

# Invitation to the Annual General Meeting of shareholders of IAR Systems Group AB (publ)

**The shareholders of IAR Systems Group AB (publ) (the "Company"), are hereby invited to the Annual General Meeting of shareholders to be held on Wednesday April 29, 2015 at 6.00 p.m. at Lundqvist och Lindqvist, Klarabergsviadukten 90 in Stockholm.**

## **Notice to attend etc.**

Shareholders who wish to participate in the Annual General Meeting ("AGM") must

– be recorded in the register of shareholders maintained by Euroclear Sweden AB not later than Thursday, April 23, 2015,

– provide notification of their intention to participate in the AGM not later than Thursday, April 23, 2015, in writing to IAR Systems Group AB (publ), P.O. Box 23051, SE-750 23 Uppsala, Sweden, by telephone +46 709 100734, by fax +46 8-410 920 01 or via the company's website [www.iar.com/investors](http://www.iar.com/investors). The notification should include name, address, telephone number, personal or corporate identity number and registered shareholding.

To be entitled to participate in the AGM, shareholders whose shares are registered in the name of a nominee should request that the shares be temporarily re-registered in their own name in good time prior to April 23, 2015. When applicable, proof of authorization, such as forms of proxy and certificates of registration should be sent to the company prior to the AGM. A form of proxy can be downloaded from the company's website [www.iar.com/investors](http://www.iar.com/investors). Shareholders who wish to be accompanied by one or two assistants must inform the company by the same date and in the same manner applicable to shareholders.

## **Proposed agenda**

1. Opening of the AGM.
2. Election of the Chairman of the AGM.
3. Drawing up and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to check and sign the minutes.
6. Decision as to whether the AGM has been duly convened.
7. Address by the CEO.
8. Presentation of the annual accounts, the audit report, the consolidated financial statements and the consolidated audit report.
9. Resolutions regarding:
  - a. adoption of the income statements and balance sheets of the Parent Company and the Group,
  - b. appropriation of the company's profits according to the adopted balance sheet and decision on the record date for dividends, and
  - c. discharge from liability for the members of the Board of Directors and the CEO.
10. Decision regarding the number of Board members and deputies.
11. Decision regarding fees to be paid to the Board of Directors and auditors.
12. Election of Board members and the Board Chairman.
13. Election of auditors.
14. Appointment of the nominations committee.
15. Decision regarding principles for remuneration and other terms employment of senior executives.
16. Authorization for the Board to decide on the issue of new class B shares.
17. Authorization for the Board to decide on the repurchase and sale of treasury shares.
18. Other business to be transacted by the AGM according to the Swedish Companies Act (2005:551) or the Articles of Association.
19. Adjournment of the AGM.

## **Proposals**

### **Election of the Chairman of the AGM (item 2),**

The Nominations Committee proposes Markus Gerdien as Chairman of the AGM.

### **Appropriation of earnings (item 9 b)**

The Board of Directors proposes that the earnings at the disposal of the Annual General Meeting according to the company's adopted balance sheet, amounting to SEK 150,496,311.74, be disposed of so that the stockholders receive a dividend of SEK 5.00 per share, or a total of SEK 63,160,305, for the fiscal year 2014. The proposed record date is Monday, May 4, 2015. Provided that this record date is approved, dividends are expected to be disbursed on Thursday, May 7, 2015.

### **Decision regarding the number of Board members and deputies. (item 10)**

The Nominations Committee proposes that the Board consist of five members and no deputies.

### **Decision regarding fees to be paid to the Board of Directors and auditors (item 11)**

The Nominations Committee proposes that Board fees be paid in an amount of SEK 325,000 to the Board Chairman and SEK 150,000 to each of the Board members not employed in the Group. It is proposed that fees to the auditors be paid according to approved account

### **Election of board members and Board Chairman. (item 12)**

As members of the Board, the Nominations Committee proposes re-election of Peter Larsson, Markus Gerdien, Jonas Mårtensson, Stefan Skarin and election of Maria Wasing as a new member of the Board. Karin Moberg has declined re-election. Markus Gerdien is proposed to be re-elected as Board Chairman.

### **Election of auditors. (item 13)**

As auditors, the Nominations Committee proposes re-election for one year of Deloitte AB with Erik Olin as Auditor in Charge.

### **Appointment of the Nominations Committee (item 14)**

The Nominations Committee proposes that the AGM resolve on the appointment of a Nominations Committee according to the following principles. By September 30, 2015, at the latest, the Board Chairman shall call together the company's three largest shareholders or group of shareholders in terms of voting power, each of which shall then have the right to appoint one member to the Nominations Committee. If any of the three largest shareholders or group of shareholders does not exercise its right to appoint a member, the shareholders or group of shareholders next in order of voting power shall have the right to appoint a member to the Nominations Committee. Furthermore, the Board Chairman can be appointed as a member of the Nominations Committee. The CEO or other member of the company's executive management may not be a member of the Nominations Committee. The Board Chairman shall act as convener of the Nominations Committee's first meeting. A shareholder representative shall be appointed as chairman of the Nominations Committee. The mandate period of the Nominations Committee shall extend until such time as the new Nominations Committee has been appointed. The composition of the Nominations Committee shall be announced not later the six months prior to the AGM.

The composition of the Nominations Committee shall be based on known shareholdings in the company at August 31, 2015. In the event of a significant change in the company's ownership structure after the appointment of the Nominations Committee, the composition of the Nominations Committee can also be changed in accordance with the above principles. Changes in the composition of the Nominating Committee shall be announced immediately.

The Nominations Committee shall prepare proposals for approval by the AGM regarding election of the Board Chairman and other members of the company's Board of Directors, the amount of Board fees and their apportionment between the Board Chairman and other Board members, any compensation for work on the committees, election of and fees to the Auditor, decision regarding principles for appointment of the Nominations Committee and appointment of a Chairman of the AGM.

No fees shall be paid to the members of the Nominations Committee. The Nominations Committee shall have the right, after approval by the Board Chairman, to charge the company for costs such as fees for recruiting consultants or other outlays that are necessary for the performance of the Nominating Committee's duties.

**Decision regarding principles for remuneration and other terms employment of senior executives (item 15)**

The Board of Directors proposes that the principles for remuneration of senior executives that were adopted by the 2014 AGM continue to apply.

**Authorization for the Board to decide on the issue of new class B shares (item 16)**

The Board of Directors proposes that the AGM authorize the Board, on one or several occasions during the period until the next AGM, to decide on the issuance in kind of class B shares up to 10 percent of the company's existing share capital on the date of the AGM.

The purpose of this authorization is to enable the payment with class B shares in connection with acquisitions of companies or businesses.

**Authorization for the Board to decide on the repurchase and sale of treasury shares (item 17)**

The Board of Directors proposes that the AGM authorize the Board, on one or several occasions during the period until the next AGM, to decide on the purchase of a maximum number of class B treasury shares whereby the holding of treasury shares at no time exceeds 10 percent of all registered shares in the company. The shares shall be acquired on NASDAQ Stockholm at a price that is within the registered price interval at any given time, defined as the interval between the highest bid price and the lowest ask price. The motive for the authorization is to give the Board greater freedom of action in optimizing the company's capital structure.

It is furthermore proposed that the Board be authorized, on one or several occasions during the period until the next AGM, to decide on the sale of at most all class B treasury shares held by the company at any given time (i) on NASDAQ Stockholm or (ii) in a manner other than a sale on a regulated market, whereby the Board shall be able to decide on the disposal of shares for payment in cash with deviation from the shareholders' pre-emptive rights or as consideration for the acquisition of companies or operations. The sale of shares on a regulated market may take place only at a price that is within the registered price interval at any given time. The disposal of shares in a manner other than through a sale on a regulated market and where the sale takes place with deviation from the shareholders' pre-emptive rights, or as consideration for the acquisition of companies or operations, may take place only at a price that is not lower than a price corresponding to the prevailing market conditions at the time of the issue. The motive for the authorization is to give the Board greater freedom of action and scope to continuously adapt the company's capital structure, as well as opportunity to finance future acquisitions. The reason for authorizing the Board, in connection with the sale of shares, to decide on the disposal of shares with deviation from the shareholders' pre-emptive rights in a manner other than through a sale on a regulated market, is that the company can thereby dispose of the shares in a more timely manner in the event that the liquidity of the company's share on the regulated market is limited on the date of transfer.

**Other**

For valid decision on item 17 above, the resolution must be supported by shareholders representing at least 2/3 of both the number of votes exercised and the number of shares represented at the AGM.

The financial statements, audit report, the auditor's opinion on the application of the guidelines for remuneration to senior executives, the Board's complete proposals as set out above, and a proxy form with related documents under the Swedish Companies Act (2005:551) will be held available at the company at Strandbodgatan 1, Uppsala or Kungsgatan 33, Stockholm, and on the company's website [www.iar.com](http://www.iar.com) / investors. Copies of the documents will be sent free of charge to shareholders who so request and provide their mailing address, and will also be available at the AGM.

Pursuant to Chapter 7, § 32 (2005:551), shareholders have the right at the AGM to question the Board of Directors about circumstances that may affect the conditions of the agenda and conditions that may affect the company's financial situation.

At March 31, 2015, the company has a total of 12,632,061 shares, consisting of 100,000 shares of class A and 12,532,061 shares of class B, equal to a total of 13,532,061 votes.

Stockholm, March 2015  
IAR Systems Group AB (publ)  
The Board of Directors