

# Notice of Annual General Meeting in Sectra AB (publ)

Linköping, Sweden, August 7, 2018 – The shareholders of the medical imaging IT and cyber security company Sectra AB (publ) are hereby invited to the Annual General Meeting (“AGM”) held on Thursday, September 6, 2018 at 3.30 p.m. (CET) at Collegium, Teknikringen 7, Linköping, Sweden.

Shareholders who attend the AGM are invited to visit Sectra’s office at Teknikringen 20 in Linköping after the AGM, where the company will treat visitors with a light meal and show its products designed for a healthier and safer society.

## Notification etc.

Shareholders wishing to attend the AGM shall be entered in the register of shareholders held by Euroclear Sweden AB by Friday, August 31, 2018, and notify the Company of their intention to participate in the AGM by 4.00 p.m. CET on Friday, August 31, 2018.

Shareholders who hold their shares through nominees (Sw. *förvaltare*) must request a temporary registration of the shares in their own name with Euroclear Sweden AB to be able to participate in the AGM. Shareholders who wish to obtain such registration must contact the nominee regarding this well in advance of August 31, 2018.

Notice of participation in the AGM shall be made in writing to the company at Sectra AB (publ), AGM 2016, Teknikringen 20, SE-583 30 Linköping, Sweden. Notification may also be made by telephone on +46 (0) 13 23 52 00 or by e-mail to [info.investor@sectra.com](mailto:info.investor@sectra.com). When giving notice of participation, the shareholder must state name, personal identity number or corporate registration number, address, telephone number and shareholdings, and, if applicable, the name of any representative or advisor (no more than two). Shareholders who are represented by proxy should include such proxy together with the notification to participate in the AGM. Proxy forms for shareholders who wish to be represented by proxy will be available on the company’s website [www.sectra.com/agm](http://www.sectra.com/agm), and will be sent to shareholders who request it. Forms can also be ordered by phone, +46 (0)13-23 52 00, or by e-mail at [info.investor@sectra.com](mailto:info.investor@sectra.com).

## Proposed Agenda

1. Opening of the AGM.
2. Election of a Chairman for the AGM.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of two persons to certify the minutes.
6. Determination of whether the AGM has been duly convened.
7. Presentation of the Annual Report and the Auditor’s Report and the Consolidated Annual Report and Consolidated Auditor’s Report.
8. Resolutions regarding
  - (a) Adoption of the Profit and Loss Statement and the Balance Sheet and the Consolidated Profit and Loss Statement and Consolidated Balance Sheet.
  - (b) Allocation of the Company’s profit according to the adopted Balance Sheet.
  - (c) Discharge from liability towards the company for the members of the Board of Directors and the Managing Director.
9. Resolution regarding the number of members of the Board of Directors, auditors and deputies.
10. Resolution regarding the fees for the Board of Directors and the auditors.
11. Election of the members of the Board of Directors and the Chairman of the Board, and election of the auditor.
12. Resolution regarding Nomination Committee.
13. Resolution concerning the principles for remuneration and other terms of employment for senior executives of the company.
14. Share split and automatic redemption procedure, to include
  - (a) resolution to implement a share split,
  - (b) resolution to reduce share capital through an automatic redemption of shares, and
  - (c) resolution to increase share capital through a bonus issue.
15. Resolution regarding authorization for the Board of Directors to issue shares.
16. Resolution regarding authorization for the Board of Directors to acquire and dispose of the Company’s own shares.
17. Resolution regarding the issue of convertibles to employees.
18. Resolution regarding the issue of convertibles to external members of the Board of Directors.
19. Other matters.
20. Closing of the AGM.

## Election of Chairman of the AGM, item 2

The Nomination Committee, consisting of the Chairman of the Board of Directors Carl-Erik Ridderstråle, Torbjörn Kronander, Jan-Olof Brüer and Jan Särilvik representing Nordea Investment Funds, proposes that Per Nyberg is elected Chairman of the AGM.

## Dividend, item 8 b

The Board of Directors and the Managing Director propose that no ordinary dividend is distributed for the financial year 2017/2018. The Board of Directors instead proposes an automatic redemption procedure as set out in item 14 below.

## Board of Directors, items 9-11

The Nomination Committee proposes that the Board of Directors shall comprise of seven members without any deputy directors. Anders Persson, Christer Nilsson, Torbjörn Kronander, Ulrika Hagdahl, Tomas Puusepp and Jan Olof Brüer are proposed to be re-elected as members of the Board of Directors and Birgitta Hagenfeldt elected as a new member of the Board of Directors. Carl-Erik Ridderstråle and Jakob Svärdröm have declined re-election.

It is proposed that Jan Olof Brüer is elected as the new Chairman of the Board of Directors.

Birgitta Hagenfeldt has an MBA and was born 1961. She is CFO and deputy CEO of Avanza Bank Holding. For further information about the proposed new member of the Board of Directors reference is made to the motivated statement of the Nomination Committee.

The Nomination Committee’s motivated statement in respect of their proposal and other information regarding the proposed members of the Board of

Directors and other information regarding the proposed members is available at [www.sectra.com/agm](http://www.sectra.com/agm).

The Nomination Committee proposes that Grant Thornton Sweden AB is appointed as auditor until the close of the next AGM.

It is proposed that director fees (same as previous year) amount to SEK 225,000 for each of the external members of the Board and SEK 450,000 for the Chairman of the Board. For the Audit Committee it is proposed that fees (same as previous year) amount to SEK 40,000 for each of the external members of the Board and SEK 80,000 for the Chairman of the Audit Committee. No separate fees are paid for Remuneration Committee work. Furthermore, the Nomination Committee proposes that the audit fee shall be paid pursuant to approved account.

The Nomination Committee's proposal is supported by shareholders representing more than 65% of the votes in the Company.

#### **Resolution regarding Nomination Committee, item 12**

The Nomination Committee proposes that the AGM decides on the composition of the Nomination Committee in accordance with the following principles. The Chairman of the Board shall, not later than November 30, 2018, contact the three largest shareholders in the company (based on the numbers of votes), each of which is then entitled to appoint a member to the Nomination Committee. Should any of the three largest shareholders waive the right to appoint a member to the Nomination Committee, the next shareholder in terms of the largest number of votes is offered the opportunity to appoint a member to the Nomination Committee. In addition, the Chairman of the Board is a member of the Nomination Committee. The Chairman of the Board convenes the Nomination Committee to the first meeting.

The member who represents the shareholder with the largest number of votes shall be appointed Chairman of the Nomination Committee. The Nomination Committee's mandate period extends until a new Nomination Committee is appointed. Should a member resign from the Nomination Committee in advance, an alternate shall be appointed in accordance with the principles above. The composition of the Nomination Committee shall be announced not later than six months prior to the AGM.

The Nomination Committee is composed based on the known shareholding of the company as per October 31, 2018. If significant changes occur in ownership after the Nomination Committee is formed, the composition of the Nomination Committee can also be changed in accordance with the principles above. Changes in the Nomination Committee shall be disclosed immediately.

The Nomination Committee shall prepare and to the AGM propose:

- Election of the Chairman of the Board and other members to the Board,
- Board fees divided between the Chairman of the Board and other members as well as any remuneration for committee work,
- Election of and fees to the auditors and deputy auditors (if applicable),
- Resolution regarding principles for composition of the Nomination Committee, and
- Chairman of the AGM.

No fees are paid to members of the Nomination Committee.

#### **Principles for remuneration and other terms of employment for senior executives of the company, item 13**

The Board proposes that the principles for remuneration and other terms of employment for senior executives of the company (which means the Managing Director and other members of the senior management) which was adopted at the 2017 AGM shall continue to apply.

The remuneration to senior executives of the company shall be based on market terms and should support the interests of the company's owners. Remuneration shall mainly consist of a fixed salary element, a variable salary element, pension benefits and other benefits; for example, use of a company car. The pension benefits shall be in the form of premium.

The fixed salary shall be determined taking into account the executive's experience, responsibility and performance and shall be based on market conditions. The variable remuneration shall be in proportion to the executive's responsibility and authority. In addition, it shall have a maximum limit and be based on fulfillment of goals that comply with the company's long-term interests. The variable portion shall, when applicable, be based on quantitative and qualitative goals, and may be comprised by share related instruments. The company's costs for the variable portion for the Managing Director and other persons in company management shall amount to not more than 50% of the fixed salary costs.

The period of notice shall be not more than 12 months on the employee's side. In the event that notice is issued by the company, the period of notice and the time during which severance pay is paid out shall not together exceed a total of 24 months.

The normal retirement age shall be 65. Pensions shall be on market terms and based on defined-contribution pension solutions. The pension premium shall be maximized at 30% of the fixed and variable salary.

Members of the Board of Directors with special competence shall receive remuneration on market terms for performed services outside his or her management assignment. Resolutions regarding such remuneration shall be dealt with by the Board of Directors, in which case the party concerned may not take part in the discussions or the related decision.

Issues related to remuneration to company management are handled by the Managing Director. Remuneration to the Managing Director is determined by the Board of Directors.

The Board of Directors shall be able to deviate from the guidelines for remuneration drawn up by the AGM, if there are special reasons for so doing in individual instances.

#### **Share split and automatic redemption of shares, item 14**

The Board of Directors proposes that the AGM resolves on a procedure for the automatic redemption of shares, in accordance with items 14 a - 14 c below. All resolutions are proposed to be conditional upon each other and adopted as one single resolution. A valid resolution requires approval of shareholders representing at least two-thirds of both the votes cast and the shares represented at the AGM.

##### *Resolution to implement a share split (item 14 a)*

The Board of Directors proposes that the AGM resolves to implement a share split, whereby one share in Sectra is converted into two shares. One of these shares will be a so-called redemption share. The Board of Directors proposes that the record date for the share split shall be October 4, 2018.

##### *Resolution to reduce the share capital through an automatic redemption of shares (item 14 b)*

The Board of Directors proposes that the share capital is reduced by SEK 19,059,834.50 through the redemption of 2,620,692 Series A shares and 35,498,977 Series B shares for repayment to the shareholders.

The shares to be redeemed are those shares which are referred to as redemption shares after shares have been split as described above. The price to be paid for each redemption share shall be SEK 4.50. The maximum redemption amount will thus be SEK 171,538,510.50. The Board of Directors proposes that trading in redemption shares shall take place during the period October 5–16, 2018, and that the record date for the redemption of the redemption shares shall be October 18, 2018. Payment is expected to be made through Euroclear Sweden AB around October 23, 2018.

*Resolution to increase the share capital through a bonus issue (item 14 c)*

In order to achieve a timely and efficient redemption procedure, without having to obtain permission from the Swedish Companies Registration Office or a court of law, the Board of Directors proposes to restore the company's share capital to its original amount by increasing the company's share capital by SEK 19,059,834.50 through a bonus issue via a transfer from the company's unrestricted equity to the company's share capital. No new shares will be issued in connection with the bonus issue. Upon completion of the bonus issue, the company's share capital will be restored to its original amount.

The Board of Directors' explanatory statement and the auditors' opinions thereon in accordance with Chapter 20, Section 8 of the Swedish Companies Act (2005:551) (the "Act"), as well as the Board of Directors' statement in accordance with Chapter 20, Section 13 of the Act and the auditors' statement in accordance with Chapter 20, Section 14 of the Act will be available at the company's offices in Linköping and on the company's website, [www.sectra.com/agm](http://www.sectra.com/agm), at the latest as of August 16, 2018. Shareholders wishing to take part of these documents may notify the company, whereupon the documents will be sent by mail to the address provided.

**Resolution regarding authorization for the Board of Directors to issue new shares, item 15**

The Board of Directors proposes that the AGM resolves to authorize the Board of Directors to issue, on one or several occasions during the period until the next AGM, not more than 3,700,000 Class B shares for payment in cash, payment by set-off of claims or payment in kind, and that for issues where payment is made by set-off of claims or in kind, the Board of Directors shall be able to disregard the shareholders' preferential rights. The subscription price of the new shares shall be determined on the basis of the prevailing market price of the Class B shares at the time of the issue. The purpose of the authorization is to facilitate the use of newly issued shares in connection with the implementation of or for the financing of acquisitions of companies or businesses or parts thereof and in connection with market investments.

A valid resolution requires approval of shareholders representing at least two-thirds of both the votes cast and the shares represented at the AGM.

**Resolution regarding authorization for the Board of Directors to acquire and dispose of the company's own shares, item 16**

The Board of Directors proposes that the AGM resolves to authorize the Board of Directors to, on one or several occasions during the period until the next AGM, resolve on the acquisition of shares of the company. Such shares may be acquired up to a maximum amount not at any time exceeding 10% of the total number of shares issued by the company. Acquisitions of shares shall be made either on Nasdaq Stockholm at a purchase price within the range of share prices registered at any given time for the Class B shares, meaning the spread between the maximum buying rate and the minimum selling rate, or by way of an offer to all shareholders, whereby the purchase shall be made at a price which at the time of the decision corresponds at a minimum to the prevailing market price for the Class B shares and at a maximum to 150% of the prevailing market price for the Class B shares. The same price shall apply for Class A shares and Class B shares.

The Board of Directors also proposes that the Board of Directors shall be authorized to resolve, on one or several occasions during the period until the next AGM, to dispose all shares held by the company, via Nasdaq Stockholm or in connection with the acquisition of companies or businesses or parts thereof, in connection with market investments, for hedging costs that may arise relating to the company's incentive programs and for a continuous adaptation of the company's capital structure and thereby contributing to increased shareholders' value. The shareholders shall have a preferential right to acquire the shares in accordance with the provisions in the articles of association regarding the preferential right to subscribe for new shares, provided that the board of directors shall be entitled to deviate from the preferential right if the shares are paid for by way of set-off or non-cash consideration or if the purpose with the disposal is to secure the costs that arise as a result of the company's incentive program. A disposal of shares via Nasdaq Stockholm may only be made at a price within the range of share prices registered at any given time.

A valid resolution requires approval of shareholders representing at least two-thirds of both the votes cast and the shares represented at the AGM.

The Board of Directors' motivated statement in accordance with Chapter 19, § 22 of the Act will be available at the company's offices in Linköping and on the company's website, [www.sectra.com/agm](http://www.sectra.com/agm), at the latest as of August 16, 2018. Shareholders wishing to take part of these documents may notify the company, whereupon the documents will be sent by mail to the address provided.

**Proposal regarding the issue of convertibles to employees, item 17**

The Board of Directors proposes that the AGM resolves to issue convertibles with a nominal value not exceeding SEK 35,000,000. With disapplication of the shareholders' preferential rights, the employees of the Group shall be entitled to subscribe for the convertibles.

The subscription price of the convertibles shall correspond to the nominal value. Subscription for the convertibles shall take place during the period October 1–11, 2018. The convertibles shall carry no interest. The convertibles entitle the holder to conversion to Class B shares. The conversion rate shall correspond to 145.3% of the volume-weighted average of the price paid for the company's shares on Nasdaq Stockholm on each trading day during the period August 30–September 12, 2018, however not less than SEK 100. Conversion to Class B shares shall take place during the period January 10–14, 2022. Allotment may not be made to the extent that the dilution, at full conversion, would exceed 1% of the share capital at the time of the AGM, provided that this shall also include the dilution that follows from the allotment of convertibles to members of the Board of Directors according to a proposal from shareholders.

The purpose of the deviation of the shareholders' preferential rights is to further strengthen the motivation of the employees regarding the Group's long-term business and financial development and to increase the motivation and the feeling of belonging to the company. The Board of Directors considers it to be advantageous for the company and for the company's shareholders to enable employees to be shareholders in Sectra AB (publ) through this convertible program.

The subscription price for the convertibles is equal to their market price according to an independent valuation. As a result thereof, no social fees will be payable for the group as a result of the issue of convertibles. Other costs for this plan as well as for the plan in respect of the issue of convertibles to external board members according to item 18 below, such as fees to external advisors and costs for the administration of the program, is estimated to be approximately SEK 500,000 for the duration of the convertibles.

The proposal set forth above implies that the company's employees subscribe for convertibles entitling the holder to acquire shares in the company. Certain allocation of convertibles may be made as part of certain employee's variable salary. According to Chapter 16 of the Act, which refers to certain private

placements etc., a resolution regarding the approval of the plan as set out above is valid only where supported by shareholders representing at least nine-tenths of both the votes cast and the shares represented at the AGM.

### **Proposal regarding the issue of convertibles to external members of the Board of Directors, item 18**

Further, shareholders representing more than 34% of the votes in the Company, propose that the AGM resolves to issue convertibles with a nominal value not exceeding SEK 3,500,000. With disapplication of the shareholders' preferential rights, external members of the Board of Directors in Sectra AB (publ) shall be entitled to subscribe for the convertibles.

The issue price of the convertibles shall correspond to the nominal value. Subscription for the convertibles shall take place during the period October 1–11, 2018. The convertibles shall carry no interest. The convertibles entitle the holder to conversion to Class B shares. The conversion rate shall correspond to 140.4% of the volume-weighted average of the price paid for the company's shares on Nasdaq Stockholm on each trading day during the period August 30 –September 12, 2018, however not less than SEK 100. Conversion to Class B shares shall take place during the period January 9–13, 2023. Allotment may not be made to the extent that the dilution, at full conversion, would exceed 1% of the share capital at the time of the AGM, provided that this shall also include the dilution that follows from the allotment of convertibles to employees according to a proposal of the Board of Directors.

The purpose of the deviation of the shareholders' preferential rights is to further strengthen the motivation of the external members of the Board of Directors regarding the Group's long-term business development.

The subscription price for the convertibles is equal to their market price according to an independent valuation. As a result thereof, no social fees will be payable for the group as a result of the issue of convertibles. As described in item 17 above, other costs for the plan according to item 17 as well as for this plan in respect of the issue of convertibles to external board members, such as fees to external advisors and costs for the administration of the program, is estimated to be approximately SEK 500,000 for the duration of the convertibles.

The proposal set forth above implies that the company's external Board members subscribe for convertibles entitling the holder to acquire shares in the company. According to Chapter 16 of the Act, which refers to certain private placements etc., a resolution regarding the approval of the plan as set out above is valid only where supported by shareholders representing at least nine-tenths of both the votes cast and the shares represented at the AGM.

### **Miscellaneous**

Valid resolutions under items 14, 15 and 16 above require support of shareholders holding not less than two-thirds of both the votes cast and the shares represented at the AGM and valid resolutions under items 17 and 18 above require support of shareholders holding not less than nine tenths of both the votes cast and the shares represented at the AGM.

The Board of Directors' complete proposals will be available at the company's offices in Linköping and on the company's website ([www.sectra.com/agm](http://www.sectra.com/agm)) at the latest as of August 16, 2018. Shareholders wishing to take part of these documents may notify the company, whereupon the documents will be sent by mail to the address provided.

In accordance with Chapter 7, Section 32 the Act (2005:551), at the AGM the shareholders are entitled to request information from the Board of Directors and the Managing Director in respect of any circumstances which may affect the assessment of a matter on the agenda and any circumstances which may affect the assessment of the company's financial position.

At July 31, 2018, the company's share capital amounted to SEK 38,119,669 distributed among a total of 38,119,669 shares, of which 2,620,692 Class A shares with ten votes each and 35,498,977 Class B shares with one vote each, that is, a total of 61,705,897 votes.

The printed Annual Report has on June 28, 2018 been published through a press release and on the company's web site, [www.sectra.com/annual\\_report](http://www.sectra.com/annual_report). The Annual Report has been distributed to shareholders who have notified the company that they wish to receive the printed version, but it can also be ordered from the company at the address above.

Linköping, August 2018

Sectra AB (publ)

The Board of Directors

*This information constitutes information that Sectra AB (publ) is obliged to make public pursuant to the Rule book for Issuers at Nasdaq Stockholm. The information was submitted for publication, through the agency of the contact person set out below, at 8.20 a.m. (CET) on August 7, 2018.*

### **For further information, please contact:**

Dr. Torbjörn Kronander, CEO and President Sectra AB, 46 (0) 705 23 52 27

### **About Sectra**

Sectra assists hospitals throughout the world to enhance the efficiency of care, and authorities and defense forces in Europe to protect society's most sensitive information. Thereby, Sectra contributes to a healthier and safer society. The company was founded in 1978, has its head office in Linköping, Sweden, with direct sales in 19 countries, and operates through partners worldwide. Sales in the 2017/2018 fiscal year totaled SEK 1,267 million. The Sectra share (STO: SECTB) is quoted on the Nasdaq Stockholm exchange. For more information, visit [www.sectra.com](http://www.sectra.com)