

## 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, 28 August 2012, at Hotell Anglais, Humlegårdsgatan 23, 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, 22 August 2012.
- 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, 24 August 2012.

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 2012.

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, 22 August 2012 in order for due registration to take place. Request for such registration must be made to the trustee a few days before Wednesday, 22 August 2012 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 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. Adoption of instructions for the Election Committee and principles for how members of the Election Committee are to be appointed.
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 issuance of call options on repurchased shares and conveyance of repurchased shares to managers and members of senior management in the Group.
18. Authorisation for the Board of Directors to decide on purchase and conveyance of own shares.
19. Other matters.
20. 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 30 December 2011 represented 49.7 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**

Six regular directors.

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

A fee for the Board of Directors of SEK 1,300,000 to be distributed as follows:

Chairman of the Board of Directors: SEK 400,000

Vice Chairman of the Board of Directors: SEK 300,000

Other directors not employed by the Company (three directors): SEK 200,000 per director.

No fees are paid for committee work. The fee per director is unchanged from prior years.

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.

Detailed descriptions of the members of the Board of Directors proposed for re-election are found in the 2011/12 Annual Report and on the Company's website.

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

Re-election of Anders Börjesson.

#### **15 Adoption of instructions for the Election Committee and principles for how members of the Election Committee are to be appointed**

The Election Committee proposes that the principles below for the Election Committee's duties and how the Election Committee is appointed shall apply until a general meeting of shareholders decides to change such principles. It shall be incumbent on the Election Committee prior to a general meeting of shareholders to consider whether the Election Committee finds it necessary to propose any changes to the principles in question.

The Election Committee shall consist of representatives for the five largest shareholders by vote as of year-end (grouped in terms of ownership on 31 December) and the Chairman of the Board of Directors, who is also charged with the assignment of convening the Election Committee to its first meeting. The Election Committee will appoint a chairman among its members. The composition of the Election Committee shall be announced not later than six months before the Annual General Meeting.

The term of the Election Committee shall run until a new election committee has been appointed. The Company shall be responsible for all costs associated with completing its assignment. The members of the Election Committee receive no compensation from the Company for their work.

In the event that a member of the Election Committee resigns, is prevented from fulfilling the assignment, or if an owner appointing a member withdraw such appointment, the remaining members shall, where the Election Committee so decides, among the principal shareholders of the Company, appoint a suitable replacement to the Election Committee for the remaining term.

The assignment of the Election Committee shall include evaluation of the composition and work of the Board of Directors and to make proposals to the Annual General Meeting for:

- Chairman to preside over the Annual General Meeting.
- Number and members of the Board of Directors to be elected by general meetings of shareholders.
- Chairman of the Board of Directors.
- Fees to directors not employed by the Company.
- Election of auditors, as the case may be, and auditors' fees.
- Principles for election of members of the Election Committee and the assignment of the Election Committee, as the case may be.

The suggestions of the Election Committee shall be presented in the notice to attend the Annual General Meeting at which election of directors or auditors is to take place and at the Company's website. At the Annual General Meeting, the Election Committee shall submit an account of how its work has been performed as well as present and justify its proposals.

## **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 2.75 per share and Friday, 31 August 2012 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, 5 September 2012 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 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 2012 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 17 September 2012 until 21 September 2012, inclusive. Payment for acquired call options shall be made not later than 5 October 2012.
- (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 3 September 2012 until 14 September 2012, 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 2014 – 30 September 2014, (ii) during the two weeks from the day after the Company publishes its Interim Report for the period 1 April 2014 – 31 March 2015, and (iii) during the period 21 September – 2 October 2015.
- (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 35 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. The President and CEO shall be offered approximately 35,000 call options and other members of management shall be divided into categories where each individual person is awarded a maximum of approximately 22,000 call options (other members of Group management) and a minimum of approximately 3,000 call options (management in subsidiaries).
- (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) In the event that a person entitled to an award of call options wholly or partially refrains from acquiring such options, his or her not acquired call options shall be distributed *pro rata* among persons entitled to be awarded call options who in writing have proclaimed an interest in acquiring additional call options ("secondary acquisition right"). For call options acquired as described in this section, no extra compensation in accordance with item (xiii) below will be paid. Persons entitled to award of call options may in this way not acquire more than 150 percent of the originally offered number of call options.
- (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) A condition for being awarded call options is that the employee has signed a special pre-emption agreement with the Company. Call options acquired are to be offered under the pre-emption agreement at market value in cases such as termination of employment. The call options are freely transferable in all other instances.
- (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 0.9, after corporate taxes (calculated based on conditions prevailing as of 6 July 2012). 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 0.9 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 also may be

conveyed for the purpose of ensuring delivery shares via the proposed call option programme, whereby the undertaking that may arise for the Company in connection therewith would not have to be secured by further purchases of class B shares in the Company. The Company currently holds 781,300 class B shares in the Company in treasury.

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 2009, 2010 and 2011. The redemption price has been set at SEK 29.70, SEK 41.00, and SEK 57.20, respectively. The number of outstanding call options, after all repurchases, stands at 469,300, equivalent to approximately 2.0 percent of the total number of share outstanding and approximately 1.4 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.

#### **18 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.

\*\*\*

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, 7 August 2012 and will be mailed to shareholders who so request and provide their mailing address. The 2011/12 Annual Report was published in June 2012. 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 2012 amounted to MSEK 48.9 divided into 1,094,654 class A shares and 22,078,655 class B shares, for a total of 23,173,309 shares, of which the Company has repurchased 781,300 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 32,243,895, 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, 25 July 2012

Board of Directors  
Lagercrantz Group AB (publ.)

For additional information, please contact:  
Bengt Lejdström, CFO, Lagercrantz Group, telephone +46-8-700 66 70.