

Malmö, Sweden, March 23, 2017

## Notice Convening the AGM of Beijer Electronics AB (publ)

*The shareholders of Beijer Electronics AB (publ) are hereby convened to the Annual General Meeting (AGM), which will be held at 4 p.m. on Thursday, April 27, 2017 at Malmö Börshus, Skeppsbron 2, in Malmö, Sweden.*

### Entitlement to participate at the Meeting:

Shareholders entitled to participate at the Meeting shall

- *Firstly*, be included in the share register maintained by Euroclear Sweden AB (the Swedish Central Securities Depository & Clearing Organization) on Friday, April 21, 2017;
- *Secondly*, have notified the company of their intention to participate, and the number of assistants they wish to bring, by no later than Friday, April 21, 2017.

Notifications, which shall state the shareholders' name, personal or corporate identity number, shareholding, address, telephone number and potential proxies/assistants are submitted via the company's website, [www.beijerelectronics.com/ir](http://www.beijerelectronics.com/ir), by telephone on +46 (0)40 35 86 44, by e-mail [arsstamma@beijerelectronics.com](mailto:arsstamma@beijerelectronics.com) or by mail to Annika Johnsson, Beijer Electronics AB (publ), Box 426, 201 24 Malmö, Sweden (please mark the envelope 'AGM').

If participation is by power of attorney, a dated original shall be sent to the company by no later than April 21, 2017. Power of attorney forms are available from the company's website and on order from the company via telephone, e-mail or mail, as stated above. Representatives of legal entities should present certificates of incorporation or equivalent documentation stating authorized signatories.

In order to participate at the meeting, shareholders' with nominee-registered holdings must temporarily register their shares in their own name. Shareholders should notify their nominee of such temporary re-registration in good time before April 21, 2017.

### Business/proposed agenda

1. Election of a Chairman of the Meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Appointment of two people to verify the minutes
5. Consideration of whether the Meeting has been duly convened
6. Review of the work of the Board of Directors
7. Statement by the Chief Executive Officer
8. Submission of the annual accounts and audit report and the consolidated accounts and consolidated audit report
9. Resolutions in the matters of:
  - a) Adopting the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet
  - b) Appropriation of the company's profits pursuant to the adopted Balance Sheet
  - c) Discharging the Board members and Chief Executive Officer from liability

10. Determining the number of Board members
11. Determining fees to the Board of Directors and Auditors
12. Electing the Board of Directors
13. Electing the Auditors
14. Resolution regarding remuneration guidelines for senior managers
15. Resolution on authorization for the Board of Directors to take decisions on new share issues
16. Resolution on (A) implementation of a long-term share based incentive program for 2017 (LTI 2017/2020) and (B) hedging including resolution on (1) amendment of the articles of association, (2) authorization for the Board of Directors to resolve decisions on a directed issue of series C shares, (3) authorization for the Board of Directors to repurchase all issued series C shares and (4) transfer of own ordinary shares to participants in LTI 2017/2020
17. Resolution on amendment of the Articles of Association
18. Closing the Meeting

#### **Item 1 Electing a Chairman of the Meeting**

The Nomination Committee proposes that Anders Ilstam is elected Chairman of the Meeting.

#### **Item 9 b. Dividends**

The Group's loss for year 2016 has weakened the Balance Sheet and the Board of Directors has decided not to propose any decision on distribution of dividend at the AGM. The reason for the decision is a need to strengthen the Balance Sheet and to retain room to act for ongoing development initiatives. The Board of Directors therefore proposes that the profits at the disposal of the AGM shall be carried forward.

#### **Items 10-13 Proposals for resolutions regarding the number of Board members, Directors' and Auditors' fees and election of the Board of Directors and Auditors**

Apart from Chairman of the Board Anders Ilstam, the following shareholders were members of the Nomination Committee: Stena Sessan AB represented by Martin Svalstedt (Chairman and convener), Lannebo Fonder, represented by Claes Murander, the Fourth AP (Pension Insurance) Fund, represented by Arne Lööw and SEB Fonder, represented by Per Trygg.

Shareholders representing more than 60 per cent of the share capital and voting rights of the company have reported that they will be supporting the following proposals at the Meeting:

##### *Item 10*

- That the Board of Directors shall consist of five members, with no deputies.

##### *Item 11*

- That fees of SEK 500,000 will be payable to the Chairman of the Board, and that fees of SEK 225,000 will be payable to each of the other Board members, apart from those that are employed by the company.
- That fees of SEK 50,000 will be payable to the Chairman of the Board for work in the remuneration committee or audit committee, and that fees of SEK 30,000 will be payable to each of the other Board members for work in such committees.
- That fees to Auditors will be payable according to approved account.

*Item 12*

- re-election of Board members Bo Elisson, Ulrika Hagdahl, Maria Khorsand, Christer Öjdemark and Johan Wester. Anders Ilstam has declined re-election.
- Election of Bo Elisson as Chairman of the Board.

*Item 13*

- Appointment of the registered public accounting firm, PricewaterhouseCoopers, Malmö, as the company's auditor until the close of the AGM 2018. The Chief Auditor will be Sofia Götmar-Blomstedt.

**Item 14 Resolution regarding remuneration guidelines for senior managers**

The Board of Directors proposes that the AGM adopts the following guidelines for remunerating senior managers. Senior managers mean the group management including the CEO. Guidelines for remuneration also apply to directors' compensation for work undertaken outside their directorship. The proposal is designed to enable Beijer Electronics to offer market remuneration that can attract and retain skilled employees to the corporate management in a global perspective.

- Remuneration issues are considered by the Remuneration Committee and submitted to the Board of Directors for decision each year. Total remuneration includes basic salary and performance-related pay. Pension and other customary benefits are additional.
- Basic salary, which is individually set and differentiated on the basis of individual responsibilities and performance, is determined on the basis of market principles and reviewed yearly.
- The performance-related component is based on the achievement of predetermined goals. These goals relate to the company's profit performance and other key change goals. For the CEO and other senior managers, the yearly performance-related component may amount to a maximum of six months' salary.
- The CEO's pension is defined contribution and becomes due at age 65. Defined contribution pension agreements on market terms are in place for other senior managers.
- If the CEO's employment is terminated by Beijer Electronics, the CEO has an 18-month notice period. No other remuneration upon termination has been agreed. If other senior managers' employment is terminated by the company, a notice period of a maximum of 12 months has been agreed, for all senior managers apart from one, who has a six-month notice period and nine months' severance pay.
- Board members who carry out work on behalf of Beijer Electronics outside the terms of their directorship are entitled to receive consulting fees at market rates.
- The Board of Directors have proposed the implementation of a long-term share based incentive program (LTI 2017/2020) for senior managers and key employees, to be separately resolved under item 16 below. The incentive program is not part of these remuneration guidelines in item 14.
- The Board of Directors is entitled to depart from the guidelines resolved by the AGM if there are special circumstances in individual cases.

**Item 15 Resolution on authorization for the Board of Directors to reach decisions on new share issues**

The Board of Directors proposes that the AGM resolves to authorize the Board of Directors to decide to increase the company's share capital by a maximum of SEK 635,334 through the new issue of a maximum of 1,906,002 shares on one or more occasions before the next AGM. If the AGM takes the resolution as proposed by the Board of Directors in item 16 below and the Articles of Association are amended so that shares onwards may be issued in two series, this authorization for the Board of Directors in item 15 shall apply to ordinary shares.

The proposal means that the Board of Directors would be authorized to decide on the new share issue with stipulations on issue in kind, set-off or subject to other terms stated in Chap. 13 § 5 para. 1 cl. 6p of the Swedish Companies Act, and waiving shareholders' preferential rights. The Board of Directors will be entitled to stipulate other terms for the share issue, including issue price, which however, shall be based on market terms.

The purpose of this authorization is to enable the company to issue shares to guarantee funds for purchase prices related to the acquisition of other companies, parts of companies, or other assets the Board of Directors judges to be valuable to the company's operations. Full utilization of this authorization would correspond to dilution of some 10 per cent of the share capital and votes.

Resolution pursuant to the Board of Directors' proposal requires the AGM's resolution being supported by shareholders representing at least two-thirds of the votes cast and shares represented at the Meeting.

**Item 16 The proposal of the Board of Directors of (A) implementation of a long-term share based incentive program for 2017 (LTI 2017/2020) and (B) hedging in order to implement the program**

**(A) Implementation of a long-term share based incentive program for 2017**

The Board of Directors proposes that the AGM resolves on implementation of a long-term share based incentive program ("LTI 2017/2020") on essentially following terms and conditions. LTI 2017/2020 measures the performance 2017, but has a three year duration. It is the Board of Directors' intention that the structure of LTI 2017/2020 should be long-term, thus the Board intends to propose that the general meetings in the next years will resolve upon similar incentive programs, after LTI 2017/2020 has been evaluated.

It is proposed that LTI 2017/2020 shall comprise not more than 20 employees within the Beijer Electronics group, including the CEO, the Group management (at present six persons excluding the CEO), business management and other key employees. The program shall comprise a maximum of 150,000 ordinary shares in Beijer Electronics ("Performance Shares"). In order to receive Performance Shares it is required that the Performance Conditions established by the Board of Directors regarding the financial year 2017 are achieved or exceeded. Performance Shares will be received free of charge, whereby the CEO may receive a maximum of 20,000 Performance Shares and another member of the Group management and other participants may receive up to a maximum of 10,000 Performance Shares, whereby the Board of Directors resolves on the individual allocation within this framework. In order to participate in the program, the participant must no later than 1 September 2017 make a personal investment in Beijer Electronics shares. The participant must either acquire shares in the company corresponding to the maximum number of Performance Shares that the participant is entitled to receive, or acquire shares in the company corresponding to half of the maximum number of Performance Shares that the participant is entitled to receive, whereby the participant will receive half of the vested number of Performance Shares. The participant must retain the shares at least until 31 August 2018. If the participant does not acquire own shares or not retain the acquired shares during the specified period, the participant will not receive any Performance Shares.

The performance conditions that have to be achieved or exceeded relate to (i) operating profit before tax, (ii) earnings per share, (iii) net sales and (iv) new orders (the "Performance Conditions"). The Performance Conditions are measured based on the outcome during the period 1 January 2017- 31 December 2017 (the "Performance Period"). The Board of Directors resolves on the Performance Conditions before LTI 2017/2020 is offered to the participants. The Board of

Directors intends to inform about the determined Performance Conditions and the achievement of them in connection with the publication of the year-end report for 2017. The participants receives vested Performance Shares after the AGM 2020, before 1 July 2020 (the "Allotment Day").

## (B) Hedging

In order to implement LTI 2017/2020 in a cost-effective and flexible manner, the Board of Directors proposes that the undertakings of the company for delivery and costs referable to Performance Shares primarily shall be secured by a directed issue of convertible and redeemable C shares followed by repurchase and conversion to ordinary shares and a resolution on transfer of own ordinary shares to senior executives in accordance with the following.

### *(1) Amendment of the articles of association*

In order to enable the proposed issue of shares the Board of Directors propose that the AGM resolves on amendments of § 5 of the articles of association, whereby it get the following wording:

*"The minimum number of shares shall be 15,000,000 and the maximum number shall be 60,000,000.*

*Shares may be issued in two series, ordinary shares and shares of series C. Ordinary shares may be issued in a maximum number corresponding to not more than 100% of the total number of shares in the company and series C shares may be issued in a maximum number corresponding to not more than 5% of the total number of shares in the company.*

*Each ordinary share entitles the holder to one vote and each series C share entitles the holder to one-tenth of a vote.*

*Series C shares do not entitle to dividends. Upon the company's liquidation, series C shares carry an equal right to the company's assets as ordinary shares, however not to an amount exceeding up to the quota value of the share.*

*Should the company decide to issue new ordinary shares and series C shares through a cash issue or a set-off issue, owners of ordinary shares and series C shares shall have preferential right to subscribe for new shares of the same series in proportion to their existing shareholdings (primary preferential right). Shares that are not subscribed for with primary preferential right shall be offered to all shareholders for subscription (subsidiary subscription). Should the number of shares offered not be enough for subscription through subsidiary preferential right, the said shares shall be apportioned among the subscribers in proportion to their existing shareholdings and, to the extent that this cannot be done, by lottery.*

*Should the company decide through a cash issue or a set-off issue to offer only ordinary shares or series C shares, all shareholders, regardless of whether their shares are ordinary shares or series C shares, shall have right to subscribe for new shares in proportion to their existing shareholdings.*

*The above shall not constitute any restriction on the possibility to decide on a cash issue or a set-off issue, deviating from the preferential rights of the shareholders.*

*What is stated above about the shareholders' preferential rights shall apply mutatis mutandis for new issues of warrants and convertibles not made against contribution in kind.*

*If the share capital is increased through a bonus issue, new shares in each series shall be issued in proportion to the existing number of shares in each series. Old shares in a specific series shall thus carry entitlement to new shares in the same series. The aforesaid shall not constitute any restriction on the possibility to issue new shares of a new series through a bonus issue, following the requisite amendment to the Articles of Association.*

*The board may resolve on reduction of the share capital by redemption of all series C shares. In case of a resolution on redemption, holders of series C shares shall be obliged to redeem all series C shares against a redemption amount corresponding to the share's quota value. Payment of the redemption amount shall be made as soon as possible.*

*Series C shares held by the company itself may, upon request by the board, be reclassified into ordinary shares. Immediately thereafter, the board shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered in the Swedish Register of Companies and the reclassification been noted in the Swedish Central Securities Depository Register."*

*(2)-(4) Authorizations and transfer of own ordinary shares*

The Board of Directors propose that the AGM resolves to authorize the Board of Directors to resolve on a directed issue of redeemable and convertible series C shares in the company on the following terms and conditions.

- The maximum number of series C shares to be issued shall amount to 200,000. The authorization may be exercised on one or several occasions until the AGM 2018. With deviation from the shareholders' preferential rights, the new shares may be subscribed for only by one external party after arrangement in advance. The amount to be paid for each new share (the subscription price) shall equal the share's quota value at the time of subscription. The new series C shares shall be subject to Chapter 4, Section 6 of the Swedish Companies Act (conversion restriction) and Chapter 20, Section 31 of the Swedish Companies Act (redemption restriction).

Further, the Board of Directors propose that the AGM resolves to authorize the Board of Directors to repurchase all issued redeemable and convertible series C shares in the company on the following terms and conditions.

- Repurchase may take place by way of an acquisition offer directed to all holders of series C shares in Beijer Electronics. The authorization may be exercised on one or several occasions until the AGM 2018. The maximum number of series C shares to be repurchased shall amount to 200,000. Repurchase shall be made at a price per share of minimum 100% and maximum 115% of the quota value applicable at the time of subscription. Payment of repurchased shares shall be made in cash. The Board of Directors shall have the right to resolve on other terms and conditions for the repurchase. Repurchase may also be made of a so-called interim share, by Euroclear Sweden AB designated as a Paid Subscribed Share (*Sw. Betald Tecknad Aktie (BTA)*), regarding a series C share.

Finally, the Board of Directors propose that transfer of own ordinary shares to participants in LTI 2017/2020 shall be made on the following terms and conditions.

- A maximum number of 150,000 Beijer Electronics shares may be transferred free of charge to participants in LTI 2017/2020. With deviation from the shareholders' preferential rights, the right to acquire Beijer Electronics shares free of charge shall comprise employees in the Group participating in LTI 2017/2020, with a right for each of the participants to acquire the maximum number of shares stipulated in the terms and conditions of LTI 2017/2020. Transfer of Beijer Electronics shares shall be made free of charge at the time for, and according to the terms for, the allotment of Beijer Electronics shares to participants in LTI 2017/2020. The number of Beijer Electronics shares that may be transferred under LTI 2017/2020 shall be recalculated due to any intervening bonus issue, split, preferential issue and/or similar corporate actions.

*Others*

The maximum number of Performance Shares that may be allotted to the participants under LTI 2017/2020 amounts to 150,000, which corresponds to approximately 0.8 per cent of the share capital and votes in the company after dilution. Aggregated with the maximum number of additional shares that may be transferred, which mainly consists of cash flow related hedging of costs for social security contributions, LTI 2017/2020 will comprise not more than 200,000 shares and the maximum dilution of the program will amount to approximately 1 per cent of the share capital and votes in Beijer Electronics after dilution.

Based on the assumption of a stock market price of SEK 40, the total costs for LTI 2017/2020 are estimated to approximately MSEK 8.5, provided that the Performance Conditions are fully met. Of these costs, approximately MSEK 6 relates to accounting (not affecting cash) costs calculated in accordance with IFRS 2. Other costs mainly relates to calculated social security contributions, which are hedged through the issue of series C shares. Given the full-year result of 2016, the costs for LTI 2017/2020 would have a negative effect of approximately 0.2 percentage units on Beijer Electronics' operating margin and a reduction of profit per share of approximately SEK 0.14, provided that the Performance Conditions in the cost estimate above are fully achieved.

The resolution of the AGM to implement LTI 2017/2020 in accordance with section A above is conditional upon the amendment of the articles of association and the hedging activities in section B above. In order for the resolution by the AGM on implementation of LTI 2017/2020 to be valid, the Board of Directors' proposal under section A must be supported by shareholders representing at least nine-tenths of both the votes cast and shares represented at the AGM.

LTI 2017/2020 has been initiated by the Board of Beijer Electronics and prepared in consultation with the major shareholders Stena, Lannebo Funds, SEB Investment Management and the Fourth Swedish National Pension Fund and external advisors.

#### **Item 17 Resolution on amendment of the Articles of Association**

The Board of Directors proposes new wording of § 1 as follows:

Current wording of § 1:

The corporate name of the Company

is Beijer Electronics Aktiebolag.

The company is a public company (publ.).

*Proposed wording of § 1:*

*The corporate name of the Company*

*is Beijer Electronics Group AB.*

*The company is a public company (publ.).*

Resolution pursuant to the Board of Directors' proposal requires the AGM's resolution being supported by shareholders representing at least two-thirds of the votes cast and shares represented at the Meeting. Shareholders representing more than 60 per cent of the share capital and voting rights of the company have reported that they will be supporting the proposal. The resolution must also be approved by the Swedish Companies Registration Office.

The Board of Directors' proposal regarding items 15, 16 and 17 also include authorization for the company's Chief Executive Officer to make such minor amendments to the AGM resolutions that may be necessary for registering these resolutions with the Swedish Companies Registration Office.

#### **Number of shares and votes**

As of March 23, 2017 the total number of shares of the company, and the total number of votes, is 19,067,586.

## Other

The annual accounts, audit report, Board of Directors' complete proposals including proposal for decision regarding LTI 2017/2020 and auditors' statement pursuant to chap. 8 § 54 of the Swedish Companies Act will be available from the company and the company's website ([www.beijerelectronics.com/ir](http://www.beijerelectronics.com/ir)) from April 6, 2017 onwards, and will be sent by mail to those shareholders that notified the company of their wish to receive it.

If any shareholder so requests, and the Board of Directors considers that it is possible without significant detriment to the company, the Board of Directors and Chief Executive Officer shall present information, firstly on circumstances that can affect the judgment of an item on the agenda, secondly circumstances that may influence judgment of the company's or subsidiaries' financial position, and thirdly the company's relationship to other group companies.

*Welcome to the Meeting.*

*The Board of Directors  
Beijer Electronics AB (publ)*

*Registration No. 556025-1851*

*Malmö, Sweden, March 2017*

***Beijer Electronics Group** is a fast growing technology company with extensive experience of industrial automation and data communication. The company develops and markets competitive products and solutions that focus on the user. Since its start-up in 1981, Beijer Electronics has evolved into a multinational group with sales of over 1.1 billion SEK 2016. The company is listed on the NASDAQ OMX Nordic Stockholm Small Cap list under the ticker BELE. [www.beijerelectronics.com](http://www.beijerelectronics.com)*