts thereof.
2. Transfers on each occasion may be of the total number of ordinary shares owned by the company, except for ordinary shares generated through conversion of C shares.
3. Transfers shall be at a price corresponding to the share's assessed market value in connection with transfer.
4. Payment for ordinary shares shall be in capital contributed in kind or through settlement of a receivable.
5. The Board has the right to set other conditions for transferring shares.

**Majority requirement**

For decisions to be valid requires the respective decision to be supported by shareholders with a minimum of two-thirds of the voting rights and shares represented at the meeting.

**Statement in accordance with chapter 19 § 22 of the companies act**

The Board of Semcon AB (publ), corporate registration number 556539-9549, makes the following statement in accordance with chapter 19 § 22 of the companies act in connection with the proposal for a decision authorizing the Board to decide on the purchase of the company's own ordinary shares submitted by the Board to the Annual General Meeting of 26 April 2012; point 21(a) of the proposed agenda.

**Type, scope and risks of the business**

The type and scope of the business are described in the articles of association and the 2011 annual report.

The business performed by Semcon and its subsidiaries does not entail extra risks in addition to those generally associated with business of this type or what normally occurs, or may be expected to occur, in the industry.

With regard to significant events, reference is made to the directors' report in the 2011 annual report; in addition to these events, no events have occurred that affect the ability of the company to pay a dividend or acquire its own shares.

**Consolidation requirement, liquidity and general position**

The financial position of the company and the Semcon Group as of 31 December 2011 is presented in the 2011 annual report. The annual report also presents the principles used to assess the value of assets, allocations and liabilities.

The proposal for authorization for the Board to decide on the purchase of the company's own ordinary shares indicates that purchases may be made up to an amount equal to 10% of the total number of shares in the company; at present a maximum of 1,811,253 ordinary shares. Calculated at the current share price, a re-purchase of a maximum of 10% would amount to around SEK 70 million.

The company's non-restricted equity as of 31 December 2011 is presented in the 2011 annual report and amounts to around SEK 274.6 million. The Board will propose to the AGM of 26 April 2012 that the no dividend be paid to shareholders.

There is full coverage for the company's restricted equity after execution of the proposed authorizations.

The proposed authorizations do not jeopardize completion of the investments considered necessary. Neither do the proposed authorizations affect the company's or Group's ability to meet existing or expected payment commitments. The company's and Group's liquidity forecast, with consideration to the proposed authorizations, includes plans to meet variations in ongoing payment commitments.

The company's and Group's financial position does not motivate any other assessment than that the company and Group can continue its business and that the company and

Group can be expected to meet its commitments in both the short and long term.

It is the Board's judgment that the size of shareholders' equity as reported in the 2011 annual report is in reasonable proportion to the scope of the company's and Group's business and the risks associated with running the business even after execution of the proposed authorizations.

**Justification for the proposals**

Against the above background and other information considered by the Board, the Board considers that both of the authorizations for the Board to decide on purchases of the company's own shares are justifiable with consideration to the requirements that the type, scope and risks of the business place upon the size of the company's and Group's shareholders' equity and the consolidation requirements, liquidity and position in general.

Göteborg, 27 March 2012