

# PRESS RELEASE

Halmstad, March 30, 2016

## HMS Networks: Notice of the Annual General Meeting

The shareholders of HMS Networks AB (publ) are hereby invited to the Annual General Meeting, which will be held 10.30 a.m. on Thursday April, 28 2016 at HMS headquarter, Stationsgatan 37, Halmstad. Registration for the Annual General Meeting will begin at 9:30 a.m.

### Right of participation in the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting shall be registered in the share register kept by Euroclear Sweden on Friday 22 April 2016 and give notice of their intention to participate at the Meeting to the Company no later than 4 p.m. on Friday 22 April 2016.

Notification of participation should be made by telephone on +46 35-17 29 00 or in writing to HMS Networks AB, c/o Computershare AB, Box 610, 182 16 Danderyd or on the website [www.hms.se/investors](http://www.hms.se/investors). The notification should state the name, social security or corporate registration number, shareholding, address, daytime telephone number and information, if necessary, on representation, and if so, the relevant details on deputies. In this case, a certified copy of the registration certificate, power of attorney or other document demonstrating the signatory's authority to sign must be included in the notification of participation.

### Proxies

If a shareholder is represented by a proxy, the proxy should be issued with a power of attorney dated for this day. If the power of attorney is issued by a legal entity, a certified copy of the registration certificate, or other document demonstrating the signatory's authority to sign for the legal entity, must be included. The power of attorney and any registration certificate may not be more than one year old. The power of attorney (original), and registration certificate must be sent to the Company in good time prior to the Meeting at the address HMS Networks AB, c/o Computershare AB, Box 610, 182 16 Danderyd. The form is available on the Company's website: [www.hms.se/investors](http://www.hms.se/investors) and at the Company's head office.

### Nominee registered shares

Shareholders whose shares are registered in the name of a nominee through a bank or Securities Register Centre must temporarily re-register the shares in their own name to be able to participate at the Meeting. Such registration must be done at Euroclear Sweden no later than Friday 22 April 2016, which means that shareholders must notify their intentions on this matter to the nominee well in advance of the stated date.

### The number of shares and votes

The total number of shares and votes in HMS Networks AB amounts to 11,704,717.

### Proposed agenda

1. Opening of the Meeting
2. Election of the Chairman of the Meeting
3. Drawing up and approval of the voting list
4. Approval of the Agenda
5. Election of one or two persons to approve the minutes
6. Determination as to whether the Meeting has been duly convened
7. Presentation of the Annual Report, Auditors' Report and the Consolidated Accounts and Consolidated Auditors' Report
8. Report by the CEO
9. Resolution concerning the adoption of the Income Statement and Balance Sheet, and of the Consolidated Income Statement and Consolidated Balance Sheet
10. Resolution concerning the allocation of the Company's profit as set forth in the adopted Balance Sheet
11. Resolution concerning the discharge of liability for Board Members and CEO
12. Presentation of the work of the Nomination Committee
13. Determination of the number of Board Members and Deputies
14. Determination of fees payable to Board Members and Auditors
15. Election of Board Members, Chairman and Auditors
16. Principles for appointing members of the Nomination Committee
17. Proposal regarding guidelines for salaries and other remuneration to the CEO and other Members of executive management
18. Decision to authorize the Board of Directors to issue new shares
19. Decision to acquire shares in connection with established share saving plan
20. Decision regarding 2017 share saving plan
21. Close of Meeting

## Nomination Committee's proposals

### *Point 2 and 13-15*

The Nomination Committee for 2016, comprising chairman Jan Svensson (Investment AB Latour), Evert Carlsson (Swedbank Robur Fonder), Staffan Dahlström and Charlotte Brogren (Chairman of the Board), proposes:

- that **Charlotte Brogren** shall be appointed Chairman of the Annual General Meeting. (Point 2)
- that the Board of Directors shall consist of six Board Members without Deputies. (Point 13)
- that directors' fees totaling SEK 1,275,000 shall be paid, of which SEK 400,000 shall be paid to the Chairman, and SEK 175,000 to each Board Member who is not an employee of the company. The fees to the Auditor shall be paid according to approved invoices. (Point 14)
- that **Ray Mauritsson, Henrik Johansson, Charlotte Brogren, Kerstin Lindell** and **Fredrik Hansson** are re-elected as Board Members and that **Charlotte Brogren** is elected as Chairman of the Board. Karl Thedéen has declared that he will not be available for re-election. (Point 15)
- that **Anders Mörck** is elected as new member of the board. (Point 15)
- that Öhrlings PricewaterhouseCoopers with Authorized Public Accountant **Fredrik Göransson** is elected as auditor for the year 2016 (Point 15)

### *Point 16*

The Nomination Committee proposes that the Annual General Meeting shall determine principles regarding the appointment of members of the Nomination Committee before the Annual General Meeting 2017, mainly in accordance with the following.

HMS shall have a Nomination Committee consisting of one representative from each of the four (previous three) largest shareholders or owner groups (by number of votes) and the Chairman of the Board. The names of the three Committee members and the shareholders they represent shall be made public at the presentation of the Q3 report of the Company, and the contact names for questions regarding the Nomination Committee shall also be made public at that time. The Nomination Committee will be appointed on the basis of known shareholders in the Company on 31 August of the calendar year of question. The mandate period of the Nomination Committee extends until such time as a new Nomination Committee is appointed.

## Proposals from the Board of Directors

### *Point 10*

The Board proposes that the Parent Company's result of SEK 194,337 and profit brought forward of SEK 69,670,683 a total of SEK 69,865,020 is allocated so that SEK 2.50 per share, corresponding to a total of SEK 28,184,293 is paid to the shareholders as dividend and that the remaining amount is brought forward. The proposed record date for the dividend is Monday 2 May 2016. If the Annual General Meeting approves the Board's proposal, it is estimated that the dividend will be paid out through Euroclear Sweden on Friday 6 May 2016.

### *Point 17*

For the CEO and other members of executive management, the principles for determining remuneration are based on salary, short and long-term incentive programs and pension benefits. The Board proposes that corresponding principles shall be approved by the Annual General Meeting 2016 for the period up to the end of the Annual General Meeting 2017.

### *Point 18*

The Board of Directors in HMS Networks AB hereby proposes that the general meeting of shareholders resolves to authorize the Board of Directors to, at one or more occasions for the period up to the next annual general meeting of shareholders, to increase the share capital in the company by no more than SEK 55,000 by a new issue of no more than 550,000 shares. The Board of Directors shall be authorized to decide upon new issue of shares with deviation from the shareholders' pre-emption rights and/or with a provision of non-cash, by way of sett-off or otherwise with condition in accordance with Chapter 2 clause 5 sections 1-3 and 5 in the Swedish Companies Act (sw: Aktiebolagslagen).

The mandate only applies upon possible acquisitions, and if no acquisitions are completed where payment, in whole or in part, is made in the form of HMS shares no issue of new shares will be implemented and therefore the mandate will not be applied.

An issue of new shares in accordance with this authorization shall be on market conditions. The Board of Directors shall be authorized to decide on the terms and conditions regarding new issues under this authorization and what persons shall be entitled to subscribe for the new shares. The reason to propose that the Board of Directors shall be authorized to resolve on a new issue with deviation from the shareholders' pre-emption rights and that the board shall be authorized to decide on a new issue with non-cash consideration or a new issue by way of set-off or otherwise on such terms and conditions as referred to above is that there have been requests from sellers of companies to receive shares in HMS as partial payment in connection with acquisitions and that it can act as an important incentive for the seller to receive shares in HMS Networks AB in connection with acquisitions by smaller entrepreneurial companies.

If the authorization to issue new shares is exercised in whole it shall correspond to a dilution of shares of no more than 4.7%.

It is proposed that the managing director is authorized to make such minor adjustments to this resolution that may be necessary in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

Resolution in accordance with the proposition of the board of directors requires approval of shareholders representing at least two thirds of votes cast as well as the represented shares at the general meeting of shareholders.

*Point 19*

The Board of Directors of HMS Networks AB (publ) (“the Company”) proposes that the annual meeting resolves to purchase shares in HMS Networks AB (“the HMS Group”)

In 2015 all permanently employees of the HMS Group were invited to participate in a share saving program. The participants can invest a minimum of 1% and a maximum of 6% of their annual salary before taxes during the period 1 January 2016 – 31 December 2016. The maximum investment level is determined on the basis of the individual’s position in the Company.

For the participants whose investment remains and who continue to be employed at the end of the plan, on 31 December 2019, matching shares are granted, 1:1. If, in addition, the financial goals established by the Board of Directors are achieved, as regards to the qualifying period 2017-2019, performance based shares can also be granted, 1:1. The transfer of both matching shares and performance based shares will be performed free of charge during the period 1 January – 31 March 2020.

The proposal of the Board of Directors regarding the introduction of a share saving program is based on a fulfillment of the Company’s obligation to deliver shares to the participants in the share saving program by purchasing shares over the stock market. The repurchase of shares is expected to take place in connection to the saving period i.e. during 2016 and is subject to the approval of the Annual General Meeting. Based on the actual number of participants, the expected number of shares saved through the plan will imply that the maximum number of shares which can be repurchased will be approximately 26,000, which is equivalent to approximately 0.2 percent of the total number of shares in the Company.

*Majority resolution*

For a resolution to be adopted there is a requirement of at least nine tenths of both the number of votes represented at the meeting, as well as of the number of shares represented at the meeting.

*Point 20*

The Board of Directors of HMS Networks AB (publ) (“the Company”) proposes that the annual meeting of shareholders resolves on the share savings plan described below, directed towards all permanently employees in the group in which the Company is the parent company (“HMS Group”). The principles for the 2017 share savings plan are the same as for previously adopted share savings plans.

All permanently employees in the HMS Group are offered the possibility of participating in the Share Savings Plan. The participants can invest a minimum of 1% and a maximum of 6% of their annual salary before taxes during the period 1 January 2017 – 31 December 2017. The maximum investment level is determined on the basis of the individual’s position in the Company.

For the participants whose investment remains and who continue to be employed at the end of the plan, on 31 December 2020, matching shares are granted, 1:1. If, in addition, the financial goals established by the Board of Directors are achieved, as regards to the qualification period 2018-2020, performance based shares can also be granted, 1:1. The transfer of both matching shares and performance based shares will be performed free of charge during the period 1 January – 31 March 2021.

The Board of Director’s will present the financial target determined to fulfill the performance requirements directly after the qualification period.

The Board of Director’s proposal for the implementation of a share savings plan is based on the acquisition of own shares, through repurchase on the market, to be undertaken in order that the Company’s obligation to deliver such shares to the plan participants can be realized. Repurchase is expected to take place during the investment period, that is, during 2017 and, consequently, there is a requirement of a resolution to be undertaken by the 2017 annual meeting of shareholders. On the assumption of full participation, the expected number of shares saved through the plan will imply that the maximum number of shares which can be repurchased will be approximately 45,000 which is equivalent to approximately 0.4 percent of the total number of shares in the Company.

*Majority resolution*

For a resolution to be adopted there is a requirement of at least nine tenths of both the number of votes represented at the meeting, as well as of the number of shares represented at the meeting.

*Documentation*

The complete text of the Board’s proposal is available at the Company’s head offices and will also be available on the Company’s website, [www.hms.se](http://www.hms.se), as of 14 April 2016, and can be sent to any shareholders requesting a copy.

The Annual Report and Auditor's Report for the 2015 financial year are posted on the Company's website. A printed version can be ordered by sending address details to [ir@hms.se](mailto:ir@hms.se). The Board's statement regarding the proposal for allocation of profit (point 10), the Nomination Committee's and Board's complete proposals regarding points 16, 17, 18, 19 and 20, and the Auditor's statement on whether the Board's guidelines on remuneration to leading executives have been followed, are available from the Company and are sent out to those shareholders who require it and state their postal address.

Halmstad, March 2016  
**HMS Networks AB (publ)**  
*The Board of Directors*

**For more information please contact:**

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This information is such that HMS Networks AB (publ) is required to disclose in accordance with the Swedish Financial Instruments Trading Act and/or the Swedish Securities Market Act. The information was submitted for publication at 08.00 CET on March 30, 2016.

**HMS Networks AB (publ)** is a world-leading supplier of communication technology for industrial automation. Sales amounted to SEK 702 million in 2015. Over 90% of these sales were to customers located outside Sweden. All development and the major portion of manufacturing are carried out at the head office in Halmstad, Ravensburg and in Nivelles. Sales offices are located in Japan, China, Germany, USA, Italy, France, Belgium, India, UK and Denmark. HMS has approximately 450 employees and produces and markets products under the trademark Anybus®, IXXAT®, eWON® and Netbiter®. HMS is listed on NASDAQ-OMX Nordic Exchange in Stockholm in the category Mid Cap, Information Technology.