



## **WELCOME TO THE ANNUAL GENERAL MEETING FOR HMS NETWORKS AB IN HALMSTAD**

The shareholders of HMS Networks AB (publ), Reg. no. 556661-8954, are hereby invited to the Annual General Meeting, which will be held at 10.30 a.m on Thursday 23 April 2020 at the HMS head office, Stationsgatan 37, Halmstad. Registration for the Annual General Meeting will begin at 10.00 a.m.

### ***Precautionary measures to reduce risks of infectivity***

***A priority for HMS is consideration for the company's employees and shareholders and for their opportunity to exercise their rights at the Annual General Meeting.***

***In light of the decision by the Public Health Agency of Sweden to raise the risk level for infectivity relating to the new coronavirus in Sweden, HMS has decided to take certain precautions in relation to the Annual General Meeting on 23 April 2020. The aim is to reduce the risk of infectivity by holding a short and efficient meeting with limited interaction, by taking among other things the following measures:***

- ***Registration will not begin until 10:00 a.m.***
- ***No food and beverages will be served, and no giveaways will be offered***
- ***The company's CEO will not give his customary presentation at the Meeting, but will be available for questions, during the day, a recorded speech will be published on the company's website***
- ***The number of people attending who are not shareholders will be limited***
- ***The duration of the Meeting will be minimized without infringing on the rights of the shareholders***

***Any shareholders displaying symptoms of illness, who have recently travelled to a risk area, or who are considered to be part of a risk group, are requested to refrain from attending the meeting, and to instead vote via proxy. Proxy forms are available on the company's website [www.hms-networks.com](http://www.hms-networks.com).***

***HMS is closely monitoring the development of events and will, if necessary, post updated information on the website prior to the Annual General Meeting.***

### **Right to participate in the Annual General Meeting**

Shareholders who wish to participate in the Annual General Meeting must be registered in the share register kept by Euroclear Sweden (the Swedish Central Securities Depository) on Friday 17 April 2020 and give notice of their intention to participate in the Annual General Meeting to the company no later than on Friday 17 April 2020, preferably before 4 p.m.

Notification shall be made by phone +46 (0)35-17 29 00, in writing to HMS Networks AB, "HMS Networks AB's Annual General Meeting", P.O. Box 4126, SE-300 04 Halmstad Sweden, or via the website: [www.hms-networks.com](http://www.hms-networks.com). The notification should include name, personal ID number/CIN, address, daytime telephone number and, when applicable, information on assistants (no more than two).

### **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 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, unless a longer period of validity is stated in the power of attorney (no more than five years). The power of attorney in original and, if applicable, registration certificate must be sent to HMS Networks AB, "HMS Networks AB's Annual General Meeting", P.O. Box 4126, SE-300 04 Halmstad, Sweden well in advance of the Annual General Meeting. A



form of power of attorney is available on the HMS website [www.hms-networks.com](http://www.hms-networks.com) 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 Center 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 17 April 2020, which means that shareholders must notify their intentions on this matter to the nominee well in advance of the stated date.

## Proposed agenda

1. Opening of the Meeting
2. Election of Chairman of the Meeting
3. Preparation 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
  - a. the Annual Report, Auditors' Report and the Consolidated Accounts and Consolidated Auditors' Report
  - b. the statement by the auditor on the compliance with the current guidelines for remuneration to senior executives
  - c. the Board of Directors proposition according to items 14-16
8. Resolution concerning
  - a. the adoption of the Income Statement and Balance Sheet, and of the Consolidated Income Statement and Consolidated Balance Sheet
  - b. the allocation of the company's profit as set forth in the adopted Balance Sheet
  - c. the discharge of liability for Board Members and CEO
9. Determination of the number of Board Members and Deputies and Auditors
10. Determination of fees payable to Board Members and Auditor
11. Election of Board Members
12. Election of Auditor
13. Resolution on the Board of Directors' proposal to guidelines for remuneration to senior executives
14. Resolution on the Board of Directors' proposal for authorisation of the Board to resolve on new share issues
15. Resolution on the Board of Directors' proposal for (a) implementation of a performance based Share Saving Plan 2021-2024 for all employees, (b) authorisation of the Board to resolve on repurchase of own shares within Share Saving Plan 2021-2024 and (c) transfer of own shares to participants in Share Saving Plan 2021-2024.
16. Resolution on the Board of Directors' proposal to amendment of the Articles of Association
17. Closing of the meeting

## The Nomination Committee's proposals

***Election of Chairman of the Meeting, determination of the number of Board Members and Deputies and Auditors, determination of fees payable to Board Members and Auditor and election of Board Members and election of Auditor (item 2 and 9-12)***

The Nomination Committee for 2020, comprising Chairman Johan Hjertonsson (Investment AB Latour), Evert Carlsson (Swedbank Robur Funds), Per Trygg (SEB Funds), Staffan Dahlström (own holding) and Charlotte Brogren (Chairman of the Board), proposes:

- that Charlotte Brogren shall be appointed Chairman of the Annual General Meeting (item 2);



- that the Board of Directors shall consist of six Board Members elected by the general meeting, without any deputies and that a registered public accounting firm shall be elected as Auditor (item 9);
- that fees to the Board members shall amount to a total of SEK 1,685,000 (1,625,000), excluding committee fees, of which SEK 560,000 (500,000) shall be paid to the Chairman, and SEK 225,000 (225,000) to each other Board Member elected by the general meeting, that the fee for work in the Audit Committee shall amount to SEK 100,000 (100,000) to the Chairman and SEK 50,000 (50,000) to each other member in the Audit Committee and that no fees shall be paid for work in other committees. The fees to the Auditor shall be paid according to approved invoices (item 10);
- that the Board Members Charlotte Brogren, Fredrik Hansson, Anders Mörck, Cecilia Wachtmeister and Ulf Södergren shall be re-elected as Board members, that Niklas Edling shall be elected as new Board member and that Charlotte Brogren shall be re-elected as Chairman of the Board. Ray Mauritsson has declined re-election. (item 11); and
- that, in accordance with the Audit Committee's recommendation, Öhrlings PricewaterhouseCoopers AB is re-elected as the company's auditor, with Fredrik Göransson as auditor in charge for a mandate period of one year (item 12).

## Proposals from the Board of Directors

### ***Resolution concerning the allocation of the company's profit as set forth in the adopted Balance Sheet (item 8b)***

The Board proposes that the parent company's profit of TSEK 180,791 and retained earnings of TSEK 97,347, in total TSEK 278,138 is allocated so that SEK 1.90 per share, corresponding to TSEK 88,662 in total is distributed to the shareholders as dividend and that the remaining amount is carried forward. The proposed record date for the dividend is Monday 27 April 2020. If the Annual General Meeting resolves in accordance with the proposal, the estimated date for payment of the dividend from Euroclear Sweden is Thursday 30 April 2020.

### ***Resolution on the Board of Directors' proposal to guidelines for remuneration to senior executives (item 13)***

The Board of Directors' proposal to guidelines for remuneration to senior executives has been revised in accordance with the new rules on guidelines for remuneration to senior executives that are applicable for the first time at the Annual General Meeting 2020.

The Board of Directors proposes that the Annual General Meeting resolves on the following guidelines for remuneration to senior executives.

These guidelines apply to persons who, during the period of time that the guidelines are in effect, are members of HMS Networks' group management. The guidelines are applicable to remuneration agreed and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

### ***The guidelines' promotion of HMS Networks' business strategy, long-term interests and sustainability***

HMS is a world-leading supplier of solutions for industrial communication and industrial IoT. The company's vision is to, in a world where all machines and devices are intelligent and connected, be the leader in enabling industrial devices and systems to communicate for more productive and sustainable world. In brief, HMS' business strategy aims to achieve profitable growth in strategic markets, focus on sustainable product development, be a global actor with local presence and to have a sustainable supply chain. A prerequisite for the successful implementation of HMS' business strategy and to the safeguarding of its interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The objective of HMS' remuneration policy for senior executives is therefore to offer competitive and market-based remuneration, in order to attract, motivate and retain competent and skilled employees.



These guidelines enable the company to offer a competitive total remuneration. Further information regarding HMS business strategy is available at HMS' website, [www.hms-networks.com](http://www.hms-networks.com).

HMS has ongoing long-term share-related incentive plans, which have been resolved by the general meeting and are therefore excluded from these guidelines. The plans comprise all employees within HMS and aims to give the employees an increased interest for the company's operation and earnings, and to increase the motivation and affinity with the company through a long-term owner commitment. The plans further enable HMS to offer a competitive total remuneration and thereby enabling the company to recruit and retain competent personnel. The performance criteria are currently linked to profit per share. Further, the incentive plans require own investment during a certain holding period. Further information on the incentive plans are available at HMS' website, [www.hms-networks.com](http://www.hms-networks.com).

#### *Types of remuneration, etc.*

The remuneration to senior executives shall be market-based and may consist of fixed cash salary, variable cash remuneration, pension benefits and other benefits, as well as further variable remuneration under certain extraordinary circumstances. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

Fixed cash salary shall be determined on the basis that it should be competitive together with short- and long term incentives. The absolute amount shall be determined based on the current position and the competence, experience and performance of the individual. The fixed cash salary shall be revised annually.

Variable cash remuneration shall be based on predetermined and measurable financial and non-financial objectives of the group and may amount to a maximum of 50 per cent of the fixed cash salary. The distribution between fixed cash salary and variable cash remuneration shall be proportionate to the executive's responsibility and authority. The objectives shall primarily relate to growth and profitability, where the relationship between these performance measures shall determine the outcome of variable cash remuneration. In addition, individual objectives may be established. The objectives shall be designed so as to contribute to HMS' business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The measurement period for the objectives for variable cash remuneration may be one or several years.

For the CEO, pension benefits, including health insurance benefits (Sw: *sjukförsäkringsförmåner*) shall be premium defined. Variable cash remuneration shall qualify for pension benefits. The pension premium may amount to a maximum of 35 per cent of the pensionable income up to 28.5 price base amounts, and a maximum of 25 per cent on exceeding salary components.

For other senior executives, pension benefits, including health insurance benefits, shall be premium defined. Variable remuneration shall qualify for pension benefits. The pension premium shall follow the ITP-plan and amount to a maximum of 30 per cent of the pensionable income.

Other benefits may include, for example, medical insurance (Sw: *sjukvårdsförsäkring*), occupational health care (Sw: *företagshälsovård*) and company cars. Such benefits may amount to a maximum of 10 per cent of the fixed cash salary.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are made for the purpose of recruiting or retaining executives. Such remuneration may not exceed an amount corresponding to 50 per cent of the fixed cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.



For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### *The satisfaction of criteria for awarding variable remuneration, etc.*

The Remuneration Committee shall prepare, monitor and evaluate matters related to variable cash remuneration for the Board of Directors. To the extent the criteria for awarding variable cash remuneration has been satisfied, shall be determined when the measurement period has ended. Assessments of whether financial objectives have been met, shall be based on established financial information for the period. Remuneration to the CEO is decided by the Board of Directors, based on a proposal from the Remuneration Committee. Remuneration to other senior executives is decided by the CEO after consultation with the Remuneration Committee.

Variable cash remuneration may be paid after the measurement period has ended or be subject to deferred payment. The Board of Directors shall have the possibility, under applicable law or contractual provisions, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

#### *Termination of employment*

Senior executives shall be employed until further notice. For the CEO, there shall be a mutual notice period of six months. If notice of termination of employment of the CEO is made by the company, a severance pay corresponding to a maximum of twelve months fixed cash salary may be paid. Other income should not be deducted from the severance pay. If notice of termination of employment is made by the CEO, severance pay should not be paid. Between the company and other senior executives, there shall be a mutual notice period of six months, without any right to severance pay.

Senior executives may be compensated for a non-compete undertaking after the termination of the employment, however, only to the extent severance pay is not paid during the same period of time. Such remuneration is intended to compensate the senior executive for the difference between the fixed cash salary at the time of termination of the employment, and the (lower) income obtained, or could be obtained, by a new employment agreement, assignment or own business. The remuneration may be paid during the period the non-compete undertaking is applicable, and no longer than a period of twelve months after the termination of the employment.

#### *Salary and employment conditions for employees*

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of HMS have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

#### *The decision-making process to determine, review and implement the guidelines*

The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors' shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in HMS. The members of the Remuneration Committee are independent in of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.



#### *Derogation from the guidelines*

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve HMS' long-term interests, including its sustainability, or to ensure HMS' financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

#### ***Resolution on the Board of Directors' proposal for authorisation of the Board to resolve on new share issues (item 14)***

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to resolve on new share issues in accordance with the following conditions:

1. The authorisation may be exercised on one or several occasions up to the Annual General Meeting 2021.
2. Maximum 2,340,943 shares, corresponding to approximately 5 per cent of the company's share capital, may be issued.
3. An issue may be made with or without deviation from the shareholders' preferential right.
4. An issue may be made against cash payment, by set-off or by contribution in kind.
5. The subscription price shall, at deviation from the shareholders' preferential right, be determined in accordance with market practice. The Board of Directors shall be entitled to determine other terms of the issue.

The purpose of the authorisation, and the reason for the deviation from the shareholders' preferential right, is to enable the company to finance or carry out, in whole or in part, company acquisitions with the company's own shares. There have been requests from sellers of companies to receive shares in HMS Networks as payment in conjunction with acquisitions and in case of acquisitions of smaller entrepreneurial companies it might work as an important incentive for the seller to receive shares in HMS Networks.

Under the Swedish Companies Act, the resolution of the General Meeting on authorisation for the Board of Directors to resolve on new share issues requires the support of shareholders representing at least two-thirds of both the number of votes cast and the shares represented at the Meeting in order to be valid.

#### ***Resolution on the Board of Directors' proposal on (a) implementation of a performance based Share Saving Plan 2021-2024 for all employees, (b) authorisation of the Board to resolve on repurchase of own shares within Share Saving Plan 2021-2024 and (c) transfer of own shares to participants in Share Saving Plan 2021-2024 (item 15)***

##### *A. Implementation of performance based Share Saving Plan 2021-2024 for all employees*

The Board of Directors proposes that the Annual General Meeting resolves on implementation of the below described Share Saving Plan 2021-2024 to all employees, comprising a maximum of 150,000 shares in the company, according to the following principal conditions:

1. All permanent employees within the group as per 31 December 2020 (approximately 700 persons) will be offered to participate in the program. In order to participate in the program, the participant must, with own funds, make an investment of minimum 1% and maximum between 3% and 6% (depending on position, see item 2 below) of his or her annual fixed gross salary in shares in the company at market price over Nasdaq Stockholm ("Saving Shares"). Notification of participation in



Share Saving Program 2021-2024 shall be made no later than 31 December 2020. The investment shall take place during 2021, and shall be made to an amount corresponding to minimum 1% of the gross salary for 2020, with the possibility to further investment up to the fixed maximum amount.

2. For senior executives (approximately 80 persons), it is required that the own investment amounts to a minimum of 1% and a maximum of 6% of the gross salary for 2020. For other employees (approximately 620 persons), it is required that the own investment amounts to a minimum of 1% and maximum of 3% of the gross salary for 2020.
3. Each Saving Share entitles the participant to receive free of charge a maximum of two (2) shares in the company, based on the achievement of certain performance conditions (“Performance Share”). The performance conditions are based on the development of earnings per share according to determined objectives by the Board of Directors during the financial years 2021-2024 (the “Measurement Period”). The performance condition that has to be achieved or exceeded relates to average annual growth of the company’s earnings per share during the Measurement Period, whereby Performance Shares is received linearly between the interval 0-20% and an average annual growth during the Measurement Period of 20% corresponds to maximum allotment, i.e. two (2) Performance Shares.
4. Upon achievement of the performance conditions, Performance Shares will be received within 60 days after the day of the publishing of the year-end report regarding the financial year 2024. Subject to customary exceptions, the participant does not receive Performance Shares if the participant does not acquire Saving Shares according to determined minimum level, does not hold all of his or her Saving Shares up to and including 31 December 2024, or does not remain in his or her employment or equivalent within the group as per this date.
5. A small number of selected consultants with assignments of essential importance for the company should be offered to, on comparable terms and conditions, participate in Share Saving Plan 2021-2024.
6. The Board of Directors shall be responsible for the detailed terms and conditions of Share Saving Plan 2021-2024 within the scope the above stated principal terms and conditions, as well as such reasonable adjustments of the program which are deemed appropriate or efficient due to legal or administrative conditions. In addition, the Board of Directors shall have the right to make minor amendments and deviations from the terms and conditions due to local rules in other jurisdictions than Sweden and occurring market practice.

*B. Authorisation for the Board of Directors to resolve on repurchase of own shares within Share Saving Plan 2021-2024*

To enable the company’s delivery of Performance Shares according to Share Saving Plan 2021-2024, the Board of Directors proposes that the Annual General Meeting resolves to authorise the Board to resolve on repurchase of own shares in accordance with the following conditions:

1. The repurchase of shares shall take place on Nasdaq Stockholm.
2. The authorisation may be exercised on one or several occasions until the Annual General Meeting 2021.



3. The repurchase shall as a maximum comprise the number of shares required for delivery of Matching and Performance Shares to the participants in Share Saving Plan 2021-2024, however no more than 150,000 shares.
4. Repurchase shall be made at a price within the share price interval registered from time to time, where share price interval means the difference between the highest buying price and the lowest selling price.
5. Payment of the repurchased shares shall be made in cash.
6. The Board of Directors shall have the right to resolve on other terms and conditions for the repurchase.

The repurchase is expected to take place in conjunction with the investment period, i.e. during 2021. To the extent that repurchase must be made after the Annual General Meeting 2021 in order to ensure delivery of shares according to the program's maximum amount, a new authorisation for repurchase of shares is required by the next Annual General Meeting.

#### *C. Transfer of own shares to participants in the Share Saving Plan 2021-2024*

To be able to deliver Performance Shares under Share Saving Plan 2021-2024, the Board of Directors proposes that the Annual General Meeting resolves on transfer of own shares in accordance with the following conditions:

1. A maximum number of 150,000 shares may be transferred free of charge to participants in Share Saving Plan 2021-2024.
2. With deviation from the shareholders' preferential rights, the right to acquire shares free of charge shall comprise persons within the group participating in Share Saving Plan 2021-2024, with a right for each of the participant to acquire the maximum number of shares stipulated in the terms and conditions of the Share Saving Plan 2021-2024.
3. Transfer of shares shall be made free of charge at the time for, and according to the terms for, the allotment of shares to participants in Share Saving Plan 2021-2024.
4. The number of shares that may be transferred under Share Saving Plan 2021-2024 may be recalculated due to any intervening split or reverse share split, bonus issue, preferential issue and/or similar corporate actions.

The reason for deviation from the shareholders' preferential rights is to enable the company to transfer Performance Shares to the participants in Share Saving Plan 2021-2024.

#### *Estimated costs*

The program will generate costs related to the application of IFRS 2 "Share-related remuneration" amounting to approximately MSEK 18 and costs for social security contributions of approximately MSEK 5 for the shares which are allotted free of charge. The total effect on the income statement is estimated to amount to approximately MSEK 23, distributed over the years 2021-2024.

Costs according to IFRS 2 do not affect the cash flow or equity during the duration of the Share Saving Plan. The acquisition cost of the shares is estimated to approximately MSEK 18 and will affect the cash flow and equity in connection with acquisition of the shares. The social security contributions effect the equity



continuously, but the cash flow only in 2025, after that the shares has been allotted. Administrative costs for the program is estimated to amount to MSEK 0.8 during the duration of the program.

The above cost-estimate is based on assumptions that just over half of the employees participate in the program, that all participants remains until the end of the program, an investment level per participant based on historical outcome and a maximum outcome on the performance conditions corresponding to two (2) Performance Shares per Saving Share. For the share price at the end of the program, a development corresponding to the outcome of the performance condition earnings per share has been assumed.

#### *Reason for the proposal*

The Board of Directors' reason for the abovementioned proposal on Share Saving Plan 2021-2024 is that a personal long-term owner commitment in the company by the employees is expected to stimulate an increased interest for the company's operation and earnings, and to increase the motivation and affinity with the company. The offering and participation in the Share Saving Plan shall be considered as a part of the total remuneration package. Therefore, the Board of Directors assesses that the Share Saving Plan is favorably for both the company and its shareholders. It is the Board of Directors' intention to annually return to the Annual General Meeting with proposals for share saving plans with equivalent conditions and effects. In case the conditions for the assumptions on number of employees that may be offered to participate in the share saving program or otherwise that is the basis for the calculations of the maximum size of the program change, the Board of Directors' intends to return with a supplementary proposal to the Annual General Meeting 2021 regarding repurchase and transfer of own shares within Share Saving Plan 2021-2024, in order to ensure that all employees as per 31 December 2020 who wish to participate in the program can do so.

#### *Effects on key ratios*

As per the date of the Board of Directors' proposal, the number of shares in the company amounts to 46,818,868. The Share Saving Plan 2021-2024 is expected to result in acquisition and transfer of a total of approximately 150,000 shares, which corresponds to approximately 0.32% of the total number of outstanding shares and votes. The key ratio earnings per share is not expected to be effected substantially.

#### *Majority resolution*

Decision on the Board of Directors' proposal under items A, B and C shall be made as a joint decision. The proposal, to be valid, must be supported by shareholders holding at least nine-tenths of both the number of votes cast, as well as of the number of shares represented at the meeting.

#### ***Resolution on the Board of Directors' proposal to amendment of the Articles of Association (item 16)***

For the purpose to adapt the Articles of Association in relation to implemented and expected amendments to the Swedish Companies Act and the change of name of the Swedish Financial Instruments Accounts Act, the Board of Directors proposes that the Annual General Meeting resolves to amend § 1, § 6 and § 11 of the Articles of Association with the following.



#### Current wording

- § 1 The name of the company is HMS Networks AB. The company is a public company (publ).
- § 6 The company's shares shall be registered in a central securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).
- § 11 Shareholders that wishes to participate in the negotiations at a general meeting shall be recorded in a print-out or other representation of the entire share register as at the date falling five weekdays (Sw. vardagar) prior to the meeting, and notify the company of their intention to participate not later than by 4 p.m. on the date specified in the notice convening the meeting. The last mentioned day must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the meeting.

At a general meeting, shareholders or their representatives may be accompanied by a maximum of two assistants, only if the shareholders notify the company of the number of assistants in the manner stated in the previous paragraph.

#### Proposed wording

- The *business* name of the company is HMS Networks AB. The company is a public company (publ).
- The company's shares shall be registered in a central securities depository register in accordance with the Swedish *Central Securities Depositories and Financial Instruments (Accounts) Act* (SFS 1998:1479).
- Shareholders that wishes to participate in the negotiations at a general meeting shall be recorded in a print-out or other representation of the entire share register *as per the record date of the general meeting in accordance with the Swedish Companies Act*, and notify the company of their intention to participate not later than on the date specified in the notice convening the meeting. The last mentioned day must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the meeting.

At a general meeting, shareholders or their representatives may be accompanied by a maximum of two assistants *and only if* the shareholders notify the company of the number of assistants participate *no later than on the date specified in the notice convening the meeting*.

The proposal, to be valid, must be supported by shareholders holding at least two-thirds of both the number of votes cast, as well as of the number of shares represented at the meeting.

#### ***Information at the Annual General Meeting***

The Board and the CEO shall at the Annual General Meeting, if any shareholder so requests and the Board believes that it can be done without significant harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial position and the company's relation to other companies within the group.

#### ***Available documents***

The Annual Report and Auditor's Report for the parent company and the group for the 2019 financial year, the Board of Directors reasoned statement regarding the proposal for dividend, the Nomination Committee's reasoned statement and the Board of Directors complete proposal regarding items 14-16 and the auditors' statement on whether the current guidelines for remuneration to senior executives have been complied with, will be available at the company and on the company's website, [www.hmsnetworks.com](http://www.hmsnetworks.com), as



of 2 April 2020, and will be sent to all shareholders who so request and state their postal address. A printed version of the Annual Report may be received by sending address details to [ir@hms.se](mailto:ir@hms.se).

***Number of shares and votes in the company***

At the time of this notice, the total number of shares and votes in the company amounts to 46,818,868. The company's holding of own shares amounts to 154,916, which do not entitle to any voting right as long as the company is the holder of the shares.

***Processing of personal data***

For information on processing of personal data, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Halmstad, March 2020  
**HMS Networks AB (publ)**  
*The Board of Directors*

**For more information please contact:**

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