



# Invitation to the Annual General Meeting

**Shareholders of ÅF AB (publ) are invited to the Annual General Meeting of the company that will take place at 14.00 (2 pm) C.E.T. on Friday 26 April 2013 at the company's headquarters with address: Frösundaleden 2, Solna, Sweden.**

## **Entitlement to attend**

Shareholders who wish to participate in the Annual General Meeting must

- have their names entered in the shareholders' register maintained by Euroclear Sweden AB on Saturday 20 April 2013 at the latest, and
- confirm their intention to participate by 16.00 (4 pm) C.E.T. on Monday 22 April 2013 at the latest via ÅF's website [www.afconsult.com](http://www.afconsult.com), or by telephone +46 10 505 00 00, or by post to ÅF AB, Legal, SE-169 99 Stockholm, Sweden, and must register any assistant(s) or advisor(s) at the same time.

The personal information kept in the shareholders' register maintained by Euroclear Sweden AB will be used to register and draw up the list of voters for the Annual General Meeting.

## **Shares registered in the name of a nominee**

Shareholders whose shares are registered in the name of a nominee through a bank or other nominee must, if they wish to exercise their right to participate in the Annual General Meeting, temporarily re-register their shares in their own name. Shareholders who wish to exercise their right in this way must inform their nominee of their intention to do so in good time before 20 April 2013.

## **Proxy**

Shareholders who are represented through a proxy must issue a power of attorney, duly signed and dated, for the proxy to act on their behalf. If the power of attorney has been issued by a legal person, a certified copy of the certificate of incorporation for the legal person must also be provided that confirms the right to issue the power of attorney. The original of the power of attorney and, where appropriate, the certificate of incorporation should be submitted in good time before the Annual General Meeting to ÅF AB, Legal, SE-169 99 Stockholm, Sweden. Proxy forms for making power of attorney arrangements are available on the ÅF website: [www.afconsult.com](http://www.afconsult.com).

## **Annual Report**

It is anticipated that the Annual Report in English will be published on [www.afconsult.com](http://www.afconsult.com) during the week beginning on 15 April 2013. Printed copies may be ordered via the ÅF website or by phoning the ÅF Group switchboard.

## **Proposed agenda for the Annual General Meeting**

- 1 Election of someone to chair the meeting.
- 2 Preparation and approval of the list of those eligible to vote.
- 3 Approval of the agenda.
- 4 Election of minute checkers.
- 5 Confirmation of the legality of the call to meet.
- 6 The President's/CEO's address.
- 7 Report of the work of the Board of Directors and of the Remuneration and Audit Committees.



- 8 Presentation of the Annual Report and the Auditors' Report together with the consolidated accounts and the auditors' report for the same.
- 9 Adoption of the Income Statement and Balance Sheet of ÅF AB and the Income Statement and Balance Sheet of the entire ÅF Group.
- 10 Resolution regarding discharge from liability of the Board of Directors and of the President/CEO.
- 11 Appropriations and allocations of the profit or loss made by the company according to the approved balance sheet, and the record day for the right to receive a shareholders' dividend.
- 12 Decision concerning the number of board members and deputy members to be elected by the meeting.
- 13 Decision concerning the remuneration to be awarded to the Board of Directors and the Auditors.
- 14 Election of Chairman of the Board, other members of the Board of Directors and any deputies.
- 15 Election of Auditors and any deputy auditors.
- 16 Resolution concerning the Nomination Committee.
- 17 Resolution concerning the principles relating to salary and other remuneration for the President/CEO and other members of the senior management team.
- 18 Resolution concerning the long-term incentive programmes:
  - 18a Employees' Convertible Programme 2013 for employees in Sweden
  - 18b Performance-Related Share Programme (PSP) for employees abroad.
- 19 Resolution authorising the Board of Directors to acquire and transfer the company's own shares.
  - 19a Resolution on increased authority for the Board of Directors regarding the company's capital structure.
  - 19b Resolution on transfer of shares to fulfil ÅF's obligations pursuant to the convertible- and share programme under items 18a and 18b on the agenda.
- 20 Resolution authorising the Board of Directors to make a new issue of shares.
- 21 Close of the Annual General Meeting.

#### **Election of someone to chair the meeting (item 1 on the agenda)**

The Nomination Committee proposes that the Chairman of the Board, Ulf Dinkelspiel, chairs the meeting.

#### **Shareholders' dividend (item 9 on the agenda)**

The Board of Directors proposes a shareholders' dividend of SEK 5.50 per share. It is proposed that Thursday, 2 May 2013 be made the record day for the right to receive this dividend. It is anticipated that payment will be made via Euroclear Sweden AB on Tuesday, 7 May 2013.

#### **Proposals re: the election of the Board of Directors and Auditors and remuneration to the Directors and Auditors (items 10, 11, 12 and 13 on the agenda)**

The Nomination Committee proposes that the Board of Directors of the company shall consist of nine members elected by the Annual General Meeting with no deputies.

It is proposed that remuneration to the Board including its committees up until the time of the next Annual General Meeting shall total SEK 2,895,000. For the work of the Board, SEK 550,000 is allocated to the Chairman of the Board of Directors and SEK 250,000 is allocated to each of the eight other directors. For the members of the Audit Committee, it is proposed that remuneration of SEK 90,000 is paid to the Chair and SEK 45,000 for each of the other two members of the committee. For the members of the Remuneration Committee, it is proposed that remuneration of SEK 75,000 is paid to the Chair and SEK 45,000 for each of the other two members of the committee. This brings the total of fees paid out for committee work to SEK 345,000. Proposed



remuneration to the Board and its committees compared to what was decided by the AGM 2012 means an increase of remuneration to the Chairman of the Board of Directors with SEK 100,000 and SEK 50,000 to the other directors. The remuneration for the work of the committees remains unchanged.

The Nomination Committee also proposes that remuneration to the auditors be paid in accordance with approved invoices.

It is proposed that following directors of the company be re-elected: Anders Narvinger, Anders Snell, Björn O Nilsson, Joakim Rubin, Kristina Schauman, Lena Treschow Torell and Ulf Dinkelspiel. The following new directors are proposed to be elected: Maud Olofsson and Marika Fredriksson.

Johan Glennmo, Eva-Lotta Kraft and Dan Olofsson have stood down from re-election.

The Nomination Committee proposes that Ulf Dinkelspiel be re-elected to chair the Board of Directors.

Maud Olofsson was born in 1955. She has previously been the Chairman of the Swedish Centre Party, Sweden's Minister for Enterprise (2006-2011) and Deputy Prime Minister (2006-2010). Maud Olofsson is a director of LKAB, Creades AB, Arise Windpower AB and Diös Fastigheter AB.

Marika Fredriksson, born in 1963, has an MBA from the Hanken School of Economics in Helsinki, Finland. She has previously held corporate management positions with Volvo Construction Equipment, Autoliv and Gambro.

Information about all the current directors of the company and board members is available on the company's website, [www.afconsult.com](http://www.afconsult.com). For information about the proposed new directors, you are referred to the full text of the Nomination Committee's proposal.

The Nomination Committee proposes to the Annual General Meeting that Ernst & Young be appointed auditors to the company, with Lars Träff as Senior Auditor, to serve until the end of the 2014 Annual General Meeting.

#### **Proposal for resolution concerning the Nomination Committee (item 16 on the agenda)**

The Nomination Committee that has been appointed to submit proposals to the 2013 Annual General Meeting of ÅF AB proposes that the principles governing appointments to serve on the Nomination Committee shall remain substantially the same as those approved by the 2012 Annual General Meeting and which are described on the company's website.

#### **Proposals for resolutions concerning the principles relating to salary and other remuneration for the President/CEO and other members of the senior management team (item 17 on the agenda)**

##### *Remuneration*

The ÅF Group bases rates of remuneration on the principle that remuneration shall be payable on competitive market terms that enable the Group to recruit and retain senior executives.

The remuneration of key personnel consists of the following components: basic salary, variable remuneration, pensions and long-term incentive programmes. Other remuneration may also be provided, usually in the form of a company car.



#### *Basic salary and variable remuneration*

These forms of remuneration are renegotiated annually. Remuneration shall be based on factors such as duties, expertise, experience, position and performance. In addition, the ratio between basic salary and variable remuneration shall be related to the individual's position and duties. Variable remuneration for the President/CEO is a maximum of 60% of fixed annual salary; for other employees it is a maximum of 60% of fixed annual salary. Fixed annual salary is current monthly salary multiplied by 12. Variable remuneration is the amount after the deduction of social security contributions. The variable component of salary is based on outcomes in relation to targets. The targets and salary of the President/CEO are set by the Board of Directors. For other senior executives, these are set by the Remuneration Committee.

#### *Long-term incentive programmes*

Key personnel within the ÅF Group may be eligible to participate in various types of incentive programmes on market terms. The emphasis shall be placed on share-related incentive programmes that aim to reward performance, increase and spread share ownership among senior executives, and encourage them to remain with the company. The assumption is that a personal, long-term ownership commitment among key personnel stimulates greater interest in the business and in profitability, while also strengthening motivation and identification with the company, thus safeguarding the company's needs for key competence.

To encourage embracing the challenges presented by the integration of Epsilon, an incentive programme of a one-off nature has been set up. The programme will be offered to a limited number of key personnel who will receive an extra remuneration of a maximum of 60% of fixed annual salary during the period 2013-2015 if ÅF at the end of year 2015 has met certain financial goals.

The form and structure of the incentive programmes shall be determined by the Board of Directors and shall, as regards share and share related programmes, be subject to the final decision of the Annual General Meeting.

#### *Pensions*

Senior executives shall have defined-contribution pension plans with premiums that reflect current market terms and conditions. All pension benefits shall be vested, and shall not, therefore, be dependent on future employment. The retirement age is 60 for the President/CEO and 65 for other senior executives. Remuneration resulting from the long-term incentive programmes shall not constitute pensionable salary.

#### *Termination of employment and severance pay*

In the event that the President/CEO is given notice by the company, the period of notice is 24 months. If the President/CEO gives notice, the period of notice is 6 months.

As regards the period of notice between the company and other senior executives, the period of notice from the company's side is normally 12 months and from the employee's side, 6 months.

#### **Proposal re: resolution concerning the long-term incentive programmes (item 18 on the agenda)**

It is proposed that all ÅF Group employees in Sweden be offered the opportunity to participate in a convertible programme and that key personnel employed by ÅF Group companies outside Sweden be offered a performance related share programme (PSP). The programmes will comprise a maximum of 2.2 percent of the number of shares issued and 1.7 percent of total voting rights. On 31 December 2012 the number of shares included in the current programmes, including shares to cover social security contributions, totalled approximately 456,000: this



corresponds to approximately 1.1 percent of the number of shares issued and approximately 1 percent of the voting rights.

**Proposal re: resolution concerning the Employees' Convertible Programme 2013 (item 18a on the agenda)**

The Board of Directors proposes that the Annual General Meeting approves the establishment of a convertible programme for ÅF employees in Sweden, based in essence on the following conditions:

The programme means that ÅF AB raises a convertible subordinated debenture for a nominal value of maximum SEK 200,000,000 by issuing convertibles. However, in the event that the conversion rate at the time of issue should be set at an amount that could lead to dilution of more than 2 percent of share capital after full conversion, the maximum principal loan amount is to be reduced to ensure a maximum dilution of no more than 2 percent. The subscription price for each convertible shall correspond to its nominal amount.

Between 15 June 2016 and 15 March 2017 inclusive each convertible may be converted by the owner into a class B share at a conversion rate calculated at 120 percent of the average latest price paid for the company's class B share on the NASDAQ OMX Stockholm exchange during the period 3-10 May 2013 inclusive.

If all convertibles are assigned and the conversion rate is assumed to be SEK 222, which corresponds to 120 percent of SEK 185, on full conversion the share capital will increase by SEK 4,029,195 based on a quota value of SEK 5 per share. This corresponds to a dilution effect of approximately 2 percent on share capital and 1.5 percent of voting rights after full conversion.

To enable the company to reduce share capital by an amount that corresponds to the number of shares equivalent to that to which the convertibles that employees have subscribed to can be converted, the Board of Directors proposes both that it be authorised to acquire the company's own shares and to make a decision about a reduction in share capital.

The Board of Directors proposes that the Annual General Meeting grant the Board a mandate to make decisions on one or more occasions before the next Annual General Meeting about purchases of the company's class B shares corresponding to a maximum of 2 percent of the total of shares in the company. Buy-backs may be made only on the NASDAQ OMX Stockholm exchange and only at a price within the current registered price range on the purchase date. The Board also proposes that the Annual General Meeting resolve that the company's share capital be reduced by the number of shares that may be acquired under the terms of the mandate given to the Board as described above for transfer to non-restricted reserves (non-restricted equity).

**Proposal re: resolution concerning the 2013 Performance-Related Share Programme (item 18b on the agenda)**

In order to implement the 2013 Performance-Related Share Programme, the Board of Directors estimates that a total of 66,000 shares will be required, of which 55,000 will be transferred to participants in the programme and 11,000 will be used to cover the costs of the programme, mainly in the form of social security contributions. As exchange rate fluctuations can affect the number of shares required, the Board proposes that up to 80,000 class B shares may be acquired and transferred to employees within the ÅF Group, and that in addition it shall be possible to transfer a portion of the total number of these shares on the NASDAQ OMX Stockholm exchange to cover social security contributions and other costs.

Approximately 35 employees in key positions will be offered the opportunity to participate in the 2013 Performance-Related Share Programme, PSP 2013. Employees who participate in PSP 2013



may, during the 12-month period from the implementation of the programme, save an amount equivalent to a maximum of 5 percent of their gross salary for the purchase of the company's class B shares on the NASDAQ OMX Stockholm exchange. If the employee retains the shares purchased for three years from the date of the investment and if the employee has been continuously employed by the ÅF Group during the entire three-year period, the employee will be entitled to the corresponding number of class B shares, free of consideration. In addition to this direct matching as described above, the abovementioned key employees will be offered performance-matching of up to five shares for each share so purchased.

The conditions for performance matching are that the mean annual increase in earnings per share for the ÅF share during the period 1 July 2013 up to and including 30 June 2016 shall be at least 5 percent. The base value for the calculation of the increase in EPS is constituted from the EPS values for the third and fourth quarter of 2013 and the first and second quarter of 2013. The maximum number of performance-matched shares (i.e. up to five shares) will be vested if the mean annual increase in EPS is equal to or in excess of 15 percent. No vesting of performance-matched shares will be made if the mean annual increase in EPS is less than 5 percent. Matching of shares in the event of a mean annual increase in EPS between 5 and 15 percent will be made on a straight-line basis.

#### *Costs*

The overall effect on the income statement is estimated to total approximately SEK 12 million, unevenly divided over the years 2013–2016. These costs shall be seen in relation to total personnel costs for ÅF, which in 2011 amounted to SEK 3,250 million including social security contributions. These calculations are based on the assumption that the shares made available under the terms of PSP 2013 will be fully subscribed.

#### **Proposal for a resolution authorising the Board to acquire and transfer the company's shares (item 19 on the agenda)**

(a) The Board of Directors proposes that the Annual General Meeting grant the Board a mandate to make decisions in period up to the next Annual General Meeting about purchases of the company's shares on the NASDAQ OMX Stockholm exchange or via offers made to shareholders.

(b) The Board also proposes that the Board be granted a mandate to make further purchases/transfers of the company's class B shares sales on one or more occasions before the 2014 Annual General Meeting for the implementation of the Performance-Related Share Programmes approved by the Annual General Meetings 2010–2012. Purchases may be made only on the NASDAQ OMX Stockholm exchange and at a price within the current registered price range on the purchase date. A maximum of 100,000 class B shares may be transferred to participants in the Performance-Related Share Programmes for 2010–2012. In addition, the company shall have the right to transfer on the NASDAQ OMX Stockholm exchange before the 2014 Annual General Meeting a maximum of 30,000 shares from its holding in order to cover certain expenditures for the programme, primarily social security contributions.

The mandate granted under (b) above also extends to the right to acquire or transfer a larger number of shares as a consequence of a share split, new issue or similar measures. The numbers of shares above have been calculated to allow for the fact that changes in exchange rates may affect the number of shares included in the programmes.

The aim of the proposed buy-back mandate as described in (a) and (b) above is to give the Board greater freedom of action in the company's capital restructuring process and, in accordance with the conditions described above, to enable the company to secure ÅF's commitments with regard to the Performance-Related Share Programmes already decided. Buy-



backs are to be controlled in such a way that the company's own holding does not exceed one tenth (1/10) of the total number of shares in the company.

**Proposal for a resolution authorising the Board to make a new issue of shares (item 20 on the agenda)**

The Board of Directors proposes that the Annual General Meeting grant the Board a mandate to issue new class B shares on one or more occasions before the next Annual General Meeting. Payment for new shares may be in capital contributed in kind or, with preferential rights for shareholders, against cash. The purpose of such an issue is to increase share capital by issuing shares on market terms. However, the maximum number of new shares issued must not exceed 3,000,000, which corresponds to an increase of a maximum of SEK 15,000,000 in the company's share capital.

**Shares and votes**

ÅF's share capital totals SEK 197,430,675 and comprises a total of 39,486,135 shares, of which 1,608,876 are class A shares and 37,877,259 are class B shares, corresponding to a total of 53,966,019 votes. Class A shares entitle the holder to 10 votes per share. Class B shares entitle the holder to one vote per share. At the time when this invitation to the Annual General Meeting was issued, ÅF AB held 464,000 of the company's own class B shares, corresponding to 464,000 votes for which there can be no representation at the Annual General Meeting.

**Information to the Annual General Meeting**

The Board of Directors of the company and the President/CEO shall, if requested to do so by a shareholder and on condition that the Board considers that such a request can be met without any significant adverse effects on the company, provide information about circumstances that may affect the assessment of an item on the agenda, or of the financial situation of the company or one of the company's subsidiaries, and/or of the company's relationship to another Group company. Shareholders who wish to do so may submit their questions in advance to ÅF AB, Legal, SE-169 99 Stockholm, Sweden.

**Further information**

The full texts of the proposals of the Board of Directors with regard to the resolutions above, together with a statement from the Board of Directors with regard to the proposals concerning the shareholders' dividend and buy-backs of the company's own shares will be available at the company's headquarters (address: Frösundaleden 2, Solna, Sweden) from 5 April 2013 and will also be posted on the company's website [www.afconsult.com](http://www.afconsult.com). Shareholders who wish to avail themselves of these documents may apply to the company to have the material sent to them by post or e-mail.

Registration of attendance to the Annual General Meeting commences at 13.30 (1.30 pm).

Stockholm, March 2013  
ÅF AB (publ)  
Board of Directors

This English version is a translation of the Swedish original. The Swedish text is the binding version and shall prevail in the event of any discrepancies.