

SEMCON

Proposals for decisions
to be made by the
Annual General Meeting
of shareholders in
Semcon AB (publ)
Tuesday 28 April 2015, 3 p.m.
Lindholmsallén 2, Göteborg

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Proposed agenda

1. Opening of the Annual General Meeting
2. Election of chairman of the Annual General 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 Annual General 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 and record date for dividend
10. Decision regarding discharge from liability for 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 and 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 possible deputies
17. Election of auditors and 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 regarding establishing a long-term performance-related share savings scheme for senior executives and key personnel including a resolution authorizing the Board to decide on the acquisition of the company's own shares and the transfer of the company's own shares to participants in the scheme etc.
21. Decision regarding authorizing the Board to decide on new issues of ordinary shares
22. Decision regarding authorizing the Board to decide on the acquisition and transfer of the company's own shares

23. Other matters
24. Closing of the Annual General 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 2014 Annual General Meeting and comprises Gabriel Berg (JCE Group) Chairman of the Nominations Committee, Evert Carlsson (Swedbank Robur fonder), Frank Larsson (Handelsbanken fonder), and Semcon AB's Chairman Kjell Nilsson, who together represent around 37 per cent of the votes associated with all the shares in the company.

The Nominations Committee submits the following proposals to the Annual General Meeting on 28 April 2015:

Item 2 – Election of chairman for the meeting

The Nominations Committee proposes Kjell Nilsson as chairman of the Annual General Meeting.

Item 12 – Decision regarding the number of Board members and deputies

The Nominations Committee proposes that there be five Board members and no deputies.

Item 13 – Decision regarding the number of auditors and deputy auditors or registered public accounting firms

The Nominations Committee proposes that a registered public accounting firm be appointed auditor of the company.

Item 14 – Determination of remuneration to the Board of Directors

The Nominations Committee proposes, similarly to last year, that a total fee of SEK 1,610,000 shall be paid to Board members elected by the meeting, of which SEK 550,000 to the chairman and SEK 265,000 to each of the other members elected by the meeting. The Nominations Committee further proposes that no special fees be paid for work on Board committees.

Item 15 – Determination of remuneration to the auditors

The Nominations Committee proposes that the fee paid to auditors be made on open account, approved by the company.

Item 16 – Election of Board chairman, Board members and possible deputies

The Nominations Committee proposes the re-election of Kjell Nilsson, Marianne Brismar, Gunvor Engström and Håkan Larsson as Board members and the election of Tore Bertilsson as a Board member. The Nominations Committee proposes that Kjell Nilsson be re-elected as chairman. Board member Joakim Olsson has declined re-election.

Kjell Nilsson (born 1948), Economics and Business Studies Graduate from the School of Business, Economics and Law, University of Gothenburg. Board member since 2007. Kjell was formerly CEO

at Boliden AB, Trelleborg AB and Semcon. Other board assignments: chairman of Lindab International AB. Shareholding in Semcon: 31,088 shares. Citizen of Sweden.

Gunvor Engström (born 1950), MBS, Stockholm School of Economics. Elected to the Board in 2007. Gunvor was formerly CEO of Företagarna and Bank2 and was County governor of Blekinge. Other board assignments: Member of Länsförsäkringar Fondförvaltning AB, Apoteksgruppen, Third Swedish National Pension Fund and the Fundraising foundation IFS Rådgivningscentrum. Shareholding in Semcon (own holding and related parties): 30,000 shares. Citizen of Sweden.

Marianne Brismar (born 1961), Chemist and Economist. Elected to the Board in 2008. Marianne was formerly CEO and owner of Atlet AB. Other board assignments: Member of Wollenius Invest AB, Beijer Alma AB, Concentric AB, Axel Johnson International Aktiebolag and Creades 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. Håkan was formerly CEO of Rederi AB Transatlantic and prior to that he was CEO at Schenker AG. Other board assignments: Chairman of Tyréns AB, Inpension Asset Management, Valea AB and Wallenius Wilhelmsen Logistics AS. Board member of Handelsbanken Region Väst, Rederi AB Transatlantic, Eukor Car Carriers Inc., and Stolt-Nielsen Ltd. Shareholding in Semcon: 10,000 shares. Citizen of Sweden.

Tore Bertilsson (born 1951), MBS. Tore was formerly Executive Vice President and CFO of SKF. Other board assignments: Chairman of PRI Pensionsgaranti and Aktiebolaget Ludvig Svensson. Member of the IKEA Group Board, Gunnebo AB, Stampen AB, JCE Group Aktiebolag, Ågrenska AB (svb), Salinity AB and SEB Trygg Liv. Shareholding in Semcon: 0 shares. Citizen of Sweden.

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

The proposed Board members can be considered independent in relation to the company, the senior management team and major shareholders, except for Kjell Nilsson, who cannot be considered independent in relation to the company and the senior management team as he was President and CEO of the company between 2008 – 2012 and Tore Bertilsson who is not considered independent in relation to major shareholders since he is a Board member of a company that is a major shareholder in the company.

The assessments of the Nominations Committee that lie behind these proposals are available via the company's website, www.semcon.se.

Item 17 – Election of auditors and deputy auditors or registered public accounting firms

The 2014 Annual General Meeting elected Deloitte AB as auditors of the company up to the time of the end of the 2015 Annual General Meeting. 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.

Item 18 – Decision regarding the nominations committee

The Nominations Committee proposes, like last year, that the company shall have a nominations committee, that no remuneration be paid to the nominations committee although the company shall pay the costs of the nominations 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 each year on 31 August, the chairman of the Board shall without undue delay contact the three largest shareholders (based on number of votes) and ask each of them to appoint within a reasonable period 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. The nominations committee shall be constituted at the latest one month after it has been appointed, i.e. 30 September.
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 nominations 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 Annual General Meeting at the latest.
6. If there are changes in the shareholder structure after 31 August and earlier than two months before the Annual General Meeting, and if a shareholder consequently becomes one of the three largest shareholders and makes a request to the nominations committee's chairman 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 fulfill 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

nominations 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 Corporate Governance Code. The duties of the nominations committee include making proposals for (i) chairman of the Annual General Meeting, (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 Annual General Meeting of 28 April 2015 make the following decisions:

Item 9 – Decision regarding appropriation of the company's profits according to the adopted balance sheet and record date for dividend

The Board proposes that remaining profits of SEK 309,124,303 at the disposal of the meeting be allocated as follows:

| | |
|--|------------------------|
| Dividend of SEK 2.50 per share to shareholders | SEK 45,281,335 |
| <u>Carried forward to new account</u> | <u>SEK 263,842,968</u> |
| Total | SEK 309,124,303 |

The maximum amount of the dividend is SEK 45,281,335 if the company owns none of its shares on the record date for the dividend. On the date for notification for the Annual General Meeting, the company had 18,112,534 shares, of which at that time 142,718 shares do not give entitlement to a dividend and are own shares. The total amount of the dividend, SEK 45,281,335 could with this background be lower depending on the amount of own shares acquired on the record date for the dividend.

It is proposed that the record date for the dividend be 30 April 2015. If the meeting votes for the proposal it is expected that payment will be made via Euroclear Sweden AB on 6 May 2015.

In connection with the proposal, the Board has made assurances in accordance with chapter 18 § 4 of the Companies Act, see Supplement A.

Item 19 – Decision regarding guidelines for determining salaries and other remuneration to senior executives

The Board proposes that the Annual General Meeting decides to establish the following guidelines for determining salaries and other remuneration to senior executives up to the time of the 2016 Annual General Meeting.

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 2015 Annual General Meeting and for previous agreements changed after the 2015 Annual General Meeting.
3. The company shall have a remuneration level and other employment terms that are needed to recruit and keep senior executives with the right skills and capabilities to achieve the company's objectives. Total remuneration for each senior executive – 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 fulfilled work and shall normally be reviewed once a year.
5. A bonus of a maximum of 6 months' salary can be offered to senior executives. This bonus shall be primarily based on results and bonus targets and established once a year.
6. In addition to applicable collective agreements and similar, senior executives can 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 senior executives 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 senior executives 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 2014 Annual General Meeting.

In other matters, see the 2014 annual report for details of remuneration paid to senior executives in 2014.

Item 20 – Decision regarding establishing a long-term performance-related share savings scheme for senior executives and key personnel including a resolution authorizing the Board to decide on the acquisition of the company's own shares and transfer the company's own shares to participations in the scheme, etc.

Background and reasons for the proposal etc.

The reason for the proposal, and for deviating from preferential rights for shareholders, is that the Board of Semcon AB (hereafter called "Semcon" or "the Company") wants to create conditions for keeping and recruiting senior executives and key personnel in and to the Semcon Group by increasing the shareholdings of these people. When employees own Semcon shares it can be expected to stimulate an increased interest in the business and the development of earnings, raise motivation, increase solidarity with the Company (and subsidiaries) and create a Group-wide focus. With this background it is considered that a decision to establish a long-term performance-related share savings scheme in accordance with the proposal ("Performance-related Share Savings Scheme 2015") will have a positive effect on the continued development of the Semcon Group and thereby give benefits both to shareholders and the employees of the Semcon Group who participate in the scheme.

Performance-related Share Savings Scheme 2015 will involve shares corresponding to a maximum of 1.34 per cent of the total number of issued shares and votes. In summary, around 110 senior executives and key personnel in the Semcon Group will be offered the opportunity to participate in the scheme that will run for a 12-month period once it is implemented. Participation shall be conditional on the individual's investment in the purchase of ordinary shares corresponding to an amount that is at most 5 per cent of the participant's gross salary. Provided that the acquired shares are held by the employee for three years, the employee shall be allocated free-of-charge a corresponding number of ordinary shares ("Matching Shares") and – provided that the performance requirements stated below are met – an additional one to four ordinary shares ("Performance Shares") for each acquired share.

The conditions that are set, in addition to the requirement that the employee shall retain the acquired shares for three years, for the allocation of Performance Shares shall be based on the following:

Semcon's average annual percentage increase in earnings per share ("EPS") between 2014 and 2017 shall be at least 5 per cent. The base value for the calculation of the increase in EPS shall be the EPS for 2014. The maximum amount of Performance Shares shall be allocated if the average increase in EPS is equal to, or more than, 15 per cent. No allocation of Performance Shares in accordance with this point shall be made if the average annual increase in EPS is equal to or less than 5 per cent. The Matching of Performance Shares in the event of an average annual increase in EPS between 5 and 15 per cent shall be linear.

The Board may, after participation in the scheme and the initial effects of it have been assessed, address whether new shares savings schemes will be proposed in future Annual General Meetings following the 2015 Annual General Meeting.

Financing

The Board has considered various methods for transferring shares to employees in Performance-related Share Savings Scheme 2015; such as acquisition and transfer of the company's own shares and a share swap agreement with third party.

The Board considers that the acquisition and transfer of the company's own shares is the most cost-effective and flexible method for transferring shares in Performance-related Share Savings Scheme 2015.

The Company's current holding of its own shares amounts to 142,718 shares. These shares will be used in Performance-related Share Savings Scheme 2015, but this amount is not sufficient to complete the scheme in full. The Board therefore proposes that a further maximum 100,000 ordinary shares shall be acquired for transfer to participants in Performance-related Share Savings Scheme 2015, see the heading "Proposal for decision" below for more details.

Since costs in connection with a share swap agreement significantly exceed the costs for the acquisition and transfer of the company's own shares, it is proposed as the main al-

ternative that the financial exposure is secured through the acquisition and transfer of the company's own shares.

Costs

A preliminary cost calculation for Performance-related Share Savings Scheme 2015 is based on the assumption of a 100% participation in the scheme, an assessment of a 5 per cent staff turnover among participants per year and that each participant makes their own investment corresponding to the highest permitted amount. The value of Matching Shares and Performance Shares has been calculated based on a share price (price as of 25 March 2015) of SEK 61 at the start of the scheme minus the current value of the estimated dividend for fiscal years 2015-2017. Estimated payroll overhead have been based on an assumed average share price at the time of allocation of SEK 81, meaning an annual share price increase of 10 per cent.

The overall effect on the income statement is estimated at around SEK 6 to 15 million, including payroll overhead and administration costs, unevenly spread over the years 2015-2019. The effect is dependent on the allocation of Performance Shares, where SEK 15 million represents the calculated cost upon full allocation of Performance Shares and SEK 6 million represents the calculated cost without allocation of Performance Shares. The costs shall be seen in relation to the total salary costs for 2014 for companies within the Semcon Group, which amounted to SEK 1,718 million, including payroll overhead.

Of the above-mentioned total costs it is estimated that compensation costs, corresponding to the value of shares transferred to employees, will be around SEK 3 to 10 million. In addition, administration costs are estimated at a maximum of SEK 1 million. The cost for payroll overhead is estimated at between SEK 2 to 5 million.

In the event that a share swap agreement is initiated to secure commitments in the scheme, costs are calculated to increase by around SEK 1 million.

Dilution and effects on key financial indicators

There are 18,112,534 issued shares in the Company. As of 31 December 2014 the Company owned 142,718 of its own shares. Establishing Performance-related Share Savings Scheme 2015 requires a further 100,000 ordinary shares, corresponding to 0.55 per cent of the total number of outstanding shares.

Of the total 242,718 ordinary shares required for Performance-related Share Savings Scheme 2015, only the company's own shares/existing shares will be used and all ordinary shares may be transferred free-of-charge to employees, which may lead to a dilution in earnings per share of 1.34 per cent. The dilution effect on shares is independent of the share price at the time of matching as they will be transferred free-of-charge to the employee.

Preparation of the proposal

This proposal has been prepared by the Board with the help of external advisors. Furthermore, certain larger shareholders have been informed about the proposal. In addition to staff who has prepared the proposal for the Board, no employee who may be included

in Performance-related Share Savings Scheme 2015 has participated in the formulation of its conditions. The CEO has not participated in preparation of the proposal.

Proposal for decision

A. Decision to establish a long-term performance-related share savings scheme for senior executives and key personnel

The Board proposes that the Annual General Meeting establish Performance-related Share Savings Scheme 2015 comprising at most 242,718 ordinary shares, primarily in accordance with the following guidelines:

1. Around 110 senior executives and key personnel in the Semcon Group, with exception for that which is stated below in point 3, will be offered an opportunity to participate in Performance-related Share Savings Scheme 2015.
2. Employees who participate in Performance-related Share Savings Scheme 2015 may save an amount equivalent to at most 5 per cent of their gross salary for the purchase of ordinary shares on Nasdaq Stockholm during a 12-month period starting from when the scheme is implemented. If the purchased shares are retained by the employee for three years after the date of the investment and employment or comparable employment in the Semcon Group is continued throughout the full three-year period, the employee shall be allocated free-of-charge by the Semcon Group a corresponding amount of Matching Shares and – provided that the performance requirements in point 4 are met – a further 1-4 Performance Shares for each purchased share as follows:

Category 1 Around 60 managers and other key personnel in the Semcon Group may be given the right to further matching of at most one Performance Share for each purchased share.

Category 2 Around 40 senior executives among, inter alia, the management teams of the business areas in the Semcon Group may be given the right to further matching of at most two Performance Shares for each purchased share.

Category 3 Around 6 senior executives of the Semcon Group management team may be given the right to further matching of at most four Performance Shares for each purchased share.

The Board or the individual(s) appointed by the Board shall determine which managers and other key personnel of the Semcon Group and which senior executives among, inter alia, management teams of the business areas in the Semcon Group shall be offered the right to participate in the scheme (Category 1 and Category 2). The Board shall appoint which senior executives in Semcon Group management team shall be offered the right to participate in the scheme (Category 3). The Board shall have the right to permit advance matching, i.e. despite the fact that the three-year requirement for holding shares or the employment requirement

has not been fulfilled, although only in “good leaver” situations.

3. Participation in Performance-related Share Savings Scheme 2015 is conditional partly on participation being legally acceptable, and partly on participation involving in the assessment of the Company reasonable administration costs and financial efforts. The Board reserves the right to introduce an alternative incentive solution for employees in countries where participation in Performance-related Share Savings Scheme 2015 is not suitable. These incentive solutions shall, as far as is practicably possible, be formulated using comparable conditions to Performance-related Share Savings Scheme 2015.

4. The conditions for allocation of Performance Shares as part of Performance-related Share Savings Scheme 2015 shall be based on the following:

Semcon’s average annual percentage increase in earnings per share (“EPS”) shall be at least 5 per cent for the year 2014 to 2017. The base value for calculation of the increase in EPS shall be the EPS for 2014. The maximum number of Performance Shares will be allocated if the average increase in EPS is equal to or more than 15 per cent. No allocation of Performance Shares in accordance with this point shall be made if the average annual increase in EPS is equal to or less than 5 per cent. Matching of Performance Shares in the event of an average annual increase in EPS of between 5 and 15 per cent shall be linear.

5. Before the number of Performance Shares that may be finally allocated shall be determined the Board shall assess whether significant changes have occurred within the Company, Group or the market. If the Board finds this to be the case the Board shall be able to decide to reduce the number of Performance Shares allocated to a lower number of shares that the Board considers appropriate for all or some of those covered by the scheme.

6. The number of Matching Shares and Performance Shares shall be re-calculated in the event of intermediate consolidation or splits of shares, bonus issues of new shares and/or other similar measure.

7. The Board shall be responsible for the detailed formulation and management of Performance-related Share Savings Scheme 2015 within the framework of the main guidelines that have been submitted.

8. A decision in accordance with this Item A shall be conditional upon the meeting either deciding in accordance with the Board’s proposals in Items B and C below or deciding in accordance with the Board’s proposal for decision in Item D below.

B. Decision to authorize the Board to decide to acquire the company’s own shares

The Company’s current holding of its own shares is not sufficient to implement Performance-related Share Savings Scheme 2015. Consequently, the Board proposes that the Annual General Meeting votes to authorize the Board up to the time of the next Annual General Meeting on one or more occasions to decide to purchase the Company’s own or-

dinary shares on the following terms:

1. Purchase shall only be made in order to meet the Company's commitments in relation to Performance-related Share Savings Scheme 2015.
2. Purchase shall only be performed on Nasdaq Stockholm or through a directed purchase offer to all owners of ordinary shares in the Company.
3. At most 100,000 ordinary shares shall be purchased.
4. Purchase on Nasdaq Stockholm shall be at a price per share within the current share price range at any time for ordinary shares in the Company, or in the event that the Board assigns a stock exchange member to accumulate a certain amount of the Company's shares for their own holding during a specific period at a price per share within the current share price range or equivalent volume-weighted average price, and purchase through a purchase offer shall be at a price per share that as a maximum corresponds to the exchange price for ordinary shares in the Company at the time of the offer plus a maximum of twenty per cent.
5. Payment for purchased ordinary shares in the Company shall be made in cash.
6. The applicable rules of Nasdaq Stockholm shall be observed upon purchase.
7. The Board reserves the right to set additional conditions for the purchase.
8. Authorization also includes the right to acquire the higher amount of shares that may result from a re-calculation following a share split, bonus issue of new shares and/or similar measure.

In connection with its proposal the Board has made a statement in accordance with chapter 19 § 22, of the Companies Act. This statement is enclosed as Supplement B.

C. Decision to transfer the company's own shares to participants in Performance-related Share Savings Scheme 2015

In order to meet the Company's commitments to participants in Performance-related Share Savings Scheme 2015 the Board proposes that the Annual General Meeting votes to transfer a maximum of 242,718 of the company's own shares in the Company on the following terms:

1. In deviation of preferential rights for shareholders, only those participating in Performance-related Share Savings Scheme 2015, and subsidiaries of the Semcon Group, shall have the right to acquire shares. Acquisition shall be without charge. Subsidiaries that acquire shares shall immediately and without charge transfer them to participants in Performance-related Share Savings Scheme 2015.

2. Participants in Performance-related Share Savings Scheme 2015 and subsidiaries of the Semcon Group shall, on one or more occasions, exercise their rights to acquire shares during the period when participants in Performance-related Share Savings Scheme 2015 have the right to receive shares in accordance with the terms of Performance-related Share Savings Scheme 2015.
3. The reason for deviating from preferential rights for shareholders is to create a cost-effective solution for meeting the Company's commitments in accordance with Performance-related Share Savings Scheme 2015.
4. If a consolidation or share split, issue of bonus shares and/or other similar measure occurs before the transfer/acquisition of shares, the number of shares to be transferred/acquired shall be increased or decreased so that after such a measure they correspond to an unchanged percentage of the Company's shares.

D. Decision to enter share swap agreement with third party

In the event that the necessary majority for a valid decision relating to the proposals in Items B and C above is not achieved, the Board proposes that the Annual General Meeting votes to allow the Company to enter a share swap agreement with a third party in order to secure delivery of shares to participants in Performance-related Share Savings Scheme 2015, whereby the third party under its own name shall acquire and transfer ordinary shares in the Company to employees covered by Performance-related Share Savings Scheme 2015. Third party acquisition of shares shall take place via Nasdaq Stockholm.

Majority requirement

For a decision to be valid in accordance with Item A above it is required that the proposal be voted for by more than half of the votes cast. For a decision to be valid in accordance with Item B above it is required that the proposal be voted for by shareholders owning at least two thirds of both the votes cast and those shares represented at the meeting. For a decision to be valid in accordance with Item C above it is required that the proposal be voted for by shareholders owning at least nine tenths of both the votes cast and those shares represented at the meeting. For a decision to be valid in accordance with Item D above it is required that the proposal be voted for by more than half of the votes cast.

Item 21 – Decision regarding authorizing 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 ten per cent of current shares and votes, and the same dilution effect on the key indicators reported by the company re-

garding 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.

Decision regarding authorizing the Board to decide on a new share issue

Against the background of the statements above, the Board proposes that the Annual General Meeting authorize the Board up to the time of the next Annual General Meeting, 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.
6. The Board has the right to set other conditions for new issues.

The Board, or individual appointed by the Board, are authorized to make minor formal adjustments to the decision that may be necessary for registration with the Swedish Companies Registration Office.

Majority requirement

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

Item 22 – Decision regarding authorizing the Board to decide on the acquisition and transfer of the company's own 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.

Proposal for decision

A. Decision regarding authorizing the Board to decide on the acquisition of own shares

Against the background of the statements above, the Board proposes that the Annual General Meeting authorize the Board up to the time of the next Annual General Meeting 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 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 ten per cent of all shares in the company (including any ordinary shares acquired by the company pursuant to authorization in accordance with the proposal for a decision in item 20 B above).
4. Purchases on NASDAQ Stockholm shall be at a price per share within the current share price range for ordinary shares, or in the event that the Board assigns a stock exchange member to accumulate a specific amount of the company's shares in their own account for a specific period, at a price per share within a specified price range for the period or equivalent volume-weighted average share price, and 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 twenty per cent.
5. Payment for ordinary shares shall be in cash.
6. The appropriate terms in the listing agreement with NASDAQ Stockholm shall be observed for purchases.
7. The Board has the right to set other conditions for the acquisition.

In connection with the proposal, the Board has made a statement in accordance with chapter 19 § 22 of the Companies Act, see [Supplement B](#).

B. Decision regarding authorizing the Board to decide on the transfer of the company's own shares

Against the background of the statements above, the Board proposes that the Annual General Meeting authorizes the Board up to the time of the next Annual General Meeting, on one or more occasions, with deviation from shareholders' preferential rights, 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.
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 proposal 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 18 § 4 of the Companies Act

The Board of Semcon AB (publ), corporate registration number 556539-9549, makes the following statement in accordance with chapter 18 § 4 of the Companies Act in connection with the proposal to pay a profit dividend of SEK 2.50 per share, which would mean a maximum of SEK 45,281,335 (based on the ownership of zero own shares) shall be paid. The Board has submitted this proposal for a decision by the Annual General Meeting to be held on 28 April 2015; item 9 on the proposed agenda.

Justification

In accordance with Semcon's financial targets, the dividend paid to shareholders over the long term shall amount to at least one third of earnings after tax. The Board's view is that the size of future dividends should be based on Semcon's long-term growth and profit trend, as well as capital requirement for continued expansion with consideration for these financial targets. The proposed dividend represents 60% of the company's earnings after tax, which is in line with Semcon's financial targets with regard to long-term growth and profit trend as well as capital requirement for continued expansion.

The Board considers there to be full coverage for the company's restricted equity following the proposed profit dividend.

The Board also considers that the proposed dividend to shareholders is reasonable considering the parameters stated in chapter 17 § 3, second and third paragraphs of the Companies Act (type, scope and risks of the business, and consolidation requirement, liquidity and general position). The Board will therefore make the following statement.

Type, scope and risks of the business

The Board considers that the company's and Group's equity following the proposed profit dividend will be sufficiently large in relation to the business' type, scope and risks. In this context the Board takes into consideration, among other things, the company's and Group's historic development, the economic situation, expected development and investment plans.

Consolidation requirement, liquidity and general position

The Board has made a general assessment of the company's economic position and the company's opportunities in the long term to meet its commitments. The proposed dividend constitutes 12.9% of the company's equity and 6.8% of the Group's equity. Following payment of the dividend the company's equity/assets ratio will be 49.0% and the Group's equity/assets ratio will be 46.6%. The company's and Group's equity/assets ratio is good considering current conditions for the industry. With this background, the Board considers that the company and Group have good prospects for tackling future business risks and withstanding possible losses.

The company and Group have good liquidity and also good access to liquid reserves in the form of both short and long credit, which means that the company and Group are well equipped to meet

any variations in liquidity or unforeseen circumstances. The Board therefore considers that the proposed profit dividend will not therefore affect the company's and Group's ability to meet its payment commitments at the right time.

The Board has considered all other known conditions that may have significance for the company's and Group's economic position and which were not included in the previous statements. No circumstance has thereby arisen which would make the proposed dividend unjustifiable.

Göteborg, 26 March 2015

The Board

Supplement B

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 ordinary shares submitted by the Board to the Annual General Meeting of 28 April 2015; Items 20 B and 22 A, respectively, 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 2014 annual report.

The business performed by Semcon and other companies in the Semcon Group, 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 2014 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 2014 is presented in the 2014 annual report. The annual report also presents the principles used to assess the value of assets, allocations and liabilities.

The proposal for a decision regarding authorizing the Board to decide on the acquisition of the company's own shares in Item 20 B, shows that acquisitions may be made at a maximum total of 100 000 own ordinary shares. Based on the current market price at 25 March 2015 the acquisition of 100 000 ordinary shares would equal about SEK 6 million. Of the proposal regarding authorizing the Board to decide on acquisition of own shares in Item 22 A shows that acquisitions may be made to a number that corresponds to a maximum of ten per cent of the total number of shares in the company (including any ordinary shares acquired by the company with support of the authorization in accordance with the proposal at Item 20 B); at present a maximum of 1,811,253 ordinary shares. Calculated at the current share price on 25 March 2015, a re-purchase of a maximum of ten per cent would amount to around SEK 110 million.

The company's non-restricted equity as of 31 December 2014 is presented in the 2014 annual report and amounts to around SEK 309.1 million. The Board will propose to the Annual General Meeting of 28 April 2015 that a dividend of SEK 2.50 per share be paid to shareholders, amounting to a maximum SEK 45 million.

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 2014 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 the authorization 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, 26 March 2015

The Board