

# NOTICE TO ATTEND THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF SEMCON AB (PUBL)

Shareholders of Semcon AB (publ), corporate registration number 556539-9549, are hereby invited to attend the Annual General Meeting at 3 p.m. on Thursday 28 April 2016 at the company's office on Lindholmsallén 2, Gothenburg, Sweden.

## Participation in the Annual General Meeting and registration

Shareholders wishing to participate in the Annual General Meeting shall be registered in the Shareholders' Register held by Euroclear Sweden AB as of Friday 22 April 2016 and have notified the company of their intention to attend by 4 p.m. on Friday 22 April 2016. Shareholders may be accompanied by at most two assistants, provided that the company is notified of this by the above date. Notification of participation at the Annual General Meeting shall be made in writing to Semcon AB, att. Annika Tedenhag, 417 80 Göteborg, Sweden, by email to [annika.tedenhag@semcon.com](mailto:annika.tedenhag@semcon.com) or by telephone to +46 736-840 799. Notification should include the shareholder's name, social security number or corporate registration number, shareholdings, address, telephone number (business hours) and name(s) of assistant(s).

## Shares registered to trustees

Shareholders whose shares are registered in the name of a trustee and who would like to participate in the Annual General Meeting must temporarily re-register their shares in their own name. Re-registration must be requested from the trustee and be executed at Euroclear Sweden AB by Friday 22 April 2016 at the latest. Shareholders who desire such re-registration must notify their trustees well in advance of this date.

## Representatives

If a shareholder sends a representative the representative shall bring a written, signed and dated power of attorney (original) to the Annual General Meeting. The power of attorney may not be more than one year old, unless a longer period of validation (no more than five years) is stated in the power of attorney. If the power of attorney is issued by a legal entity, a certified copy of the registration certificate, or other document demonstrating the signatory's authority to sign for the legal entity, must be included. To make entry to the meeting easier, copies of the power of attorney and other necessary documents must have reached the company by 22 April 2016 at the latest via the above email or postal addresses and be attached to the notification of attendance at the meeting. Forms granting power of attorney are available in Swedish and English on the company's website, [www.semcon.com](http://www.semcon.com) and may also be ordered from the addresses and telephone number used for notification of attendance at the meeting.

## Number of shares and vote

There are 18,112,534 shares and votes in the company. All shares are ordinary shares. The company owns 242,718 of the total shares.

## 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, presentation by the CEO and 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 of 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 possible 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 authorizing the Board to decide on new issues of ordinary shares
- 21) Decision regarding authorizing the Board to decide on the acquisition and transfer of the company's own shares
- 22) Other matters
- 23) Closing of the Annual General Meeting

## Matters to be decided

### Item 2 – Election of chairman of the Annual General Meeting

The Nominations Committee, appointed in accordance with the procedure decided by the 2015 Annual General Meeting, comprises Olof Cato (JCE Group AB) Chairman of the Nominations Committee, Evert Carlsson (Swedbank Robur Fonder), Katja Bergqvist (Handelsbanken Fonder) and Semcon's Chairman Kjell Nilsson, who together represent around 33.6 per cent of the votes associated with all the shares in the company. The Nominations Committee proposes Kjell Nilsson as Chairman of the Annual General Meeting.

### 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 a dividend of SEK 1.25 per share be paid out and that all remaining profits at the Annual General Meeting's disposal be carried forward. It is proposed that the record date for the dividend be 2 May 2016. If the Annual General Meeting votes in accordance with the proposal, payment is expected to be made via Euroclear Sweden AB on 6 May 2016.

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

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

### Item 13 – Decision regarding 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 Marianne Brismar as Board member and that current Board member Tore Bertilsson be elected as Chairman. The Nominations Committee furthermore proposes that Karl Thedéen, Jan Erik Karlsson and Jeanette Saveros be elected as Board members. Chairman Kjell Nilsson and Board members Gunvor Engström and Håkan Larsson have declined re-election. Tore Bertilsson is not considered independent in relation to major shareholder in the company, since he is a Board member of a company that is a major shareholder in the company but he can be considered independent in relation to the company and to the senior management team. The other proposed Board members can be considered independent in relation to the company, the senior management team and the major shareholders. The Nominations Committee's justifications for these proposals to the Board and information about the proposed Board members are available on the company's website, [www.semcon.com](http://www.semcon.com). The statement also contains a brief account of how the Nominations Committee's work is carried out.

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

The 2015 Annual General Meeting elected Deloitte AB as auditors of the company up to the time of the end of the 2016 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 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. The Nominations Committee shall comprise three, or in some cases four additional members. In addition the Chairman of the Board shall be a co-opted member. Based on the shareholder statistics on 31 August, the Chairman of the Board shall 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. The member proposed by the shareholder holding the most votes shall act as chairman of the Nominations Committee. 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 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 after the ownership changes. If a member of the Nominations Committee resigns or is unable to fulfil his or her obligations, then the Chairman shall without delay ask the shareholder to appoint a new representative within a reasonable time. If the shareholder does not exercise the right to appoint a new member then, and if the number of shareholder appointed members of the Nominations Committee is thereby less than three, then other major shareholders shall be invited to appoint a member to the Nominations Committee. If such an offer is given, it shall be offered to the next largest shareholder in terms of voting rights who has not already appointed a representative or who has refrained from doing so. The proceedings shall continue until the Nominations Committee consists of three members and the Chairman of the Board as co-opted member. 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 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 Nominations Committee and proposals for the nomination process in general. The Nominations Committee will provide the company with the information required for the company to meet its information liability according to the Swedish Code of Corporate Governance.

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

The Board proposes that the Annual General Meeting establish guidelines for determining salaries and other remuneration to senior executives with the following main content. 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 – made up of various components such as fixed salary, bonus, participation with 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. A fixed salary shall be paid for satisfactory work and shall normally be reviewed once a year. A bonus shall be offered, but shall be primarily based on results and bonus targets, established once a year, and be a maximum of 6 months' salary. Senior executives shall be given the right to arrange individual pension solutions under certain provisions via salary or bonus waivers. Pension solutions shall be premium-based. Notice of resignation from senior executives shall be a minimum of 6 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. In addition, other remuneration and benefits may be offered to facilitate possibilities to complete work assignments. 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.

**Item 20– Decision to authorize the Board to decide on new issues of ordinary 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-effective and flexible opportunities for making payments for acquisitions of companies or businesses or parts thereof. 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 ordinary share's assessed market value at the time of issue.
- 5) Payment for the ordinary shares shall be in capital contributed in kind.
- 6) The Board has the right to set other conditions for new issues.

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.

**Item 21 – Decision to authorize the Board to decide on the acquisition and transfer of the company's own 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 to: (i) improve the company's capital structure and thereby increase share value, (ii) to make payments for acquisitions of companies or businesses or parts thereof, and (iii) to ensure access to the company's own shares in order to fulfil the company's commitments in the Performance-related Share Savings Scheme 2015.

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

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 (i) improve the company's capital structure, (ii) to enable use of ordinary shares as liquidity in making payments for acquisition of companies or businesses or parts thereof or (iii) to ensure the fulfilment of the company's commitments in the Performance-related Share Savings Scheme 2015.
- 2) Purchases may only be made on Nasdaq Stockholm or through purchase offers directed to all owners of ordinary shares in the company.
- 3) Purchases of ordinary shares on each occasion shall be a maximum, after the purchase, of ten per cent of all shares in the company.
- 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.

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

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 may only be made to use ordinary shares as liquidity for acquisition of companies and 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 ordinary share's assessed market value in connection with transfer.
- 4) Payment for ordinary shares shall be in capital contributed in kind.
- 5) The Board has the right to set other conditions for transferring shares.

**Special majority requirements**

For a decision relating to the proposal in Item 20 and 21 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.

**Disclosure of information at the Annual General Meeting**

The Board and CEO shall, at the request of any shareholder at the Annual General Meeting, and if the Board deems that it can be done without inflicting material damage to the company, provide information on circumstances that can affect the assessment of matters on the agenda, conditions that can affect the assessment of the company's or subsidiaries' financial situation, or the company's relationship to other Group companies.

**Accounts and full presentations of proposals etc.**

The annual report containing the auditors' report for 2015, the auditors' statement in accordance with chapter 8 § 54 of the Companies Act, the Nominations Committee's complete proposals in accordance with Items 19-21, and the Board's statement in accordance with chapter 18 § 4 and chapter 19 § 22 of the Companies Act, are all available on the company's website, [www.semcon.com](http://www.semcon.com). They will also be available from the company at the above address and will be sent free of charge to shareholders who request them and indicate their postal address.

Gothenburg, March 2016

The Board of Directors, Semcon AB (publ)