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PRESS RELEASE

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IFS annual general meeting (AGM), March 26, 2014

The annual general meeting (AGM) of stockholders in Industrial and Financial Systems, IFS AB (publ), approved the proposed dividend to stockholders of SKr 3.50 per share. The record day for the dividend shall be Monday, March 31, 2014. The dividend is expected to be distributed on Thursday, April 3, 2014. The AGM resolved to discharge the members of the board and the chief executive officer from liability for fiscal year 2013.

BOARD OF DIRECTORS, AUDITORS, AND FEES

Anders Böös (chairman), Ulrika Hagdahl, Birgitta Klasén, Neil Masom, Bengt Nilsson (deputy chairman), and Alastair Sorbie (president and CEO) were re-elected to the board. It was resolved that directors' fees (including remuneration for work on the audit committee) totaling SKr 3,050,000 be paid, of which SKr 1.4 million be paid to the chairman of the board and SKr 375,000 to each of the other directors apart from the chief executive officer (CEO). It was resolved that an unchanged fee of SKr 100,000 be paid to the chairman and a fee of SKr 50,000 be paid to other directors for work on the audit committee. Auditors' fees will be paid in accordance with approved invoices.

REMUNERATION OF EXECUTIVE MANAGEMENT AND INCENTIVE PROGRAM

The AGM resolved to apply the following guidelines for remuneration of executive management, including the CEO, which primarily entail that the remuneration and conditions of employment of executive management shall be on market terms and competitive in respect of the executive's position, responsibility, competence, and experience. In summary, the guidelines provide that the total remuneration paid to the executive management shall consist of a basic salary, variable remuneration, an incentive program, pension contributions, and other benefits. Variable remuneration shall be linked to predetermined measurable criteria designed to promote long-term value generation in the company. The relationship between basic salary and variable remuneration shall be proportionate to the executive's responsibility and powers, and vary according to position. For the CEO, variable remuneration shall not exceed 50 percent of the basic salary; for the other members of executive management variable remuneration will be payable in the interval 25–60 percent of the basic salary, based on achievement of 80–120 percent of individual goals. If less than 80 percent of the targets are achieved, no variable remuneration shall be paid. If targets are fully achieved, the total remuneration paid by the company to executive management can amount to a maximum of approximately SKr 12 million, of which the variable annual remuneration for 2014 amounts to approximately SKr 3 million. If targets are exceeded, variable remuneration to the executive management can amount to a maximum of approximately SKr 4 million for 2014.

The retirement age shall be 65, but for the CEO the right to retirement may be invoked at the age of 64. If the company terminates the employment, the period of notice is normally 6–12 months; if the executive terminates the employment, the period of notice is normally 3–6 months. If the company terminates an executive's employment, severance pay corresponding to a maximum of 12 months' salary may be paid in exceptional cases. The basic salary during the period of notice together with severance pay shall not exceed an amount corresponding to two years' basic salary. The board of directors shall have the right to deviate from the above guidelines in individual cases if there is good reason to do so. The guidelines are available in their entirety on the company website.

The AGM resolved to establish an incentive program which entails that the company offers executive management and other officers and key personnel in the group the opportunity to acquire warrants in the company. The warrants will be valued at market price. To stimulate participation in the program, for each warrant acquired at market price the participants may be allotted a maximum of additional three warrants free of charge. The number of warrants that participants can be allotted free of charge is dependent on the outcome of performance conditions linked to the company's earnings-per-share target during 2014 in

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accordance with predetermined criteria established by the board. Each warrant shall be exercisable to subscribe for one issued Series-B share during an exercise period from the day after the release of the first quarterly report 2017 until and including June 28, 2019, at a subscription price corresponding to 110 percent of the volume-weighted average price paid for the company's share on the NASDAQ OMX Stockholm Exchange between April 22, 2014 and April 28, 2014. Warrants allotted free of charge may be exercised only on the condition that the warrants acquired at market price have been retained by the participant until the first day on which they are exercisable for subscription of Series-B shares as per the above.

The resolution entails the issue of not more than 247,000 warrants. If all 247,000 warrants are exercised to subscribe for a maximum of 247,000 Series-B shares, the company's capital stock will increase by SKr 4,940,000, corresponding to approximately 1.0 percent of the capital stock and 0.7 percent of the voting rights after dilution. Together with the warrants issued at the respective AGMs in 2011, 2012 and 2013, the four programs, on full subscription, can entail a dilution of approximately 2.7 percent of the existing capital stock and of approximately 1.9 percent of the voting rights. Based on the assumptions of a share price of SKr 177.00 (closing share price of the IFS Series-B share on February 19, 2014), a subscription price of 194.70, a maximum participation and a maximum fulfillment of the performance condition, the cost for the program is estimated at approximately SKr 4 million. The cost will be allocated over the years 2014–2017.

To minimize dilution and share price exposure resulting from the incentive program, the board intends to purchase Series-B shares in the company, on the basis of mandates granted by the AGM, in an amount corresponding to the number of warrants issued within the framework of the incentive program. The board shall be responsible for the exact wording and management of the incentive program within the framework of the given terms and conditions, and guidelines. In connection with this, the board shall have the right to make adjustments to fulfill particular legislation or market conditions internationally.

The board considers that the adoption of the incentive program, the purpose of which is to create conditions for retaining and recruiting competent personnel and to increase employee motivation, will benefit the group and the company's shareholders.

RESOLUTION TO AUTHORIZE THE BOARD TO RESOLVE TO REPURCHASE SHARES

The AGM authorized the board to resolve, on one or more occasions until the next AGM, to acquire a total number of Series-B shares in such an amount that the company's stockholding on each occasion does not exceed 10 percent of the total number of shares in the company. The shares shall be acquired through the Nasdaq OMX Stockholm Exchange in compliance with stock exchange regulations and only at a price within the registered interval on each occasion, by which is meant the interval between the highest buying price and the lowest selling price.

The purpose of the authorization is to accord the board a greater opportunity to continuously adjust the company's capital structure and thereby contribute to increased shareholder value. This may be achieved, for example, by minimizing the effects of dilution and the effect on the share price as well as to facilitate the implementation of incentive programs adopted by the AGM.

NOMINATION COMMITTEE

The AGM resolved that a nomination committee for the AGM 2015 be established that, based on the ownership structure as per the last trading day of August 2014, consists of the following five members: the chairman of the board, a representative of the company's principal owner in terms of voting rights, a representative of each of the largest institutional shareholders in the company in terms of voting rights, and a representative of the founders of the company. The representative of the principal owner shall convene and chair the nomination committee unless the members agree otherwise. The names of the members of the nomination committee and the shareholders they represent shall be published no later than six months before the AGM of 2015.

The composition of the nomination committee may be changed during its term of office in the event of a change in ownership such that a shareholder that appointed a member of the nomination committee no longer represents the largest share ownership and that the change in ownership is so substantial that the holding of the shareholder in question, in respect of voting rights, thereby falls below the holding of another corresponding shareholder by one percentage point.

In preparation of the AGM 2015, the nomination committee shall submit proposals for resolution in the following issues:

- chairman of the AGM;

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- number of board members and deputies; chairman and deputy chairman, and other members of the board of directors;
- directors' fees and other remuneration for board assignments and committee work, as applicable;
- auditors' fees;
- nomination for election of auditors; and
- the principles and procedures to be applied for the establishment of a nomination committee and its duties for the AGM of 2016.

The nomination committee shall not be remunerated. Members shall, however, to a reasonable extent be reimbursed for customary expenses related to their work.

About IFS

IFS is a public company (XSTO: IFS) founded in 1983 that [develops](#), supplies, and [implements IFS Applications™](#), a component-based extended ERP suite. IFS focuses on [industries](#) where management of any of the following four core processes is strategic: [service & asset](#), [manufacturing](#), [supply chain](#), and [projects](#). The company has 2,200 [customers](#) and is present in approximately 60 countries with 2,600 employees in total. Net revenue in 2013 was SKr 2.7 billion. More information on IFS is available at www.IFSWORLD.com
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IFS discloses the information provided herein pursuant to the Financial Instruments Trading Act (1991:980) and/or the Securities Markets Act (2007:528).

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