

## 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, 25 August 2015, 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 no later than Wednesday, 19 August 2015.
- 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, 21 August 2015.

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 2015.

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, 19 August 2015 in order for due registration to take place. Request for such registration must be made to the trustee a few days before Wednesday, 19 August 2015 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. The Proxy must not be issued earlier than five years prior to the date 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 2016.
16. Resolution regarding share split and related amendment of the Articles of Association.
17. Proposal by the Board of Directors for principles for compensation and other terms and conditions for employment of members of senior management.
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 2014 represented 55.5 % 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**

Seven regular directors.

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

A fee for the Board of Directors of SEK 1,650,000 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: SEK 220,000 per director.

No fees are paid for committee work. The fee per director is unchanged 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, Marika Rindborg Holmgren and Jörgen Wigh.

Detailed descriptions of the members of the Board of Directors proposed for re-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 2016**

KPMG AB with head auditor George Pettersson until the end of the Annual General Meeting 2016.

## **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 4.50 per share and Thursday, 27 August 2015 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 Tuesday, 1 September 2015 to shareholders of record on the record day.

### **16 Resolution regarding share split and related amendment of the Articles of Association.**

In order to achieve the appropriate number of shares, the Board proposes that the Meeting resolves to:

- (i) increase the number of shares in the Company by dividing each share into three (3) shares (split), after which the number of shares will increase to 69,519,927, including 3,263,802 class A shares and 66,256,125 class B shares, each share with a quotient value of SEK 0.70,
- (ii) amend § 5 in the company's articles of association regarding number of shares as follows: "The number of shares outstanding shall be a minimum of 37,500,000 and a maximum of 150,000,000.", and
- (iii) authorise the Board to decide on the record date for the split and take any other measures necessary to implement the split.

The reasons for the proposals is that the Board wishes to increase the liquidity of its shares. A larger number of shares and a lower price per share facilitates turnover of the company's shares.

The resolution proposed by the Board of Directors regarding amendment to the articles of association must be seconded by shareholders representing not less than two thirds of the votes cast and shares represented at the Extraordinary General Meeting.

### **17 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.

**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 2015 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 14 September 2015 until 25 September 2015, inclusive. Payment for acquired call options shall be made not later than 2 October 2015.
- (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 Stockholm for class B shares in the Company during the period from 31 August 2015 until 11 September 2015, 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 2017 – 30 September 2017, (ii) during the period 14 May – 25 May 2018 after the Company published its Interim Report for the period 1 April 2017 – 31 March 2018, and (iii) during the period 17 September – 28 September 2018.
- (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 3.0, after corporate taxes (calculated based on conditions prevailing as of 10 July 2015). 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 3.0 that the Company will receive upon transfer of the call options. The programme therefore does not entail any essential 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 (as of July 2015) 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 2012, 2013 and 2014. The number of outstanding call options, after all repurchases, stands at 462,750, 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.

**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 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 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 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 16-19 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, 4 August 2015 and will be mailed to shareholders who so request and provide their mailing address. The 2014/15 Annual Report was published in July 2015. 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 30 June 2015 amounted to MSEK 48.9 divided into 1,087,934 class A shares and 22,085,375 class B shares, for a total of 23,173,309 shares, of which the Company has repurchased 513,800 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 votes outstanding in the Company amounts to 32,450,915, 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, 17 July 2015

Board of Directors  
Lagercrantz Group AB (publ.)

For additional information, please contact:  
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