



*This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.*

## **ANNUAL GENERAL MEETING IN HEXAGON AB (publ)**

**The shareholders of Hexagon AB are hereby invited to attend the Annual General Meeting to be held at 17.00 CET, Wednesday 6 May 2015, at City Conference Center/Norra Latin, Drottninggatan 71 B, Stockholm.**

### **A. NOTICE OF ATTENDANCE**

Shareholders who wish to attend the Annual General Meeting must:

- (i) be recorded in the share register maintained by Euroclear Sweden AB on Wednesday 29 April 2015, and
- (ii) notify the company of their intention to attend the Annual General Meeting by filling out a form at Hexagon's website, [www.hexagon.com](http://www.hexagon.com), or by post to: Hexagon AB, "Annual General Meeting", P.O. Box 3692, SE-103 59 Stockholm, Sweden, or by e-mail to [bolagsstamma@hexagon.com](mailto:bolagsstamma@hexagon.com), on Wednesday 29 April 2015 at the latest.

When giving notice of attendance, the shareholder shall state name, personal identity number/corporate identity number, address, telephone number (daytime) and shareholding. For shareholders that will be represented by a proxy, an original proxy to act on behalf of the shareholder shall be attached to the notice of attendance. A proxy form will be held available on the company's website [www.hexagon.com](http://www.hexagon.com) and will be sent by post to shareholders that contact the company and state their address. Representative of a legal entity shall also send a copy of the registration certificate or similar documentation of authorisation.

In order to participate at the Annual General Meeting, shareholders with nominee-registered shares should request their bank or broker to have the shares owner-registered with Euroclear Sweden AB. Such re-registration must be made by 29 April 2015, which entails that the nominee should be notified of this in due time before the said date.

### **B. AGENDA**

#### **Proposal for agenda**

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.

5. Election of two persons to check the minutes.
6. Determination of compliance with the rules of convocation.
7. The Managing Director's report.
8. Presentation of
  - (a) the Annual Report, the Auditor's Report and the Consolidated Financial Statements and the Group Auditor's Report for the financial year 2014,
  - (b) statement by the auditor regarding whether the guidelines for remuneration to senior executives, which have been in effect since the last annual general meeting, have been observed, and
  - (c) the proposal of the Board of Directors for dividend and statement thereon.
9. Resolutions regarding
  - (a) adoption of the Statement of Income and the Balance Sheet and the Consolidated Statement of Income and the Consolidated Balance Sheet, as per 31 December 2014,
  - (b) appropriation of the company's profit according to the adopted Balance Sheet and resolution regarding record day, and
  - (c) discharge from liability of the Board of Directors and the Managing Director.
10. Establishment of the number of members and deputy members of the Board of Directors.
11. Establishment of fees to the board members and auditors.
12. Election of board members and auditors.
13. Election of members of the Nomination Committee.
14. Guidelines for remuneration to senior executives.
15. Resolution on amendment of the Articles of Association.
16. Resolution on a directed issue of subscription warrants and approval of transfer of subscription warrants and shares (Warrants Programme 2015/2019)
17. Authorisation for the Board of Directors to resolve on acquisitions and transfers of the company's own shares
18. Closing of the Meeting.

### **Proposals for resolutions**

#### **Election of Chairman of the Meeting (item 2)**

The Nomination Committee ahead of the Annual General Meeting 2015, consisting of Mikael Ekdahl (Melker Schörling AB), Jan Andersson (Swedbank Robur fonder) Anders Oscarsson (AMF Fonder) and Bengt Belfrage (Nordea Fonder), has proposed that Melker Schörling, Chairman of the Board, shall be elected Chairman of the Annual General Meeting 2015.

#### **Proposal for dividend (item 9 b)**

The Board of Directors proposes that a dividend of EUR 0.35 per share be declared for the financial year 2014. As record day for right to receive dividend, the Board of Directors proposes Friday 8 May 2015. If the Annual General Meeting resolves in accordance with the proposal, the dividend is expected to be paid through Euroclear Sweden AB starting on Monday 18 May 2015. Payment is made in EUR, provided that

EUR can be received on the shareholder's yield account; if not, payment will be distributed in SEK, whereby currency exchange is made in accordance with Euroclear Sweden AB's applicable procedures.

**Proposal for election of the Board of Directors and auditors and resolution regarding fees (items 10-12)**

The Nomination Committee has proposed the following:

- The number of board members shall be six, without any deputy members.
- Fees to the board members shall be distributed as follows: SEK 1,100,000 to the Chairman of the Board and SEK 500,000 to each of the other members elected at a general meeting and not employed by the company. Remuneration for committee work shall be distributed with SEK 85,000 to the Chairman of the Remuneration Committee and SEK 60,000 to the members of the Remuneration Committee and with SEK 200,000 to the Chairman of the Audit Committee and SEK 150,000 to the members of the Audit Committee.
- Re-election of the board members Melker Schörling, Ola Rollén, Gun Nilsson, Ulrik Svensson, Ulrika Francke and Jill Smith as ordinary members of the board.
- Election of Melker Schörling as Chairman of the Board.
- Re-election of the accounting company Ernst & Young AB as auditors of the company, for a one year period of mandate, consequently up to and including the AGM 2016, and it is noted that the accounting company has stated that authorised public accountant Rickard Andersson will be appointed auditor in charge.
- The auditor shall be remunerated according to agreement.

**Proposal for election of members of the Nomination Committee (item 13)**

Shareholders together representing approximately 52 per cent of the number of votes in the company recommend that the Annual General Meeting as regards the Nomination Committee in respect of the Annual General Meeting 2016 resolves as follows.

- The Nomination Committee shall have four members.
- Re-election of Mikael Ekdahl (Melker Schörling AB), Jan Andersson (Swedbank Robur fonder) and Anders Oscarsson (AMF Fonder) and new election of Henrik Didner (Didner & Gerge Fonder) as members of the Nomination Committee in respect of the Annual General Meeting 2016.
- Election of Mikael Ekdahl as Chairman of the Nomination Committee.
- In case a shareholder, whom a member of the Nomination Committee represents, is no longer one of the major shareholders of Hexagon, or if a member of the Nomination Committee is no longer employed by such shareholder, or for any other reason leaves the Committee before the Annual General Meeting 2016, the Committee shall be entitled to appoint another representative among the major shareholders to replace such member.

**Proposal for guidelines for remuneration to senior executives (item 14)**

The Board of Directors proposes that the Annual General Meeting resolves on guidelines for remuneration to the managing director and other senior executives in principle as follows: The remuneration shall consist of basic remuneration, variable

remuneration, other benefits and pension. By other senior executives is meant members of the group management. The total remuneration shall be in accordance with market practice and competitive. The variable part of the salary shall be maximised at 60 per cent of the basic remuneration, related to the earnings performance on which the individual may have an impact on and based on the outcome in relation to individual targets. However, in relation to six senior executives, the variable remuneration shall be maximized to between 70 and 200 per cent of the basic remuneration in accordance with previously concluded agreements. The variable remuneration shall not qualify for pension. Each year the Board of Directors shall consider to recommend the Annual General Meeting to resolve on a share or share rate related incentive program. The notice period shall normally be six months on the part of the employee. At dismissal by the company, the notice period and the period during which severance payment is paid, all in all, shall not exceed 24 months. As a general guideline, pension benefits shall be fee based. At present, all senior executives have fee based pension plans. Deviations from this general guideline may be made when appointing new senior executives whose employment agreements already comprise benefit based pension plans. The pension age for senior executives is individual, however, not lower than 60 years. The guidelines shall apply to employment agreements entered into after the resolution by the Annual General Meeting, and to any amendments of existing agreements. The Board of Directors shall have the right to deviate from the guidelines if, in an individual case, there are particular reasons for this.

#### **Proposal for resolution on amendment of the Articles of Association (item 15)**

In order to enable future issues of new series B shares when exercising the subscription warrants issued in accordance with the proposed Warrants Programme 2015/2019 according to item 16 below, the Board proposes that the Meeting resolves to make the following minor amendment of the Articles of Association.

The limits of series B shares, set forth in Section 4, fourth paragraph of the Articles of Association, in relation to issued shares in the Company, shall be amended from 95.6 per cent of the shares issued at each time to 96 per cent of the shares issued at each time, whereby Section 4, fourth paragraph of the Articles of Association shall have the following wording:

Current wording of Section 4, fourth paragraph

*The shares shall be issuable in two series, series A (A-share) and series B (B-share). If shares are issued in two series, series A shares shall comprise a maximum of 50 per cent and series B a maximum of 95.6 per cent of the shares issued at each time.*

Proposed wording of Section 4, fourth paragraph

*The shares shall be issuable in two series, series A (A-share) and series B (B-share). If shares are issued in two series, series A shares shall comprise a maximum of 50 per cent and series B a maximum of ~~95.6~~ 96 per cent of the shares issued at each time.*

A resolution according to this item shall be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting in order to be valid.

**The Board of Director's proposal for resolution on a directed issue of subscription warrants and approval of transfer of subscription warrants and shares (Warrants Programme 2015/2019) (item 16)**

Warrants Programme 2015/2019

The Board of Directors proposes that the Meeting resolves to implement a warrants programme for group management, division management, senior executives and key employees (the "Participants") in the Hexagon Group (the "Warrants Programme 2015 2019") through the issue of subscription warrants entitling to subscription for new series B shares in Hexagon AB or, as the case may be, with a right for the company to transfer repurchased series B shares to the Participants as further set out below.

Directed issue of subscription warrants

The proposal of the Board of Directors means in brief that the Meeting shall resolve on a directed issue of maximum ten million (10,000,000) subscription warrants entitling to subscription for new shares in Hexagon AB on the following main terms and conditions. With a deviation from the shareholders' preferential right, the right to subscribe for the subscription warrants shall be granted to Hexagon Förvaltning AB, a wholly-owned subsidiary of Hexagon AB. Each subscription warrant shall entitle the holder to subscribe for one (1) new share of series B in Hexagon AB. Subscription and payment of the subscription warrants shall be made on 31 July 2015 at the latest, with a right for the Board of Directors to prolong these time limits. The issue rate shall be set to SEK twenty-five (25) for each subscription warrant (the issue rate may be adjusted in case of material changes in the price of Hexagon AB's share from the time of this notice until subscription is made by Hexagon Förvaltning AB). Subscription for shares in Hexagon AB by exercising the subscription warrants shall take place during the period commencing on 1 June 2018 up to and including 31 December 2019. The subscription rate for one new share shall be based on a market valuation of the subscription warrants including the issue rate per subscription warrant, which shall be established by an independent valuation institute in accordance with an established valuation method (Black & Scholes) in connection with the allotment of the warrants to Hexagon Förvaltning AB. Customary terms and conditions for recalculation will be applicable for the subscription warrants.

The reasons for deviation from the shareholders' preferential rights are that Hexagon AB wishes to introduce a warrants programme intended for allotment to senior executives and key employees within the Hexagon Group, whereby they will be offered the opportunity to take part in a value increase of the company's share. This is expected to increase the interest in the company's development – as well as in the company's share price development – and to stimulate a continued company loyalty over the forthcoming years. However, the warrants programme shall only comprise such Participants, who, within the scope of their employment in Hexagon Group, have an explicit responsibility for the development of the company and a significant possibility to influence such development.

### Transfer of the subscription warrants

The Board of Directors proposes that the Meeting resolves to approve that Hexagon Förvaltning AB, on one or several occasions, against payment, transfer subscription warrants to the Participants in accordance with the guidelines stated below. Such transfers can be made directly to the Participants, or to a legal entity, pension insurance or other vehicle owned or controlled by the respective Participant. Transfers in accordance with the above shall be made at market value. For transfers that take place in connection with the allotment of subscription warrants to Hexagon Förvaltning AB, the market value shall correspond to the issue rate. For subsequent transfers, the price per subscription warrant shall correspond to the market value of the subscription warrant at the time of transfer.

### Guidelines for allotment

The Board of Directors of Hexagon AB shall have the right to resolve on allotment of subscription warrants to not more than approximately 200 Participants in the Hexagon Group in accordance with the following guidelines:

- |                             |                                      |
|-----------------------------|--------------------------------------|
| - Managing Director and CEO | 2,000,000 subscription warrants each |
| - Group management          | 200,000 subscription warrants each   |
| - Division management       | 100,000 subscription warrants each   |
| - Senior executives         | 75,000 subscription warrants each    |
| - Key employees             | 30,000 subscription warrants each    |

The Participants can choose to subscribe for a lower number of subscription warrants than stated above. If the total number of subscription warrants that the Participants wish to acquire exceeds the maximum number of subscription warrants that can be issued according to the Warrants Programme 2015/2019, a reduction shall be made proportionally of each person's quantity in relation to the guidelines set forth above. There will be no guaranteed allotment. A Participant is entitled to subscribe for a larger quantity of subscription warrants than stated in the guidelines above and may be allotted additional subscription warrants corresponding to maximum 50% of what is stated in the guidelines above. If such oversubscription has occurred, allotment shall be made to Participants, who wish to subscribe for additional subscription warrants pro rata in proportion to the number of subscription warrants that they have been allotted in the first allotment. Subscription warrants, which have not been allotted in accordance with the above, shall be reserved for future recruitment of people in the above categories and the guidelines above for allotment shall then be applicable.

### Dilution

The Warrants Programme here proposed may at full exercise, increase the share capital by a total of maximum approximately EUR 2,218,943, which corresponds to a total dilution of maximum approximately 2.7% of the share capital and approximately 2.0% of the number of votes on a fully diluted basis, calculated as the number of new shares in proportion to the number of existing and new shares.

Hexagon AB's supply of shares in exchange for the subscription warrants issued in accordance with the Warrants Programme 2015/2019 may be carried out by the utilization of repurchased own shares. The Board therefore proposes that the Meeting resolves that the company, in connection with any demand for exercise of the subscription warrants, with a deviation from the shareholders' preferential rights, may transfer a total of maximum ten million (10,000,000) repurchased own shares in the company at a rate equivalent to the subscription rate for new shares established in connection with the allotment of the subscription warrants in accordance with the Warrants Programme 2015/2019 or in accordance with applicable conditions for recalculation. In case repurchased shares are transferred to the participants in the programme in accordance with the above, in whole or in part, the dilution as calculated above will be decreased.

Other important key ratios will, at full subscription of the proposed issue and full exercise of all issued subscription warrants in all programmes, be affected as follows (based on the key ratios in the year-end report for the financial year 2014 and a preliminary valuation of the future capital contribution within the scope of the Warrants Programme 2015/2019):

- earnings per share: reduction by EUR 0.03 from EUR 1.13 to EUR 1.10;
- equity per share: increase by EUR 1.07 from EUR 9.71 to EUR 10.78; it being assumed that the warrant holders have exercised the warrants for subscription of new shares by the end of the first quarter 2015 and that all the issued warrants in the Warrants Programme 2011/2015 have been exercised by 31 December 2014.

#### Safety measures

The Warrants Programme 2015/2019 is not expected to lead to any considerable costs. Therefore, no measures to secure the programme are planned to take place.

#### Preparation of the matter

The proposal of the Board of Directors has been prepared by the Board of Directors. Ola Rollén, CEO and board member, who may be allotted subscription warrants in accordance with Warrants Programme 2015/2019, has not taken part in the preparation of the matter.

#### Voting majority

The Board of Directors' proposal requires a resolution by the Meeting supported by shareholders representing at least nine tenths of both the number of votes cast and the shares represented at the Meeting in order to be valid.

#### **Proposal for authorization of the Board of Directors to resolve on acquisitions and transfers of the company's own shares (item 17)**

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, until the next annual general meeting, on one or several occasions, to resolve on acquisitions and transfers of the company's own shares. Acquisitions shall be made of maximum so many shares that the shareholding of the company from time to time does not exceed ten (10) per cent of all the shares in the

company. Acquisitions may be made on Nasdaq Stockholm at the stock-exchange quotation applicable at the time of acquisition. Transfers may be made of maximum so many shares which from time to time correspond to ten (10) per cent of all the shares in the company. Transfers may be made with a deviation from the shareholders' preferential rights at Nasdaq Stockholm as well as to a third party in connection with an acquisition of a company or business. Payment for shares transferred shall be made in cash, by contribution in kind or by set-off. Transfer in connection with an acquisition of a company may be made at a market value appraised by the Board of Directors. The purpose of the authorisation is to give the Board of Directors the opportunity to adjust the company's capital structure and to finance acquisitions by utilisation of the company's own shares.

A resolution according to this item shall be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting in order to be valid.

#### **C. AVAILABLE DOCUMENTS**

The accounts, the auditor's report, including the proposal of the Board of Directors regarding guidelines for remuneration to senior executives, as well as the statement by the auditor regarding whether the guidelines for remuneration to senior executives have been observed, the complete proposal for resolution of the Board of Directors with respect to items 15, 16 and 17 together with relevant documentation as well as the statement of the Board of Directors for resolution on dividend according to item 9 b) will be available for the shareholders at the company's headquarters in Stockholm as from Wednesday 15 April 2015. Copies of the documents will be sent on request to shareholders who state their address, and will also be available on the company's website [www.hexagon.com](http://www.hexagon.com) and at the Annual General Meeting.

#### **D. INFORMATION AT THE ANNUAL GENERAL MEETING**

The Board of Directors and the CEO shall at the Annual General Meeting, if any shareholder so requests and the Board of Directors believes that it can be done without significant 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 any of its subsidiaries' financial position, and the company's relations to other Group companies.

#### **E. NUMBER OF SHARES AND VOTES IN THE COMPANY**

The total number of shares in the company amounts to 359,531,730, of which 15,750,000 are shares of series A (with 10 votes per share), and 343,781,730 series B shares (with 1 vote per share). The total number of votes in the company amounts to 501,281,730.



*The Board of Directors*  
**Hexagon AB (publ)**