

## Notice to attend the Annual General Meeting of Lagercrantz Group AB (publ)

The shareholders of Lagercrantz Group AB (publ) ("the Company") are hereby given notice to attend the Annual General Meeting to be held at 4:00 p.m., Tuesday, 27 August 2013, at IVA Conference Centre, Grev Turegatan 16, Stockholm.

### **NOTICE OF PARTICIPATION**

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

- 1) be entered under their own name (not in the name of a trustee) in the shareholders' register maintained by Euroclear Sweden AB (the former VPC AB) no later than Wednesday, 21 August 2013.
- 2) give notice at website [www.lagercrantz.com](http://www.lagercrantz.com), or by telephone +46-8-700 66 75 to the Company's head office under address Lagercrantz Group AB (publ), P.O. Box 3508, SE-103 69 Stockholm, Sweden, or by e-mail to [info@lagercrantz.com](mailto:info@lagercrantz.com) no later than by 3:00 p.m., Friday, 23 August 2013.

Such notice must contain the shareholders' name, personal registration number (organisation number), address, telephone number and the number of shares represented as well as any attending counsel. Information given for participation will only be processed for purposes of the annual general meeting 2013.

Registered participants will receive an entrance card for the Annual Meeting by post, at the latest the day before the meeting.

Shareholders whose shares are registered under a trustee must temporarily register their shares in their own name in order to exercise their voting rights at the Annual General Meeting. Such changes in registration must be completed no later than Wednesday, 21 August 2013 in order for due registration to take place. Request for such registration must be made to the trustee a few days before Wednesday, 21 August 2013 in order for the registration to be completed by that date.

Where participation is based on a proxy, such proxy must be submitted to the Company well in advance of the Annual General Meeting. Proxies for legal entities must also submit a certified copy of a certificate of incorporation or equivalent document evidencing authority. The Company provides a proxy form to the shareholders and such form is available at the Company's address or Internet website: [www.lagercrantz.com](http://www.lagercrantz.com).

At the Meeting, shareholders have the right to ask questions about the Company, the Company's financial position and matters and proposals to be brought before Meeting.

## **PROPOSED AGENDA**

1. Opening of the Meeting.
2. Election of Chairman to preside over the Meeting.
3. Compilation and approval of Electoral Register.
4. Approval of agenda.
5. Election of one or two persons to approve the Minutes to be taken at the Meeting.
6. Determination of whether or not the Meeting has been duly called.
7. Presentation of:
  - a) the Annual Accounts and the Consolidated Financial Statements and the report on the work of the Board of Directors and the committees of the Board of Directors and
  - b) the Audit Report and the Consolidated Audit Report and the statement on remuneration principles for members of senior management.
8. Address by the President and Chief Executive Officer.
9. Resolutions regarding:
  - a) adoption of the Income Statement and the Balance Sheet and the Consolidated Income Statement and the Consolidated Balance Sheet,
  - b) allocation of the Company's earnings in accordance with the duly adopted Balance Sheet, and
  - c) discharge from liability for the members of the Board of Directors and the President.
10. Report on the principle and work of the Election Committee.
11. Resolution regarding the number of directors.
12. Resolution regarding fees for the Board of Directors and the auditors.
13. Election of directors.
14. Election of Chairman of the Board of Directors.
15. Election of Auditors until Annual Meeting 2014.
16. Proposal by the Board of Directors for principles for compensation and other terms and conditions for employment of members of senior management.
17. Proposal by the Board of Directors for change of Article of Association.
18. Proposal by the Board of Directors for issuance of call options on repurchased shares and conveyance of repurchased shares to managers and members of senior management in the Group.
19. Authorisation for the Board of Directors to decide on purchase and conveyance of own shares.
20. Other matters.
21. Closing of the annual meeting.

## **PROPOSAL OF THE ELECTION COMMITTEE FOR RESOLUTIONS WITH RESPECT TO ITEMS 2, 11-15 ABOVE:**

The Election Committee, which as of 31 December 2012 represented 51.5 percent of the votes in the Company, submits the following proposal for resolution. For information regarding the composition of the Election Committee

and its work during the year, reference is made to Lagercrantz Group's website: [www.lagercrantz.com](http://www.lagercrantz.com).

## **2 Chairman to preside over the Meeting**

Anders Börjesson.

## **11 The number of directors**

Extended to seven regular directors.

## **12 Fees for the Board of Directors and auditors**

A fee for the Board of Directors of SEK 1,650,000 (based on seven directors) to be distributed as follows:

Chairman of the Board of Directors: SEK 440,000

Vice Chairman of the Board of Directors: SEK 330,000

Other directors not employed by the Company (four directors): SEK 220,000 per director.

No fees are paid for committee work. The fee per director corresponds to an increase of ten percent compared to previous year.

By special arrangement with the Company, directors may invoice the Company for the directors fee plus social security charges and V.A.T. by law from a company owned by the director, or sole proprietorship with so-called F tax form on the condition that such payment is cost neutral to the Lagercrantz Group.

Audit fees will be paid according to approved invoice.

## **13 Election of directors**

Re-election of Pirkko Alitalo, Anders Börjesson, Tom Hedelius, Lennart Sjölund, Roger Bergqvist and Jörgen Wigh.

Election of Marika Rindborg Holmgren.

Marika Rindborg Holmgren is CEO and partner in the law firm Rindborg & Rindborg Advokatbyrå AB and has been a Board member of Norwesco AB, a subsidiary of Lagercrantz Group since 2010. She has been a Board member of the Swedish National Debt Office since 2009 and serves as an expert on the Financial Crisis Committee. She has also been active in Styrelsepoolen and various non-profit organizations such as the Zonta network for professional women throughout the world. Rindborg Holmgren holds a Bachelor of Laws degree from Stockholm University.

Detailed descriptions of the members of the Board of Directors proposed for re-election and election are found on the Company's website.

## **14 Election of Chairman of the Board of Directors**

Re-election of Anders Börjesson.

## **15 Election of Auditors until Annual Meeting 2014**

KPMG AB with head auditor Joakim Thilstedt until the end of the Annual General Meeting 2014.

## **PROPOSAL BY THE BOARD OF DIRECTORS FOR RESOLUTIONS ON MATTERS 9, 16-19 ABOVE:**

### **9 Disposition of the Company's earnings according to the adopted Balance Sheet**

The Board of Directors proposes a dividend to the shareholders of SEK 3.25 per share and Friday, 30 August 2013 as record day for receiving dividend. Subject to approval by the Annual General Meeting in accordance with the proposal, the dividend is expected to be remitted by Euroclear Sweden AB Wednesday, 4 September 2013 to shareholders of record on the record day.

### **16 Principles for compensation and other terms of employment for members of senior management**

The proposal of the Board of Directors for principles means that compensation to the President and other persons in senior management may consist of basic salary, variable compensation, pension, other benefits and financial instruments.

The aggregate compensation should be in line with market conditions and competitive, and should also be related to responsibility and authority. The variable portion of the compensation should be maximised to approximately 40 percent of the fixed salary. The variable portion of the salary shall be based on overall outcome in relation to set goals and on individual performance.

The retirement age shall be 60-65 years and, in addition to ITP plans, pension plans will only be defined contribution plans. In addition to salary during the period of notice, there may be a severance payment up to a maximum of one annual salary. There will be no share-based or share-price-based programs beyond the outstanding and proposed incentive programmes to the Annual General Meeting.

In individual cases and where special reasons prevail, the Board of Directors may depart from the guidelines proposed above.

### **17 Proposal for change of Article of Association**

The Board of Directors propose change of the Article of Association, concerning business description:

§2 Changes to: The Company's operations focus through niche-oriented subsidiaries and on a value-added way on manufacturing and supplying own and other technology products and solutions to businesses, such as electronic and electro-mechanical components, equipment for communication and information technology and other niche areas of technology, and on related areas of business.

Proposal for new Article of Association is enclosed to this document.

**18 Proposal for resolution with respect to issuance of call options and conveyance of repurchased shares to managers and members of senior management in the Group**

The Board of Directors proposes to the 2013 Annual General Meeting that a resolution be passed to establish a call option programme for managers and members of senior management of the Lagercrantz Group. The purpose of the programme is, through their own investment, to allow management in the Lagercrantz Group to benefit from and strive for, an increase in the market price of the Company's shares, thereby more closely aligning the interests of managers and shareholders in the Company. The purpose of the programme is also to contribute to increasing management personnel's long-term share ownership in the Company.

The proposal is for the Company to issue call options on repurchased class B shares on the following principal terms and conditions:

- (i) Number of call options – to be issued – shall be no more than 225,000.
- (ii) The right to acquire call options will accrue to managers and members of senior management in the Lagercrantz Group in Sweden, Denmark, Finland, Norway, Germany and Poland in accordance with item (vii) below. Subscription of options shall take place from 16 September 2013 until 27 September 2013, inclusive. Payment for acquired call options shall be made not later than 4 October 2013.
- (iii) Each call option shall entitle its holder to acquire one (1) repurchased class B share in the Company at a redemption price of 120 percent of the average of daily listed average of the highest and lowest paid price on NASDAQ OMX Stockholm for class B shares in the Company during the period from 2 September 2013 until 13 September 2013, inclusive. Days without a quotation are to be excluded from the calculation. The redemption price may be recalculated during the term of the call option programme based on certain conditions.
- (iv) The premium for the options shall be equal to the market value of the call options in accordance with external valuation with application of the generally accepted valuation method (the Black & Scholes model).
- (v) Acquisition of class B shares utilizing call options will be able to occur on three occasions: (i) during the two weeks from the day after the Company publishes its Interim Report for the period 1 April 2015 – 30 September 2015, (ii) during the period 16 May – 27 May 2016 after the Company published its Interim Report for the period 1 April 2015 – 31 March 2016, and (iii) during the period 19 September – 30 September 2016.
- (vi) Upon full subscription of the call options up to 225,000 class B shares in the Company (subject to any recalculation), equivalent to

approximately 1.0 percent of the total number of shares outstanding (of class A as well as class B) and approximately 0.7 percent of the total number of votes in the Company, may be acquired within the framework of the call option programme.

- (vii) The programme shall comprise a maximum of 40 managers and members of senior management in the Lagercrantz Group in Sweden, Denmark, Finland, Norway, Germany and Poland. The proportion between the number of call options offered to the employee shall vary depending on the responsibility and position of the employee.
- (viii) The Board of Directors will decide which persons shall be included in each respective category and the principles set forth in item (vii) above, and how many call options employees in each category are to be offered.
- (ix) Person entitled to the an award of call options may acquire up to 150% of the originally offered number of call options, if any of the other entitled persons decide to wholly or partly decline the offer. For call options acquired as described in this section, no extra compensation in accordance with item (xiii) below will be paid.
- (x) With the exception of the Company's President, the members of the Board of Directors do not have the right to acquire call options within the framework of the call option programme.
- (xi) Issuance of call options to employees outside Sweden will depend on prevailing tax effects, that no legal obstacles exist and that the Board of Directors is of the opinion that such awards can be made by expending reasonable administrative and economic resources.
- (xii) Call options are freely transferable with regard to the pre-emption agreement with the company. Call options acquired are to be offered under the pre-emption agreement at market value. The company can re-purchase issued call options.
- (xiii) For the purpose of encouraging participation in the call option programme, extra compensation in the form of cash gross salary will be paid to the participants, equivalent to the option premium paid. Payment of the extra compensation will take place two (2) years after the adoption of this call option programme, on the condition that the option holder has not resigned or been terminated and still owns call options.
- (xiv) The costs for the programme are estimated to be approximately MSEK 1.5, after corporate taxes (calculated based on conditions prevailing as of 12 July 2013). The costs mainly consist of the extra compensation as described above and of the social benefits payable thereon. These costs also include administrative costs for soliciting the services of outside consultants in connection with drafting the call option programme. The programme is expected to have a marginal effect on the Company's earnings per share. The extra compensation

mirrors the option premium in a total amount of approximately MSEK 1.5 that the Company will receive upon transfer of the call options. The programme therefore does not entail any net charge against the Company's equity.

- (xv) The proposal by the Board of Directors includes that the Annual General Meeting also approves that the Company, with departure from the preferential rights of shareholders, conveys up to 225,000 of the Company's class B shares held in treasury at the redemption price decided in connection with any utilisation of the call options (subject to any recalculation).
- (xvi) The reason for the departure from the preferential rights of shareholders is, through their own investment, to allow management in the Lagercrantz Group to benefit from and strive for, an increase in the market price of the Company's shares, thereby more closely aligning the interests of managers and shareholders in the Company. The purpose of the programme is also to contribute to increasing management personnel's long-term share ownership in the Company. The purpose is also to motivate managers and members of senior management to continued employment in the Group.
- (xvii) Finally, the proposal of the proposal of the Board of Directors means that the Annual General Meeting agrees that class B shares acquired by the Company in accordance with prior authorisations may be conveyed for the purpose of ensuring delivery shares via the proposed call option programme.

The Company currently has three outstanding call option programmes, each with an approximately three-year original term, through which managers and members of senior management in the Lagercrantz Group have acquired call options on repurchased class B shares in the Company during 2010, 2011 and 2012. The number of outstanding call options, after all repurchases, stands at 434,000, equivalent to approximately 1.9 percent of the total number of share outstanding and approximately 1.43 percent of the total number of votes in the Company.

The proposal for the call option programme was prepared by the Company's Compensation Committee in consultation with the Company's Board of Directors. The decision to propose issuance of call options on repurchased shares was made by the Board of Directors.

The decision to issue call options, and to convey repurchased shares by reason thereof, in accordance with this item of the agenda requires that the resolution by the Annual General Meeting is seconded by not less than nine tenths of the votes and number of shares represented at the Annual General Meeting.

## **19 Authorisation for the Board of Directors to decide on acquisition of and conveyance of own shares**

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to acquire class B shares, on one or several occasions, before the next following Annual General Meeting up to

a number not to exceed 10 percent of the total number of shares outstanding in the Company. Purchases shall be made via NASDAQ OMX Stockholm at a price within the from time to time registered price range, defined as the spread between highest bid and lowest asked price.

The Board of Directors also proposes that the Annual General Meeting resolves to authorise the Board of Directors before the next following Annual General Meeting to sell class B shares held in treasury, in connection with acquiring companies or businesses, outside of NASDAQ OMX Stockholm, at a price deemed as the market value. The authorisation may be exercised on one or more occasions, but not longer than until the next following Annual General Meeting, and covers all shares held in treasury by the Company at the time of the decision of the Board of Directors. The authorisation includes the right for the Board of Directors to decide on departure from the preferential rights of shareholders.

The purpose of acquiring and selling own shares is to allow the Board of Directors to adapt the Group's capital structure, as well as to enable the Company to acquire companies and businesses with payment in own shares, and to cover the Company's obligations under outstanding incentive programmes.

Acquisition and sale of own shares in accordance with this authorisation shall be done in full compliance with the rules and regulations of NASDAQ OMX Stockholm for issuers.

The decision of authorisation according to this paragraph requires that the resolution by the Annual General Meeting is seconded by not less than two thirds of the votes and number of shares represented at the Annual General Meeting.

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The financial statements and audit report, and the complete proposal by the Board of Directors for resolutions with respect to items 9 and 16-18 of the agenda, and a statement in accordance with Chapter 18, Section 4 and Chapter 19, Section 22, of the Swedish Companies Act and a statement by the auditor pursuant to Chapter 8, Section 54 of the Swedish Companies Act, and the Remuneration Committee's assessment of the application of the guidelines resolved by the Annual General Meeting for compensation to senior management will be available at the Company from Tuesday, 6 August 2013 and will be mailed to shareholders who so request and provide their mailing address. The 2012/13 Annual Report was published in June 2013. Documents as detailed above, the proposal of the Election Committee to the Annual General Meeting, and the Remuneration Committee's assessment of incentive schemes and application of the guidelines for remuneration to senior management will also be available at the Company's website: [www.lagercrantz.com](http://www.lagercrantz.com).

The share capital as of 31 March 2013 amounted to MSEK 48.9 divided into 1,091,966 class A shares and 22,081,343 class B shares, for a total of 23,173,309 shares, of which the Company has repurchased 562,800 class B shares. Class A shares entitle their holders to ten votes, while class B shares entitle their holders to one vote. The number of shares outstanding in the

Company amounts to 32,438,203, taking shares held in treasury into account. Both classes of shares entitle their holders to the same rights to the Company's assets and earnings.

Stockholm, 23 July 2013

Board of Directors  
Lagercrantz Group AB (publ.)

For additional information, please contact:  
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