



Innovative Vehicle Solutions

## **PRESS RELEASE**

Landskrona, Sweden, March 23, 2015

### **Annual general meeting in Haldex Aktiebolag (publ)**

The shareholders of Haldex Aktiebolag are hereby invited to attend the annual general meeting to be held at 16.00 CET on Tuesday 28 April 2015, at the company's premises, Instrumentgatan 15, Landskrona, Sweden. At 15.00 CET, shareholders are invited to a short introduction to the company and a guided tour of the factory. After the annual general meeting a lighter meal is served.

#### **A. RIGHT TO ATTEND THE GENERAL MEETING**

Shareholders who wish to attend the general meeting must

- i. be recorded in the share register maintained by Euroclear Sweden AB, as of Wednesday 22 April 2015; and
- ii. notify Haldex of their intention to participate in the general meeting at the address: Haldex AB, Anna Ellman, P.O. Box 507, SE-261 24 Landskrona, Sweden, by telephone 0418-47 60 00 or by e-mail to [anmalan.stamma@haldex.com](mailto:anmalan.stamma@haldex.com), by Wednesday 22 April 2015 at the latest. On giving notice of attendance, the shareholder shall state the shareholder's name, address, telephone number, personal identity number or equivalent (corporate identity number) and shareholdings. Proxies and representatives of a legal person shall submit documents of authorisation prior to the general meeting. A proxy form will be available on the company's website, [www.haldex.com](http://www.haldex.com).

In order to participate in the annual general meeting, shareholders with nominee registered shares must request their bank or broker to have their shares owner-registered with Euroclear Sweden AB. Such registration must be made as of Wednesday 22 April 2015, and the bank or broker should therefore be notified in due time before said date. The registration can be temporary.

#### **B. AGENDA**

##### **Proposal for agenda**

1. Opening of the meeting and election of chairman of the meeting.
2. Drawing up and approval of the voting list.

3. Election of two persons to approve the minutes.
4. Determination of compliance with the rules of convocation.
5. Approval of the agenda.
6. The managing director's report.
7. Presentation of the annual report and the auditor's report and the consolidated financial statements and the consolidated auditor's report.
8. Resolutions on
  - a. adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet;
  - b. discharge of the board of directors and the managing director from personal liability for the financial year 2014;
  - c. appropriation of the company's profit according to the adopted balance sheet;
  - d. determination of the record day for the decided distribution of profits.
9. Determination of the number of directors and deputy directors.
10. Determination of fees to the directors and deputy directors.
11. Determination of fees to the auditors.
12. Election of chairman, directors and deputy directors of the board and auditor.
13. Resolution on approval of guidelines for remuneration to senior executives.
14. Resolution on
  - a. the implementation of a long-term incentive program, and
  - b. hedging arrangements in respect thereof
15. Resolution on
  - a. authorisation for the board of directors to resolve on acquisitions of own shares;
  - b. authorisation for the board of directors to resolve on transfers of own shares in connection to corporate acquisitions; and
16. Closing of the meeting.

**Proposal for election of chairman of the meeting (item 1 on the agenda)**

The nomination committee proposes that Göran Carlson shall be elected chairman of the annual general meeting 2015.

**Proposal for appropriation of the company's profit according to the adopted balance sheet (item 8 c on the agenda)**

The board of directors proposes a cash dividend for the financial year 2014 of SEK 3.00 per share.

**Proposal for record date for dividend (item 8 d on the agenda)**

As record date for the cash dividend the board of directors proposes Thursday, 30 April 2015. Subject to the resolution by the general meeting in accordance with this proposal, the cash dividend is expected to be distributed by Euroclear Sweden AB on Wednesday, 6 May 2015.

**Proposal for election of the board of directors and the auditor and resolution on fees for the directors and the auditor (items 9 – 12 on the agenda)**

A nomination committee consisting of Göran Carlson representing his own shareholding, Frank Larsson representing Handelsbanken Fonder, Anders Algotsson representing AFA Försäkring and Erik Törnberg representing Creades was appointed in October 2014. Göran Carlson was appointed chairman of the nomination committee. Due to changes in the ownership of the company, the composition of the nomination committee was changed and Nils Bolmstrand representing Nordea Investment Funds replaced Erik Törnberg from Creades in November 2014. The nomination committee, which by the end of 2014 represented 17.1 per cent of the shares and votes in the company, proposes that the general meeting resolves in accordance with the following:

The number of directors is proposed to be six (previously seven), with no deputy directors. The nomination committee proposes re-election of Göran Carlson, Magnus Johansson, Staffan Jufors, Arne Karlsson and Annika Sten Pärson. Further, new election of Carina Olson is proposed. Göran Carlson is proposed be re-elected chairman of the board of directors. Stefan Charette and Cecilia Löf have declined re-election.

Carina Olson, born 1965, is the CFO and Procurement Officer of Södra Skogsägarna ekonomisk förening in Växjö. The Södra group has a turnover of SEK 17 billion and approx. 3,500 employees. Carina Olson holds a MBA and has been employed within Södra since 2001 and she has been CFO in both Södra Timber and Södra Cell. She assumed office as CFO for the group in 2011 and at the same time she was HR director. Between 1990 and 2001, Carina held positions as financial manager, accounting manager and controller in several companies within ABB Fläkt Industri AB in Växjö.

The nomination committee further proposes a registered auditing firm be elected as the company's auditor. The nomination committee proposes election of Öhrlings PricewaterhouseCoopers AB as the company's auditor for the period until the end of the annual general meeting 2016. The auditor-in-charge is Bror Frid.

Fees to the directors for the period up to and including the annual general meeting 2016 are proposed to be slightly raised in relation to the previous year. The chairman of the board of directors shall receive SEK 540,000 (525,000) and each of the other directors shall receive SEK 215,000 (210,000). In addition, unchanged consideration for committee work shall be allocated as follows: the chairman of the audit committee SEK 100,000, each member of the audit committee SEK 50,000, the chairman of the compensation committee SEK 50,000 and each member of the compensation committee SEK 25,000.

Fees to the auditors in respect of services performed are proposed to be paid on current account.

**Proposal for resolution on approval of guidelines for remuneration to senior executives (item 13 on the agenda)**

The remuneration to the managing director and other senior executives shall consist of a balanced combination of fixed remuneration, annual bonus, long-term incentive program, pension and other benefits and conditions of termination of employment/severance payment. The total remuneration shall be in accordance with market practice and shall be based on performance. The fixed remuneration shall be individually determined and be based on each individual's responsibility, role, competence and position. The annual bonus shall be based on outcomes of predetermined financial and individual objectives and amount to a maximum of 50 per cent of the fixed annual salary. In extraordinary situations a special compensation may be paid out to attract and retain key competence or to induce individuals to move to new locations of service or accept new positions. Such compensation may not be paid out for a period longer than 36 months and may not exceed a total maximum of two times the compensation the executive would otherwise have received. The board of directors may propose the general meeting to resolve on long-term incentive programs. Pension benefits shall be based on defined contribution plans and shall (for Swedish employees) entitle to pension by the age of 65. Upon termination by the company, the notice period for the managing director is 12 months and for other senior executives up to 6 months. In addition hereto, when entering into new employment contracts, agreement may be made on severance pay up to a maximum amount corresponding to 12 months' fixed salary. The board of directors shall be entitled to deviate from the guidelines if there are specific reasons or needs in an individual case.

**Proposals regarding the implementation of a long-term incentive program, and hedging arrangements in respect thereof (items 14 14.a – 14.b on the agenda)**

***Proposal for resolution on implementing of the Program (item 14 14.a on the agenda)***

The board of directors of Haldex Aktiebolag (publ) ("Haldex" or the "Company") proposes that the annual general meeting 2015 resolves on the implementation of an incentive program ("LTI 2015" or the "Program"), essentially on the same principles as the incentive program LTI 2014 which was implemented in accordance with a resolution by the annual general meeting 2014.

The board of directors' overall assessment is that LTI 2015 creates a uniform and sustainable system for variable remuneration within the Haldex group (the "Group") and will motivate long-term creation of value by aligning the interests of the employees with those of the shareholders.

### *Purpose and main features*

LTI 2015 aims to:

- create a program for variable pay that will contribute to the ability of Haldex to retain and recruit key employees and that will ensure that Haldex's remuneration levels are competitive in the relevant market;
- stimulate and motivate the employees to make efforts which will strengthen the Company in a long-term perspective; and
- create a long-term engagement in the Company by the employees and to align their interests with those of the shareholders through deferred variable remuneration in the form of shares.

In brief, LTI 2015 means that if certain performance targets (the "Performance Targets") are achieved during the financial year 2015 (the "Performance Year") the participants in LTI 2015 (the "Participants") are awarded a variable remuneration in the beginning of 2016 (the "Performance Amount"), of which 60 per cent (the "Cash Amount") will be awarded in cash and 40 per cent (the "Share Amount") will be awarded in the form of employee stock options which are conditional, non-transferable deferred rights (the "Performance Rights") to receive one ordinary share in Haldex for each Performance Right, automatically during 2019 and free of charge (a "Performance Share").

The term of LTI 2015 is four years, with vesting during the Performance Year. After the expiry of the Performance Year, allotment of any Performance Amount will occur. Settlement of any Cash Amount is expected to occur during the spring 2016.

Subsequent to the allotment of any Share Amount, Performance Rights will be awarded the Participant followed by a deferral period of three years (the "Lock-up Period"), before final transfer of Performance Shares to the Participant is expected to occur during 2019, after the annual general meeting 2019 and before the end of June 2019.

Deferred variable remuneration under the LTI 2015 will not be pensionable income.

### *Participants*

The Program will be open to approximately 25 Participants employed within the Group, including the CEO.

Participants that during the term of LTI 2015 give or receive notice to leave or leave the Group due to any other reason will not, as a general rule, have the right to receive Performance Shares.

Participants who enter leave of absence, parental leave, sick leave or similar during the Performance Year and remain employed have the right to receive Performance Shares, subject to individual

adjustments of the terms and conditions. Participants who have received allotment of Performance Rights and after the allotment enter leave of absence, parental leave, sick leave or similar and remain employed or retire have the right to receive Performance Shares. The board of directors may decide to deviate from the distinctions above both in general or in individual cases.

The board of directors shall be authorised to establish the detailed terms and conditions for the Program. The board of directors may, in that regard, make necessary adjustments to satisfy certain regulations or market conditions.

Participation in the Program presupposes that such participation is legally possible in the various jurisdictions concerned and that the administrative costs and financial efforts are reasonable in the opinion of the board of directors.

#### *Performance Targets and Performance Amount*

The allotment of any Performance Amount is subject to the fulfilment of the Performance Targets during the Performance Year. The Performance Targets consists of the following key figures of the Group;

- 50 per cent weighting: the Operating Income Margin; calculated as Operating Income divided by Net Sales, as reported in Haldex's year-end report for 2015. The Operating Income Margin should be adjusted for any abnormal business procedures, capital gains or losses from structural changes such as divestitures and acquisitions; and
- 50 per cent weighting: the Operating Cash Flow; calculated excluding financial items and taxes as in Haldex internal cash flow statement, except any abnormal business procedures.

In order for any allotment of the Performance Amount to occur, the starting point for the at least one of the two Performance Target (the "Starting Point") must be exceeded and for maximum allotment of the Performance Amount to occur, the outperform target for both Performance Targets (the "Outperform Target") must be satisfied. The Starting Point and the Outperform Target (creating the "Target Range") for each Performance Target will be set by the board of directors and will be disclosed by Haldex no later than in the annual report for the financial year 2018. Should the outcome fall within the Target Range, a proportional allotment of the Performance Amount will be made.

The maximum Performance Amount is dependent on the Participant's gross annual fixed salary during 2015 (the "Base Salary"). The maximum Performance Amount at Outperform Target is limited to 70 per cent of the Base Salary for the CEO and other senior executives, 60–50 per cent of the Base Salary for other Participants.

The total Share Amount for Participants in LTI 2015 is limited to not more than SEK 10.6 million.

### *Performance Rights*

The Share Amount is converted into a number of Performance Rights, rounded off to the nearest whole number, by dividing of the Share Amount with the volume-weighted average price paid per ordinary share in Haldex at Nasdaq Stockholm during six months – from the first trading day of September 2015 to the last trading day of February 2016 - (the “Translation Rate”), however, not lower than SEK 39.00 per share (the “Floor Price”). The board of directors has the right to, in connection with certain corporate events, inter alia in case of a share split or a reverse share split, resolve on an adjustment of the Floor Price in accordance with general principles on the equity market for recalculation in such events.

A Performance Right does not constitute a security or a financial instrument and will not be registered on any securities account with any central securities depository. Participants do not have the right to pledge, sell, transfer or in any other way dispose of the Performance Rights.

A Performance Right does not carry any right to dividends or other shareholders’ rights during the duration of the Performance Right. However, holders of Performance Rights shall receive dividend compensation on the underlying Performance Share during the Lock-up Period in the form of a cash amount.

The number of Performance Rights can be recalculated in case of a bonus issue, new issue of shares, conversion of convertible instruments, share split or reverse share split and in certain other cases in accordance with general principles on the equity market for recalculation in such events.

### *Allotment of Performance Shares*

Each Performance Right held by a Participant bestows a conditional right to automatically and free of charge receive allotment of one Performance Share in 2019.

The total number of Performance Shares that may be allotted to the Participants shall not exceed 272,253, which equals the quotient of (a) the highest aggregate Share Amount for all Participants divided by (b) the Floor Price.

Delivery of any Performance Shares shall be conditional on the fulfilment of the Performance Targets and the Participant being employed within the Group throughout the Lock-up Period. In addition, in order for any allotment of Performance Shares to occur, the Participants’ outcome of LTI 2015 shall be reasonable in the opinion of the board of directors with regard to the financial situation of the Company, the employer and/or the Group. The board of directors shall prior to and in close proximity

to each allotment of Performance Shares evaluate whether and to which extent the stated conditions are fulfilled.

If not all the conditions are fulfilled, the board of directors has the right, at its own discretion, to unilaterally change the terms and conditions for LTI 2015 as the board of directors deems appropriate and in this context for example in whole or in part declare outstanding Performance Rights forfeited, meaning that fewer or no Performance Shares at all will be transferred to the Participant. A decision of such change shall be publicly announced no later than in connection with Haldex's first financial report following the decision.

#### *Hedging*

The board of directors proposes that the annual general meeting, as the main alternative (item 14 14.b alternative (1) below) resolves (i) to authorise the board of directors to resolve on acquisitions of own shares on a regulated market, and (ii) to transfer own shares free of charge to Participants.

Since the Program, in principle, is not expected to give rise to any initial social security payments for the Group, the board of directors has decided not to propose to the annual general meeting 2015 to resolve on transfers of own common shares on a regulated market in order to cover such costs. Prior to the transfers of shares to Participants, the board of directors intends to propose to the annual general meeting 2018 and/or 2019 that transfers be made of own shares on a regulated market in order to cover above mentioned costs.

Should the majority required under item 14 14.b alternative (1) below not be reached, the board of directors proposes that Haldex shall be able to enter into an equity swap agreement with a third party (item 14 14.b alternative (2) below).

#### *Estimated costs*

The estimated maximum costs of LTI 2015 amounts to SEK 13.7 million.

The calculation of the estimated costs has been made based on the following assumptions: (i) an average market price of the Haldex common share of SEK 78.10, (ii) dividend of SEK 0 is paid by Haldex each year during the Program and (iii) an assessment of future volatility in respect of the Haldex common share. In total, this can lead to maximum costs for the Program of approximately SEK 10.6 million, excluding social security costs. The costs for social security charges are calculated to approximately SEK 3.1 million assuming an annual share price increase of 10 per cent during the Lock-up Period. If the average share price increases from SEK 78.10 with 10 per cent until the implementation of the Program the effect on costs would only be marginal as the number of Performance Rights would be reduced correspondingly. Also in case of a decrease in the average share price the effect on costs would be marginal. The expected annual costs, including social security charges, correspond to approximately 1 per cent of Haldex's total employee costs.



### *Preparation of the Program*

The proposal for LTI 2015 has been prepared by the board of directors and discussed with major shareholders.

### *Previous incentive programs in Haldex*

The annual general meeting 2013 resolved to implement the long term incentive program LTI 2013, essentially on the same principles as the above proposed LTI 2015. At the end of December 2014, 15 participants of LTI 2013 are entitled to receive not more than 65,209 performance shares during the first half of 2017.

The annual general meeting 2014 resolved to implement the long term incentive program LTI 2014, essentially on the same principles as the above proposed LTI 2015. In LTI 2014, 24 participants are entitled to receive not more than 35,021 performance shares during the first half of 2018.

Besides LTI 2013 and LTI 2014, there are currently no other outstanding share-related incentive programs in Haldex.

### ***Proposal for resolution on hedging arrangements in respect of the Program (item 14 14.b on the agenda)***

### ***Proposal for resolution on acquisitions and transfers of own shares (item 14 14.b alternative (1))***

#### *(i) Authorisation for the board of directors to resolve on acquisitions of own shares*

The board of directors proposes that the annual general meeting authorises the board to resolve on acquisitions of own shares on one or several occasions during the period up to the annual general meeting 2016 in accordance with the following:

- acquisitions of own shares shall be made on Nasdaq Stockholm;
- no more than 350,000 own shares may be acquired; and
- acquisitions of own shares shall be made in cash and at a price within the applicable stock market share price range at the time of the acquisition.

The reasons for the proposed authorisation to acquire own shares is to secure delivery to Participants of shares in accordance with LTI 2015 and to enable transfers of shares on a regulated market to cover costs associated with the Program.

*(ii) Resolution on transfers of own shares to Participants in LTI 2015*

The board of directors proposes that the annual general meeting resolves on transfers of own shares in accordance with the following.

- the maximum number of shares that may be transferred shall be 272,253;
- entitled to receive the shares shall, with deviation from the shareholders' preferential rights, be the Participants in LTI 2015, with right for each of the Participants to receive no more than the maximum number of shares allowed under the terms and conditions for LTI 2015;
- the Participants' right to receive shares are conditional upon the fulfilment of all of the conditions set up in LTI 2015;
- the shares shall be transferred within the time period set out in the terms and conditions of LTI 2015;
- the shares shall be transferred free of charge; and
- the number of shares that may be transferred to the Participants in LTI 2015 may be recalculated due to bonus issue, share split, rights issue and similar events in accordance with the terms and conditions of LTI 2015.

The reason for the proposed transfers and for the deviation from the shareholders' preferential rights is to enable delivery of shares to Participants in LTI 2015.

***Proposal for resolution on an equity swap agreement with a third party (item 14 14.b alternative (2))***

Should the majority required under item 14 14.b alternative (1) above not be reached, the board of directors proposes that the annual general meeting resolves that the expected financial exposure of the Program shall be hedged by Haldex being able to enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer shares in Haldex to the Participants.

***Miscellaneous***

*Conditions*

The annual general meeting's resolution on the implementation of the Program according to item 14 14.a above is conditional upon the meeting either resolving in accordance with the board of directors' proposal under item 14 14.b alternative (1) above or in accordance with the board of directors' proposal under item 14 14.b alternative (2) above.

*Majority requirements*

The annual general meeting's resolution regarding the Program according to item 14 14.a above requires a simple majority among the votes cast. A valid resolution under item 14 14.b alternative (1) above requires that shareholders representing not less than nine-tenths of the votes cast as well as of the shares represented at the meeting approve the resolution. A valid resolution under item 14 14.b alternative (2) above requires a simple majority among the votes cast.

**Proposals regarding authorisations to acquire and transfer own shares (items 15 15.a – 15.b on the agenda)**

***Proposal for resolution on authorisation for the board of directors to resolve on acquisitions of own shares (item 15 a on the agenda)***

The board of directors proposes that the annual general meeting authorises the board to resolve on repurchase of own shares on one or several occasions during the period up to the annual general meeting 2016 in accordance with the following:

- acquisition of own shares shall be made on Nasdaq Stockholm;
- own shares may be acquired to the extent the company's holdings of own shares in total amounts to no more than one tenth of all shares in the company;
- acquisition of own shares shall be made in cash and at a price within the applicable stock market share price range at the time of the acquisition.

The reasons for the proposed authorisation to repurchase own shares are to enable share transfers in accordance with the board's proposals under 15 15.b below and, hence, to increase the flexibility of the board in connection to potential future corporate acquisitions, and to increase the board's possibilities to continuously be able to adapt the company's capital structure, thereby contributing to increased shareholder value.

***Proposal for resolution on authorisation for the board of directors to resolve on transfers of own shares in connection to corporate acquisitions (item 15 b on the agenda)***

The board of directors proposes that the annual general meeting authorises the board to resolve on transfer of own shares on one or several occasions during the period up to the annual general meeting 2016 in accordance with the following:

- transfer of own shares shall be made either on Nasdaq Stockholm or in another manner;
- transfer of own shares may be made with deviation from the shareholders' preferential rights;
- the maximum number of shares that may be transferred shall be the total number of own shares held by the company at the time of the board's resolution to transfer the shares;
- transfer of shares shall be made at a price that shall be determined in close connection with the shares' quoted price at the time of the board's resolution to transfer the shares;
- payment for the transferred shares may be made in cash, by contribution in kind or by set-off.

The reasons for the proposed transfer and for a potential deviation from the shareholders' preferential rights are to increase the flexibility of the board in connection to potential future corporate acquisitions, by facilitating a fast and cost efficient financing thereof.

#### *Majority requirements*

Resolutions passed by the annual general meeting in accordance with the board of director's proposal under the items 15.15.a – 15.15.b above are valid only when supported by shareholders holding at least two thirds of the votes cast as well as of the shares represented at the meeting.

## **C. MISCELLANEOUS**

### **Documents**

The accounts and the auditor's report, together with the auditor's statement regarding whether the company has complied with the guidelines for remuneration to senior executives in force since the last annual general meeting, will be available at the company and on the company's website [www.haldex.com](http://www.haldex.com) at the latest as from Tuesday 7 April 2015 and will be sent to shareholders upon request. Copies of the complete proposals of the board of directors and the board of director's statement pursuant to chapter 18, section 4 and chapter 19, section 22 of the Swedish Companies Act will be available at the company and on the company's website [www.haldex.com](http://www.haldex.com) at the latest as from Tuesday 7 April 2015 and will be sent to the shareholders upon request. The accounts and the auditor's report together with the auditor's statement as set out above, as well as the board's complete proposals, will also be available at the annual general meeting.

### **Information at the annual general meeting**

The board of directors and the CEO shall, if any shareholder so requests and the board of directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group. Shareholders requiring to submit questions in advance may send them to Anna Ellman, Haldex AB, P.O. Box 507, SE-261 24 Landskrona, Sweden.

### **Shares and votes**

As per the day of this notice, the number of shares and votes in Haldex totals 44,215,970. Haldex owns 11,705 own shares as per the day of this notice.

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Landskrona in March 2015  
Haldex Aktiebolag (publ)  
The board of directors

### **About Haldex**

With more than 100 years of intensely focused innovation, Haldex holds unrivaled expertise in brake systems and air suspension systems for heavy trucks, trailers and buses. We live and breathe our business delivering robust, technically superior solutions born from deep insight into our customers' reality. By concentrating on our core competencies and following our strengths and passions, we combine both the operating speed and flexibility required by the market. Collaborative innovation is not only the essence of our products – it is also our philosophy. Our 2,235 employees, spread on four continents, are constantly challenging the conventional and strive to ensure that the products we deliver create unique value for our customers and all end-users. We are listed on the Nasdaq Stockholm Stock Exchange and have net sales of approximately 4 billion SEK.