

## **Official notification of Annual General Meeting of Elos Medtech AB (publ)**

The shareholders of Elos Medtech AB (publ), 556021-9650 are hereby invited to the Annual General Meeting to be held on Tuesday 26 April 2016, at 5.00 p.m. (CET) at Stadt Hotel, Gamla Stadens Torg 1, Lidköping, Sweden.

### **Registration**

Shareholders who wish to participate in the Annual General Meeting must Firstly, be recorded in the share register maintained by Euroclear Sweden AB on Wednesday April 20, 2016, and

Secondly, give notice to the company of their intention to attend no later than 12:00 noon (CET) on Wednesday April 20, 2016, by writing to the company at Nya Stadens Torg 10, SE-531 31 Lidköping, telephoning +46 (0)510 48 43 60, telefaxing +46 (0)510 680 04 or registering by email to [info@elosmedtech.com](mailto:info@elosmedtech.com). The registration must also include the shareholders' name, personal identification number and address, as well as details of any advisors (maximum two) who will be accompanying the shareholder.

Shareholders, whose shares are registered in the name of an authorised nominee through a bank's notary department or a private stockbroker, must temporarily re-register their shares in their own names at Euroclear Sweden AB no later than 20 April 2016 to be entitled to participate in the Annual General Meeting. The shareholder must inform the nominee in ample time prior to 20 April 2016.

Shareholders represented by proxy must issue a written power of attorney for the proxy. If the power of attorney is issued by a legal entity, it must be supported by an enclosed attested copy of the registration certificate or similar documentation for the legal entity. The power of attorney is to be valid for a maximum of one year from the date of issue, or for the maximum period stated in the power of attorney, although not more than five years from the date of issue. To facilitate checking in at the Annual General Meeting, the original power of attorney document and attested copies of the authorization documents (registration certificate or similar) should reach the company not later than 20 April 2016.

### **Business**

- 1 Opening of the General Meeting
- 2 Election of the chairman of the General Meeting
- 3 Preparation and approval of the Voting list
- 4 Approval of the Agenda
- 5 Election of two persons to verify the Minutes
- 6 Determination of whether the General Meeting has been duly convened
- 7 Address by the Managing Director
- 8 Presentation of the Annual Report and the Auditor's Report, as well as the consolidated financial statements and the Auditor's Report on the consolidated financial statements for 2015
- 9 Resolution on the adoption of the Income statement and statement of comprehensive income and the Balance sheet, as well as the Consolidated income statement and statement of comprehensive income and the Consolidated balance sheet
- 10 Resolution on the disposition of the earnings of the company in accordance with the adopted Balance sheet
- 11 Determination of the discharge from personal liability of the Members of the Board of Directors and the Managing Director
- 12 Determination of number of Members of the Board

- 13 Determination of the compensations to be paid to Members of the Board and the Auditors
- 14 Election of Members of the Board
- 15 Election of Auditors
- 16 Proposal by the Board of Directors concerning to amend the Articles of Association
- 17 Proposal by the Board of Directors regarding the issue of warrants
- 18 Proposal by the Board of Directors concerning guidelines for remuneration of senior executives
- 19 Proposal regarding resolution concerning the Nomination Committee
- 20 Other issues
- 21 Closing of the Meeting

### **Proposed resolutions**

Proposals with the main content as presented below will be presented to the Annual General Meeting regarding the following issues:

Item 2      ***Election of Chairman of the Meeting***

Nomination Committee's proposal for Chairman of the Annual General Meeting: Stig-Arne Blom

Item 10     ***Proposed disposition of earnings***

The Board of Directors proposes that a dividend of SEK 1.00 per share be paid for the 2015 financial year. The proposed record day for dividend entitlement is Thursday, 28 April 2016. If the Annual General Meeting resolves in accordance with the proposal, dividends are expected to be distributed from Euroclear AB on Tuesday, 3 May 2016.

*The Nomination Committee has proposed that the Annual General Meeting resolves as follows:*

Item 12     ***Proposal concerning numbers of Board members***

The Board of Directors shall consist of seven members (previously six).

Item 13     ***Proposal concerning fees to Board members and Auditors***

The compensation payable to the Board of Directors shall be divided as follows: SEK 330,000 to the Chairman of the Board and SEK 165,000 to each Board member who is not employed by the company. Compensation amounted to total SEK 75,000 to the Remuneration Committee and the Audit Committee to be divided among the Board members as the Board's decision.

The Nomination Committee also proposes that special remuneration be payable in the form of a consulting fee should the Chairman or a Member of the Board, following a decision made by the Board of Directors, be required to perform duties that are not included in the normal work of the Board of Directors. For this purpose, the Nomination Committee proposes that such payments be subject to a limit of SEK 100,000 to be paid following decisions by the Board of Directors (at present, there is no such limit).

Compensation paid to the Auditor(s) will be payable in the amounts shown on submitted invoices.

Item 14     ***Proposal concerning election of Board members***

The Nomination Committee proposes the re-election of Board Members Agneta Bengtsson Runmarker, Stig-Arne Blom, Jeppe Magnusson, Yvonne Mårtensson, Mats Nilsson and Thomas Öster.

Anders Birgersson is proposed as new Board Member.

The Nomination Committee proposes the re-election of Stig-Arne Blom as Chairman of the Board.

**Reasoned statement concerning the Nomination Committee's proposal to the Board**

As a basis for its proposal to the Board, the Nomination Committee has availed itself of the evaluation that has been conducted of the Board of Directors and its work. The Nomination Committee has also discussed the demands in respect of competency, experience and background that are required on the Board of Directors of Elos Medtech AB, taking into account the company's strategic development orientation in the longer term. Matters related to independence and the needs for diversity in respect of composition were also addressed, as was the suitable number of Board Members from the viewpoint of work efficiency.

The Nomination Committee consider that the proposed Board of Directors has an appropriate composition considering the direction of the company's operations, stage of development and other circumstances.

The Nomination Committee's proposal concerning the composition of the company's Board of Directors complies with the independence requirements concerning members as specified in Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code.

The Nomination Committee's proposal concerning director fees and remuneration for work on Board committees is based on an assessment of the requirements for responsibility, work effort and qualifications to which the Elos Medtech AB's Board of Directors should be subject in view of the remuneration levels prevailing in the market.

Item 15 ***Proposal concerning election of Auditors***

The Nomination Committee proposes that the registered firm of accountants, Öhrlings PricewaterhouseCoopers AB, be re-elected as auditor for a period of one year, with the Authorised Public Accountant Bror Frid as Auditor-in-Charge.

*A number of major shareholders representing more than half of the total votes for all shares in the company have announced that they will vote in accordance with the Nomination Committee's aforementioned proposals under Items 12-15.*

Item 16 ***Proposal by the Board of Directors concerning to amend the Articles of Association***

The Board of Directors proposes the following amendment to the Articles of Association:

Article 11 General meeting of shareholders shall be held in Lidköping, Skara, Skövde, Göteborg or Stockholm.

Item 17 ***Proposal by the Board of Directors regarding the issue of warrants***

### **Background and motive**

The proposed incentive program aims to retain competence within the company group, and to maintain the motivation of existing executives within the company group. Furthermore, does the board of directors consider the proposed incentive program to be beneficial for the company group, and for the shareholders in Elos Medtech AB (publ).

### **Nominal amount and subscription price**

The board of directors proposes that the annual general meeting resolves on an incentive plan regarding the issue, with the deviation from the preferential rights of shareholders, of a maximum of 318 473 warrants to key executives in Elos Medtech AB (publ). The incentive program comprises a maximum of 15 persons.

The participants shall subscribe the warrants for the market price. The participants shall only have the right to subscribe the amount of warrants that, if exercised for subscription of new shares, is equivalent to a maximum of 5 per cent of the share capital after dilution. Over-subscription may not occur.

One warrant entitles the warrant holder to subscribe one class B share in Elos Medtech AB (publ).

Every subscribed warrant entitles the warrant holder to, from and including 1 October 2019 until and including 31 December 2019, subscribe one newly issued class B share in Elos Medtech AB (publ) at a subscription price equivalent to 150 percent of the average weighted bid price on Nasdaq Stockholm during the period of 10 trading days after the annual meeting which resolves on the incentive program.

The subscription price of the shares, and the amount of shares to which the warrants entitles, shall be recalculated in the event of a share split, a reversed share split, a new issue of shares etc. If all the warrants are subscribed, the share capital may increase to approximately SEK 1 990 456.

### **Subscription and transfer of warrants**

The terms below shall apply at the subscription of warrants and the transfer of warrants.

The subscription price for the warrants in the incentive program shall be the market value. The market value is calculated in accordance with the generally accepted valuation method Black & Scholes. The valuation shall be made by an independent valuing company or an audit firm. The Company has a repurchasing right if the participant's employment in the company group is terminated, or if the warrant holder wishes to transfer the warrants to a third party.

### **Dilution**

In the event of full participation in the incentive program, i.e. subscription of all 318 473 warrants, the current number of shares will be diluted with approximately 5 percent, and the current number of votes will be diluted with approximately 2 percent.

### **Majority Requirements**

The proposal under this item is subject to the resolution by the annual general meeting being supported by shareholders representing at least 9/10 of the votes as well as the number of shares represented at the meeting.

Item 18 ***Proposal by the Board of Directors concerning guidelines for remuneration of senior executives***

The Board of Directors proposes that the Annual General Meeting resolve in accordance with the guidelines presented below for remuneration and terms of employment for senior executives. The Board's proposal is largely in line with remuneration principles used in preceding years and is based on agreements already entered between the company and respective members of the corporate management. Remuneration matters are addressed and managed by the remuneration committee.

The guidelines shall apply to those persons who, during the period in which the guidelines apply, include members of the corporate management and senior executives of the Group. The guidelines shall apply for agreements entered after the Annual General Meeting's resolution and, for cases in which changes are made in existing agreements after the Annual General Meeting.

The company shall offer competitive total remuneration that makes it possible to recruit and retain leading management personnel. The remuneration of senior executives shall consist of a fixed salary; in addition, a variable salary, individual retirement pensions and other remuneration might also be included in the remuneration package. The combination of these payments comprises the individual's total remuneration. The variable salary may vary depending on assignment and agreements and shall not exceed 50 per cent of fixed salary. Individual retirement pensions are limited so that they are tax deductible for the company. Retirement age is normally 65.

Management's employment agreements include termination specifications. In accordance with these agreements, employment can usually be terminated at the employee's request with a 3-6 month notice of termination, while the company is normally obliged to serve a 6-12 month notice of termination. For the Managing Director of the company, a notice period of up to 12 months shall apply. Settlement shall be made against other sources of income during the termination notice.

The Board of Directors has the right to disapply the guidelines above if the Board feels there is justification for such deviations in a specific case.

Item 19 ***Proposal for resolution concerning the Nomination Committee***

The Nomination Committee proposes that the Annual General Meeting resolve on the following principles for the composition of the Nomination Committee ahead of the 2017 Annual General Meeting.

The Nomination Committee's task ahead of the 2017 Annual General Meeting is to prepare and submit proposals concerning:

- a. Election of Chairman of the AGM
- b. Number of members of the Board of Directors

- c. Fees to be payable to Board Members and the Chairman and remuneration for Committee work
- d. Election of members and Chairman of the Board
- e. Fees to be payable to the auditor
- f. Election of auditor
- g. Tasks and principles for the Nomination Committee

The Nomination Committee shall consist of at least four and no more than six members, of whom one is to be the Chairman of the Board. On the basis of the list of registered shareholders maintained by Euroclear, the Chairman of the Board is to invite the three largest shareholders in the company in terms of voting rights at 31 August 2016 and thereafter the largest shareholder in terms of capital to appoint the members of the Nomination Committee. Should a shareholder decline to elect a member within one week of being contacted by the Chairman, the right to elect a member will transfer to the shareholder who is next in line in terms of the proportion of voting rights and share capital.

The Nomination Committee appoints a chairman from among its own members.

The company is obligated to disclose the composition of the Nomination Committee through a press release and on the company's website when it has constituted itself, but no later than six months prior to the Annual General Meeting.

The Nomination Committee's period in office expires when a new Nomination Committee has been appointed. If one or more members step down from the Nomination Committee before it completes its work, the remaining members shall make the changes regarded as necessary from among the company's shareholders to reflect share ownership in the manner stated above. This also applies if a shareholder equity who has appointed a member to the Nomination Committee substantially reduces his/her shareholding in the company. However, no changes are to be made if the work of the Nomination Committee's has been essentially completed. Changes to the composition of the Nomination Committee are to be published on the company's website.

When appointing the Nomination Committee, the regulations of the Swedish Code of Corporate Governance (Code) must be followed, entailing, for example, that a member of the Nomination Committee may not be a member of company management, that Board members are not to comprise a majority and that a maximum of one Board member represented on the Nomination Committee may be dependent in relation to any of the company's major shareholders.

No remuneration is to be paid to members of the Nomination Committee. The company will defray reasonable expenses for the input required from consultants, advisors or others that the Nomination Committee may need to fulfil its task.

### **Other**

The financial accounts, the auditor's report, comments by the auditor in accordance with Chapter 8, Section 54 of the Swedish Companies Act, power(s) of attorney forms and the Board's complete proposals concerning resolutions will be made available to shareholders in the company from 5 April 2016 and may be accessed at the company's website [www.elosmedtech.com](http://www.elosmedtech.com) and the company's head office, Nya Stadens Torg 10, Lidköping, Sweden. These documents will be sent to shareholders upon request, which must include

the shareholder's postal address.

The Board of Directors and the President, if requested by a shareholder and the Board does not consider the information harmful to the company, are required to disclose information about: the conditions that could influence the assessment of an issue on the agenda; conditions that could impact the assessment of the financial situation of the company or subsidiaries; and the company's relationship to other Group companies.

The total number of shares in the company is 6,051,000 comprising 1,099,740 class A shares and 4,951,260 class B shares. The total number of votes in the company is 1,594,866.

After the Annual General Meeting, the company will serve light refreshments.

**Invitation to inauguration of Elos Medtech Microplast**

Shareholders of Elos Medtech AB (publ) are invited to participate in the inauguration of the new production premises of the subsidiary Elos Medtech Microplast AB, at Hästhagsgatan 2, Skara, Sweden. The inauguration will be held on Tuesday, 26 April at 12.00 noon. The programme includes a lunch buffet, information and a round tour of the production premises, as well as the inauguration ceremony – which will end at 3 p.m. Please note that the number of places is limited. To be able to attend, notification must be received no later than Tuesday, 12 April by telephoning +46 510 48 43 60 or e-mailing [info@elosmedtech.com](mailto:info@elosmedtech.com).

Lidköping, March 2016

The Board of Directors

The information of this press release is of the kind that Elos Medtech AB has to make public according to the Securities Market Act and/or the Financial Instruments Trading Act.  
The information was made public on March 23, 2016 at 08:00 (CET).