

# Bulletin from the Annual General Meeting of Formpipe Software AB held 25 April 2017

## **Allocation of retained earnings and discharge from liability**

The Annual General Meeting (AGM) approved the Board of Directors' proposal that SEK 0.30 per share shall be paid in dividend to the shareholders for the financial year 2016, and that the record date for the dividend shall be 27 April 2017. The dividend is expected to be distributed by Euroclear Sweden AB on 3 May 2017. The members of the Board of Directors and the Managing Director were discharged from liability for the financial year 2016.

## **Election of directors, chairman, auditor, fees, and principles of appointment of the Nomination Committee**

The AGM approved the following:

That the Board shall consist of five members and no deputy members.

That the remuneration is set to SEK 350,000 for the Chairman and SEK 175,000 each for the other the members of the Board that are elected by the General Meeting (i.e. a total remuneration to the Board of SEK 1 050,000).

That fees for the auditor are paid in accordance to invoice.

The re-election of Martin Henricson, Peter Lindström and Bo Nordlander as board members and to elect Annikki Schaeferdiek and Åsa Landén Ericsson as new board members. Bo Nordlander was re-elected as the Chairman of the board.

The re-election of the auditing firm PricewaterhouseCoopers AB as the auditors of the company until the end of the AGM held in 2018. PricewaterhouseCoopers AB intends to appoint the authorised auditor Aleksander Lyckow as the principal auditor.

## **Principles for appointment of the Nomination Committee**

The AGM resolved, as proposed by the Nomination Committee, that the Nomination Committee shall consist of four members. The chairman of the Board shall contact the three largest shareholders or shareholder groups (this refers to shareholders whose shares are registered directly or in the name of a nominee) in accordance with Euroclear Sweden AB's share register as at the last trading day in June of the current year and other reliable information the company has received as of this date. Documented shareholdings through pension or endowment insurance may be taken into account. These shareholders each appoint a representative which, together with the chairman of the Board shall be the Nomination Committee for the period until a new Nomination Committee is appointed by mandate from the next AGM. The names of the three representatives and the names of the shareholders they represent shall be announced no later than six months before the AGM 2018.

In the event that any of the three largest shareholders or shareholder groups does not wish to appoint such a representative, the fourth largest shareholder or group of owners should be asked to appoint a representative and so on until the Nomination Committee has four members. The majority of the members of the Nomination Committee shall be independent of the company and its management. At least one of the members of the Nomination Committee shall be independent in relation to the company's largest shareholder or group of shareholders who collaborate on the company's management. The CEO or other members of the executive management shall not be a member of the Nomination Committee. Board members can be part of the Nomination Committee but shall not constitute a majority of its members. If more than one board member is included in the Nomination Committee, only one of them may be dependent of the company's major shareholders. The Nomination Committee shall appoint a chairman within the group. The chairman of the Board or other board member shall not be chairman of the Nomination Committee.

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If a member leaves the Nomination Committee before its work is completed and if the Nomination Committee considers that there is a need to replace the member, the Nomination Committee shall appoint a new member in accordance with the principles above, but based on Euroclear Sweden AB's share register as soon as possible after the member left his position. Change in the composition of the Nomination Committee shall be announced immediately.

If there is a significant change in the company's ownership structure after the Nomination Committee having been appointed under these principles, but not later than two months prior to the next AGM, and a shareholder, that after this significant change has become one of the three largest shareholders or groups of owners based on number of votes held, expresses a wish to be included in the Nomination Committee, the Nomination Committee shall offer the shareholder to be included in the Nomination Committee, either by resolving that this shareholder shall replace the shareholder in the Nomination Committee who has, after the change of ownership, the smallest stake in the company based on the number of votes, or by resolving that the Nomination Committee should be increased by one member, although in no event to more than seven members.

If necessary, the company shall be responsible for reasonable costs for the work of the Nomination Committee and the external consultants that the Nomination Committee deems necessary for the Nomination Committee to fulfill its mission.

**The AGM approved the Board's proposal to authorise the Board to resolve on issues of shares and convertibles**

The AGM resolved to authorise the Board to, within the limits of the articles of association, until the next AGM, on one or more occasions, resolve to issue new shares and/or convertibles. The Board is proposed to be authorised to take decisions to the extent that the company's share capital may be increased by an amount equal to not more than 10 percent of the registered share capital at the time of the 2017 AGM.

The purpose of the issues shall be to acquire or finance acquisitions of all or parts of companies or businesses, through the issue with or without deviation from the shareholders' preferential rights, or through payment in kind or by set-off of claims or on other terms. The issues shall be made at market terms less the discount that may be required to achieve sufficient subscription interest.

**The AGM approved for the Board to acquire and dispose of own shares**

The AGM resolved to authorise the Board to, for the period until the next AGM, on one or more occasions, resolve to acquire and/or dispose of the company's shares on the following principal conditions.

Purchases may be made of so many shares that the company's holding does not exceed 10 percent of all shares of the company. Purchases shall be made on Nasdaq Stockholm at a price within the current registered price interval being the interval between the highest bid and lowest ask price. Payment shall be made in cash.

Transfer of shares may take place on Nasdaq Stockholm at a price within the current registered price range, and beyond Nasdaq Stockholm, with or without deviation from the shareholders' preferential rights and with or without provisions in kind or by set-off rights and other conditions, to be used as full or part payment for acquisition of companies or businesses. Transfer may be made of all or part of the company's holding of own shares at the time of the Board's decision.

The purpose of the authorisation is to enable the Board to adjust and improve the capital structure of the company in order to create increased shareholder value and to dispose of shares in connection with financing of any company and business acquisitions by paying all or part of the purchase price with the company's own shares. In the latter case, the company may, for example, use the shares held in treasury for acquiring a company through the payment of the purchase price and thereby create a greater community of interest between the seller and the company in its future operations, but without the result in a dilution for existing shareholders.

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**The AGM approved the proposal regarding guidelines for remuneration to senior executives and officers of the company**

The AGM approved the Board's proposed guidelines for remuneration to the company's CEO and other senior executives as follows. The Board's proposal is broadly consistent with previously applied principles for compensation. The guidelines apply to contracts concluded after the 2017 AGM, or where the compensation subsequently is modified. The Board has not appointed any separate remuneration committee, and questions relation to remuneration and other employment terms are instead managed by the full Board.

The company shall offer market based conditions to enable the company to recruit and retain skilled personnel. The remuneration shall consist of fixed salary, variable compensation, long-term incentive plan, pension, severance conditions and other customary benefits. Payment is based on the individual's commitment and performance relative to predetermined targets, both individual and joint objectives for the company. Evaluation of individual performance is continuous. The fixed salary, as a rule is evaluated once a year and must take into account the individual's qualitative performance. The fixed salary for the CEO and other senior officers should be competitive. The variable remuneration shall take into account the individual's level of responsibility and degree of influence. The size of the variable compensation is related to the degree of fulfillment of financial targets set by the Board. The variable represents a maximum of 40 percent in addition to fixed salary. All variable remuneration plans have maximum award and vesting limits. Variable compensation for the financial year 2016 has been reserved in the annual report and will be distributed in close connection with the annual general meeting 2017. The company has introduced share-incentive program for all staff (including the CEO and other senior executives) to promote the company's long-term interests. The Board shall continually assess whether additional stock option plans or any other form of share or share based incentive program should be proposed to the AGM. The CEO and other senior executives have defined-contribution plans. Retirement age for the CEO and senior executives is at age 65. Retirement benefit is based solely on the budgeted salary. At the CEO's dismissal, at the termination by the company, six months' notice and six months' severance payment apply. Other income received by the CEO during the period of severance payment is paid is deducted from severance payment. Upon termination from the CEO, six months' notice applies. The company and the other senior executives have a mutual notice period of 3 to 6 months. In the event the company becomes the subject of a public offer which means that at least 30 percent of its shares are held by the same shareholder, the CEO has, at its or the company's dismissal, the right to a special severance payment equal to 12 fixed monthly salaries at the time of notice of termination. No deductions shall be made from such severance payment, and the payment shall be payable in full upon termination of employment and replaces the grant that the CEO normally is entitled to under his contract.

The Board has the right to deviate from the guidelines above in the case of individual cases where there are special reasons for this.

**The AGM approved the proposed incentive program 2017/2020 through the issuance of warrants**

The AGM approved the proposed incentive program 2017/2020 through issue of a maximum of 500,000 warrants with deviation from the shareholders' preferential rights. The increase of the company's share capital at full subscription with the support of all warrants is SEK 50,000, corresponding to a dilution of about 1.0 percent of the total number of shares and votes in the company.

The warrants, which entitle the holder to subscribe for a new share per warrant in the company during the period from and including 11 May 2020 up to and including 22 May 2020, are issued at a price equal to market value of the warrants, calculated by using the Black & Scholes warrant valuation model as of 24 April 2017, based on a subscription price at the time of exercise of 120 per cent of the average volume weighted price paid for the company's share on Nasdaq Stockholm during the period from 18 April 2017 up to and including 24 April 2017. The warrants shall be subscribed for during the period from 26 April 2017 up to and including 10 May 2017 on a separate subscription list. The Board shall have the right to extend the subscription period.

Employees of the company shall be guaranteed allotment of not less than 2,000 warrants per subscriber. After allocation of the guaranteed warrants to the respective subscriber, the

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remaining warrants are allocated to all subscribers who have subscribed for additional warrants pro rata in proportion to the number of warrants subscribed for. When calculating the pro rata allocation a weighting shall be used, with a maximum of 20,000 warrants per employee. It should be noted that the maximum limits only are used in the pro rata calculation and do not constitute an upper limit on the final allotment. Payment for the warrants shall be made in cash not later than 5 June 2017. The Board shall have the right to extend the payment period. Shares subscribed for by the exercise of the warrants will entitle to dividends for the first time on the record date occurring after the execution of the subscription.

The reason for deviating from the shareholders' preferential rights is that the company wishes to promote the company's long term interest by offering a well-balanced incentive program to the company's employees, giving them an opportunity to take part in a positive development of the company's value.

### **The AGM approved the Board's proposal to authorise the Board to re-purchase warrants**

The AGM resolved in accordance with the Board's proposal to authorize the Board to, during the period until the next AGM, on one or more occasions to resolve to repurchase, at the current market price (which shall be based on the volume weighted average price of the company share for a period close to the period for repurchase), up to 50 percent of the total of 1,000,000 warrants issued as decided by the AGM 2014 (maximum number of warrants that can be repurchased is thus 500,000). The warrants that are subject to the decision entitle its holder to subscribe for new shares in the company for SEK 6.41 per share from 8 May 2017 up to and including 19 May 2017.

The AGM resolved in accordance with the Board's proposal to authorize the Board to, during the period until the next AGM, on one or more occasions to resolve to repurchase, at the current market price (which shall be based on the volume weighted average price of the Company share for a period close to the period for repurchase), up to 50 percent of the total of 500,000 warrants issued as decided by the AGM 2015 (maximum number of warrants that can be repurchased is thus 250,000). The warrants that are subject to the decision entitles its holder to subscribe for new shares in the Company for SEK 9.54 per share from 9 May 2018 up to and including 20 May 2018.

A repurchase of the warrants as above shall be conditional upon each individual warrant holder who wish to have warrants repurchased using an equivalent amount of the invested warrants to subscribe for new shares.

The purpose of the repurchase is to limit the dilution of the company's shares while the warrant holders are offered an opportunity to appreciate the value of the warrant. Repurchased warrants are to be held in the company's custody and expire without being left on.

### **For additional information, contact:**

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This is a translation of the original Swedish version. In the event of any discrepancies between the two versions, the original Swedish version shall take precedence.

This information is information that Formpipe Software AB (publ) is obliged make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out above, at 15.45 April 25, 2017.

Formpipe develops ECM products and solutions for structuring information and supplies them to major companies, authorities and organisations. ECM products help organisations to capture, manage and distribute information, and to place it in context. The company's software helps improve efficiency, cut costs and reduce risk exposure. Formpipe was founded in 2004 and has offices in Sweden, Denmark, United Kingdom, The Netherlands and USA. The Formpipe share is listed on NASDAQ Stockholm.