

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

The shareholders in Mycronic AB (publ) are hereby given notice to attend the annual general meeting, on Tuesday 8 May, 2018 at 5:00 p.m. in Industrisalen at Näringslivets Hus, Storgatan 19, Stockholm. Before the annual general meeting, at 4:00 p.m. participants are offered refreshments.

### Participation

Shareholders, who wish to participate in the annual general meeting, must be listed in the share register kept by Euroclear Sweden AB by Wednesday 2 May, 2018, and must make notification of their and any advisors' participation at the annual general meeting not later than Wednesday 2 May, 2018. Notification of participation is made with Computershare AB and can be done:

- On the website [www.mycronic.com](http://www.mycronic.com)
- By telephone +46 8 518 01 551
- By mail to Computershare AB, "Mycronics Annual General Meeting", P.O. Box 610, SE-182 16 Danderyd, Sweden
- By e-mail to [mycronic@computershare.se](mailto:mycronic@computershare.se).

The notification shall state name, personal ID number or corporate registration number, address and telephone number, number of shares held and names of any advisors. Shareholders whose shares are registered in the name of a nominee must, to be entitled to participate in the annual general meeting, request temporary registration of the shares in their own name. Shareholders must notify their nominee well before 2 May, 2018, as the temporary registration must be done by this date.

Shareholders who are represented by a proxy should include in the notification of participation the written proxy and a copy of the registration certificate or an equivalent document which shows who is authorized to sign for the shareholder. Proxy forms can be found on the website, [www.mycronic.com](http://www.mycronic.com).

The total number of shares and votes in the company amounts to 97,916,509. The company does not hold any of the shares. Shareholders are reminded of the right to, at the annual general meeting, ask questions to the Board of Directors and the Chief Executive Officer (CEO) in accordance with the Swedish Companies Act, Chapter 7, Section 32.

### Proposed Agenda for the annual general meeting

1. Election of Chairman of the annual general meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons who shall approve the minutes of the meeting.
5. Consideration of whether the meeting has been duly convened.
6. Speech by the CEO.
7. Presentation of annual report and auditor's report as well as of the consolidated financial statements and the auditor's report for the group.
8. Resolutions regarding the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet.

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#### Mycronic AB

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9. Resolution regarding appropriation of the company's profit or loss in accordance with the adopted balance sheet.
10. Resolution regarding discharge from liability of members of the Board of Directors and the CEO.
11. Resolution regarding number of board members and deputy board members and auditors.
12. Determination of fees for the members of the Board of Directors and the auditors.
13. Election of members and Chairman of the Board of Directors.
14. Election of auditor.
15. The Board of Directors proposal regarding guidelines for remuneration for the executive management.
16. Proposal regarding composition of nomination committee.
17. The Board of Directors proposal on authorization of the Board of Directors to resolve to issue new shares.
18. The Board of Directors proposal on authorization of the Board of Directors to resolve for the company to acquire the company's own shares.

### **Proposals from the nomination committee**

The nomination committee for the 2018 annual general meeting is composed of Henrik Blomquist (Bure Equity), Thomas Ehlin (Fjärde AP-fonden), Joachim Spetz (Swedbank Robur Fonder) and Patrik Tigerschiöld (Chairman of the Board).

### **Item 1: Election of Chairman of the annual general meeting**

The nomination committee proposes that Patrik Tigerschiöld is elected Chairman of the annual general meeting.

### **Item 9: Resolution regarding appropriation of the company's profit or loss in accordance with the adopted balance sheet**

The Board of Directors proposes an ordinary dividend for the financial year 2017 of SEK 2.50 per share. Record date is proposed to be 11 May, 2018 and disbursement day 16 May, 2018.

### **Item 11: Resolution regarding number of board members and deputy board members and auditors**

The nomination committee proposes that the Board of Directors for the period running up until the end of the next annual general meeting shall be composed of six members with no deputy members and that one registered accounting firm is elected as auditor.

### **Item 12: Determination of fees for the members of the Board of Directors and the auditors**

The nomination committee proposes a total remuneration to the Board of Directors at the amount SEK 2,430,000 for the period running until the end of the next annual general meeting. The nomination committee proposes a raise in remuneration to the Chairman of the Board to SEK 700,000, and a raise in remuneration to each of the five other members of the Board to SEK 275,000. The nomination committee proposes a raise in remuneration to the Chairman of the audit committee to SEK 100,000. The nomination committee also proposes a raise in remuneration to each of the other members of the audit committee to SEK 50,000. The nomination committee further proposes a raise in remuneration to the Chairman of the remuneration committee to SEK 75,000 and to each of the other members of the remuneration committee to SEK 40,000.

The company may permit board members to invoice the remuneration from his or her own company if current tax legislation allows for invoicing and as long as it can be done cost neutral for Mycronic. If the board remuneration is being invoiced through a company, the remuneration shall be increased with an amount corresponding to social security costs under law.

The nomination committee also proposes that the auditor's fee for the period running until the end of the next annual general meeting is taken on current account.

### **Item 13: Election of members and Chairman of the Board of Directors**

The nomination committee proposes re-election of the Board members Katarina Bonde, Ulla-Britt Fräjdin-Hellqvist, Per Holmberg and Patrik Tigerschiöld, all for the period running up until the end of the next annual general meeting. Patrik Tigerschiöld is proposed to be re-elected as Chairman of the Board. The nomination committee also proposes election of Robert Larsson and Anna Belfrage as new members of the Board. Magnus Lindquist has declined re-election.

### **Item 14: Election of auditor**

The nomination committee proposes re-election of Ernst & Young AB as auditor for the period running until the end of the next annual general meeting. Ernst & Young has announced the Authorized Public Accountant Erik Sandström as responsible auditor.

### **Item 15: The Board of Directors proposal regarding guidelines for remuneration for the executive management**

The Board of Directors proposal for guidelines for remuneration for the executive management, consisting of the CEO and eight persons (senior executives), is prepared by the remuneration committee after which the Board of Directors passes a decision on the proposed guidelines. The guidelines are established by the annual general meeting. In the preparation of matters related to remuneration, external advice is sought when deemed necessary.

The main principle is to offer senior executives market based remuneration and terms of employment. Actual levels of remuneration are determined on the basis of factors such as expertise, experience and performance.

The guidelines regards the time period from the annual general meeting 2018. The Board of Directors may deviate from these guidelines on an individual basis if there are particular reasons at hand. Total remuneration consists of the following:

#### *Basic salary*

Basic salary for the CEO and other senior executives is reviewed annually.

#### *Short term incentive program, STI*

Remuneration shall be paid in relation to the performance goals achieved by the company as a whole. The remuneration shall amount to not more than 80 percent of the basic salary.

#### *Long term incentive program, LTI*

For the purpose of linking the interests of the employees with the interests of the shareholders and in order to encourage the senior executives' ("Employee") acquisitions of shares in the company, a long term incentive program shall, in addition to STI described above, be applied with the following main components:

- a) A general principle state that if an Employee buys shares, the company shall match this by cash payment of the same amount, compensated for the Employee's marginal tax costs, in the form of a single payment ("Matching Amount"). Employees shall have the right to buy shares for a maximum amount of SEK 50,000, and CEO for a maximum amount of SEK 100,000. The Employee shall use the entire Matching Amount to acquire shares in the company. These shares shall through means of agreement be kept for at least four years. After preparation by the remuneration committee, the Board annually resolves on outcomes within set intervals.
- b) If the Employee fulfills certain requirements after three years, the company shall make an additional single payment corresponding up to 150 percent of the Matching Amount with compensation for the Employee's marginal tax costs in accordance with the above. The Employee shall use the paid out amount to acquire shares in the company. These shares shall through means of agreement be kept for at least one year.
- c) The criteria for payment in accordance with item b. is, inter alia, that the Employee shall still be employed and that he or she has kept his or her acquired shares and that the performance goals regarding the company's earnings per share for the financial year 2020 as established by the Board have been fulfilled. In case of partial goal fulfillment regarding earnings per share, part of the maximum amount will be paid out.

#### *Pension benefits*

Retirement age for the CEO is 62 years and for other senior executives 65 years. All pension benefits for senior executives are defined pension premiums. This means the company pays an individually agreed defined pension premium for each senior executive and that the company has no other pension obligations.

#### *Other benefits*

Senior executives are entitled to a company car or cash benefit of equal value. In addition to this, all senior executives are entitled to conventional health insurance. The CEO also has housing benefit in Stockholm and travels between Stockholm and Göteborg paid by the company.

#### *Termination benefits*

In the event of dismissal of the CEO by the company, there is a notice period of twelve months and termination benefits corresponding to 12 months' salary. For other senior executives there is a notice period of six months in the event of dismissal by the company and termination benefits equal to six months' salary. During the notice period, existing employment agreements run with benefits according to the agreement. In cases where termination benefits are received, no other benefits are payable.

#### **Item 16: Proposal regarding composition of nomination committee**

The nomination committee proposes that a new nomination committee for the 2019 annual general meeting is appointed by the Chairman of the Board – at the latest by the end of the third quarter of 2018 – contacting the three largest or otherwise known shareholders per 31 August, 2018. The term of office shall run until a new nomination committee commences its service.

The composition of the Election Committee shall be published no later than six months before the company's annual general meeting.

The responsibility of the Election Committee regarding the 2019 annual general meeting includes proposing (i) chairman of the meeting, (ii) the number of Board members, (iii) election of members of the Board and Chairman of the Board and remuneration to Board members and the Chairman of the Board and remuneration to members of board committees, (iv) election of auditor and remuneration to auditor and (v) the process for appointment of a new nomination committee.

**Item 17: The Board of Directors proposal on authorization of the Board of Directors to resolve to issue new shares**

The Board of Directors proposes that the annual general meeting authorizes the Board of Directors up until the end of the 2019 annual general meeting, on one or several occasions, to resolve to issue new shares, with deviation from the shareholders' preferential rights. Shares may be paid in kind, through set-off or with other conditions set forth in Chapter 13, Section 5, first paragraph item 6 in the Swedish Companies Act. The Board of Directors may otherwise set the terms of such share issuance. The authorization shall however not comprise a right for the Board to issue shares against cash payment and with deviation from the shareholders' preferential rights. The issue price shall be determined on marketable grounds and the number of issued shares may not exceed ten percent of the total amount of outstanding shares in the company per the day of this notice.

The reason for the deviation from the shareholders' preferential rights and the right to decide on payment through set-off, in kind or other condition as set forth in the Swedish Companies Act is to enable the company to issue shares in order to acquire shares, business or product rights.

**Item 18: The Board of Directors proposal on authorization of the Board of Directors to resolve for the company to acquire the company's own shares**

The Board of Directors proposes that the annual general meeting authorizes the Board of Directors to resolve for the company to acquire the company's own shares in accordance with the following. Acquisition of shares in the company may only be made on Nasdaq Stockholm (the "Exchange"). Acquisition may only be made by a maximum of so many shares that, at any given time, the company's own holdings do not exceed five percent of all shares in the company. The authorization may be used on one or several occasions up until the end of the 2019 annual general meeting. Acquisition of shares on the Exchange may only take place at a price within the price range recorded on the Exchange at any given time.

The purpose of the above authorizations to acquire shares is to be able to continuously adjust the company's capital structure to the company's capital requirements. Shares that have been acquired by the company are intended to be canceled following a resolution thereof at the 2019 annual general meeting.

**Majority requirements**

Valid resolutions regarding items 17 and 18 in accordance with the proposals above require support of shareholders representing at least two thirds (2/3) of both cast votes as well as the shares represented at the meeting.

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The financial statements and the audit report regarding the financial year 2017, as well as the nomination committee's and the Board of Director's complete proposals including related documentation will be available at the company at Nytorpsvägen 9 in Täby not later than by 17 April, 2018, on the company website and will also be sent by post to shareholders requesting so and stating their postal address.

Täby in March, 2018  
Mycronic AB (publ)

The Board of Directors

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#### **About Mycronic AB**

Mycronic AB is a Swedish high-tech company engaged in the development, manufacture and marketing of production equipment with high precision and flexibility requirements for the electronics industry. Mycronic headquarters are located in Täby, north of Stockholm and the Group has subsidiaries in China, France, Germany, Japan, Singapore, South Korea, the Netherlands, United Kingdom and the United States. For more information see our web site at: [www.mycronic.com](http://www.mycronic.com)

Mycronic AB (publ) is listed on NASDAQ Stockholm, Mid Cap: MYCR.

*The information was submitted for publication on 28 March 2018, at 8:00 a.m. CET.*