

## **Bulletin from the Annual General Meeting of Formpipe Software AB held 26 April 2019**

### **Allocation of the company's results and discharge from liability**

The Annual General Meeting (AGM) resolved in accordance with the Board of Directors' proposal that SEK 0.60 per share shall be paid in dividend to the shareholders for the financial year 2018, and that the record date for the dividend shall be 30 April 2019. The dividend is expected to be distributed by Euroclear Sweden AB on 6 May 2019. The members of the Board of Directors and the CEO were discharged from liability for the financial year 2018.

### **Election of Directors, Chairman of the Board, auditor, fees, and principles for appointment of the Nomination Committee**

The AGM resolved:

That the Board shall consist of six members and no deputy members.

That the remuneration is set to SEK 380,000 for the Chairman of the Board and SEK 190,000 each for the other the members of the Board that are elected by the general meeting and are not employees in the company (i.e. a total remuneration to the Board of SEK 1 330,000).

That fees for the auditor are paid in accordance to invoice.

The re-election of Annikki Schaeferdiek, Åsa Landén Ericsson, Martin Henricson, Peter Lindström and Bo Nordlander as members of the Board, and the election of Erik Syrén as new member of the Board. Bo Nordlander was re-elected as the Chairman of the Board.

Erik Syrén was born 1978 and holds a Master of Science in Business and Economics from Lund University. Erik is CEO for the listed CRM-company Lime Technologies AB (publ), where he has been involved in the company for the past 19 years. Erik is also a board member in the fast-growing software company Wiraya Solutions AB and in Syringa Capital AB, and is CEO and deputy board member in Remotex Technologies AB, Hysminai AB and Netoptions Sweden AB.

The re-election of the auditing firm PricewaterhouseCoopers AB as the auditors of the company until the end of the AGM held in 2020. PricewaterhouseCoopers AB has announced that it intends to appoint the authorised auditor Aleksander Lyckow as the principal auditor.

### **Principles for appointment of the Nomination Committee**

The AGM resolved, as proposed by the Nomination Committee, that the Nomination Committee shall consist of four members. The Chairman of the Board shall contact the three largest (based on number of votes held) shareholders or shareholder groups (this refers to shareholders whose shares are registered directly or in the name of a nominee) in accordance with Euroclear Sweden AB's share register as of the last trading day in June of the current year (i.e. the year the annual general meeting on which current principles have been established has been held) and other reliable information the company has received as of this date. Documented shareholdings through pension or endowment insurance may be taken into account. These shareholders each appoint a

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representative which, together with the Chairman of the Board, shall be the Nomination Committee for the period until a new committee is appointed by mandate from the next AGM. The names of the three representatives and the names of the shareholders they represent shall be announced no later than six months before the AGM 2020.

If any of the three largest shareholders or shareholder groups does not wish to appoint such a representative, the fourth largest shareholder or group of owners should be asked to appoint a representative and so on until the Nomination Committee has four members. The majority of the members of the Nomination Committee shall be independent of the company and its management. At least one of the members of the Nomination Committee shall be independent in relation to the company's largest (based on number of votes held) shareholder or group of shareholders who collaborate on the company's management. The CEO or other executive management shall not be a member of the Nomination Committee. Board members can be part of the Nomination Committee but shall not constitute a majority of its members. If more than one Board member is included in the Nomination Committee, only one of them may be dependent of the company's major shareholders. The Nomination Committee shall appoint a chairman within the group. The Chairman of the Board or other Board member shall not be chairman of the Nomination Committee.

If a member leaves the Nomination Committee before its work is completed and if the Nomination Committee considers that there is a need to replace the member, the Nomination Committee shall appoint a new member in accordance with the principles above, but based on Euroclear Sweden AB's share register as soon as possible after the member left his position. Change in the composition of the Nomination Committee shall be announced immediately.

If there is a significant change in the company's ownership structure after the Nomination Committee having been appointed as above, but not later than three months prior to the next AGM, and a shareholder, that after this significant change has become one of the three largest shareholders or groups of owners based on number of votes held, expresses a wish to be included in the Nomination Committee, the Nomination Committee shall offer the shareholder to be included in the Nomination Committee, either by resolving that this shareholder shall replace the shareholder in the Nomination Committee who has, after the change of ownership, the smallest stake in the company based on the number of votes, or by resolving that the Nomination Committee should be increased by one member however, no more than seven members.

If necessary, the company shall be responsible for reasonable costs for the work of the Nomination Committee and the external consultants that the Nomination Committee deems necessary for the Nomination Committee to fulfil its mission.

### **The Board's proposal to authorise the Board to resolve on issues of shares and convertibles**

The AGM resolved in accordance with the Board's proposal to authorise the Board to, within the limits of the articles of association, until the next AGM, on one or more occasions, resolve to issue new shares and/or convertibles. The Board is proposed to be authorised to resolve on issues to the extent that the company's share capital may be increased by an amount equal to not more than 10 percent of the registered share capital at the time of the 2019 AGM. The purpose of the issues shall be to acquire or finance acquisitions of all or parts of companies or businesses, through the issue with or without deviation from the shareholders preferential rights, or through payment in kind or by set-off of claims or on other terms. The issues shall be made at market terms less the discount that may be required to achieve sufficient subscription interest.

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### **The Board's proposal to authorise the Board to acquire and dispose of treasury shares**

The AGM resolved in accordance with the Board's proposal to authorise the Board, for the period until the next AGM, on one or more occasions, to acquire and/or dispose of the company's shares on the following principal conditions.

Purchases may be made of as many shares that the company's holding does not exceed 10 percent of all shares of the company. Purchases shall be made on Nasdaq Stockholm at a price within the current registered price interval being the interval between the highest bid and lowest ask price. Payment shall be made in cash.

Transfer of shares may take place on Nasdaq Stockholm at a price within the current registered price range, and beyond Nasdaq Stockholm, with or without deviation from the shareholders preferential rights and with or without provisions in kind or by set-off rights and other conditions, to be used as full or part payment for acquisition of companies or businesses. Transfer may be made of all or part of the company's holding of treasury shares at the time of the Board's resolution.

The purpose of the authorisation is to enable the Board to adjust and improve the capital structure of the company in order to create increased shareholder value and to dispose of shares in connection with financing of any company and business acquisitions by paying all or part of the purchase price with the company's treasury shares. In the latter case, the company may for example, when acquiring a company, use the shares held in treasury as payment of the purchase price and thereby creating a greater community of interest between the seller and the company in its future operations, without diluting the existing shareholders' holdings.

### **The Board's proposal regarding guidelines for remuneration to the company's senior executives**

The AGM approved the Board's proposed guidelines for remuneration to the company's CEO and other senior executives as follows. The Board's proposal is broadly consistent with previously applied principles for compensation. The guidelines apply to contracts concluded or amended after the 2019 AGM. The Board has not appointed any separate remuneration committee, and questions relating to remuneration and other employment terms are instead managed by the full Board.

The company shall offer market-based conditions to enable the company to recruit and retain skilled personnel. The remuneration shall consist of fixed salary, variable compensation, long-term incentive plan, pension, severance conditions and other customary benefits. Payment is based on the individual's commitment and performance relative to predetermined targets, both individual and joint objectives for the company. Evaluation of individual performance is continuous. The fixed salary, as a rule, is evaluated once a year and must take into account the individual's qualitative performance. The fixed salary for the CEO and other senior executives should be competitive. The variable remuneration shall take into account the individual's level of responsibility and degree of influence. The size of the variable compensation is related to the degree of fulfilment of financial targets set by the Board. The variable remuneration represents a maximum of 40 percent in addition to fixed salary. All variable remuneration plans have maximum award and vesting limits. Variable compensation for the financial year 2018 has been reserved in the annual report and will be distributed in close connection with the 2019 AGM. The company has introduced share-incentive program for all staff (including the CEO and other senior executives) to promote the company's long-term interests. The Board shall continually assess whether additional stock option plans or any other form of share or share-based incentive

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program should be proposed to the AGM. The CEO and other senior executives shall have defined-contribution plans. Retirement age for the CEO and senior executives is at age 65. Retirement benefit is based solely on the budgeted salary. At the CEO's dismissal, at the termination by the company, six months' notice and six months' severance payment apply. Other income received by the CEO during the period of severance payment is deducted from severance payment. Upon termination from the CEO, six months' notice applies. The company and the other senior executives have a mutual notice period of 3 to 6 months. If the company becomes subject of a public offer, which means that at least 30 percent of its shares are held by the same shareholder, the CEO has, at its or the company's dismissal, the right to a special severance payment equal to 12 fixed monthly salaries at the time of notice of termination. No deductions shall be made from such severance payment, and the payment shall be payable in full upon termination of employment and replaces the severance payment that the CEO normally is entitled to under his contract.

The Board has the right to deviate from the guidelines above in individual cases if there are special reasons.

### **The Board's proposal regarding incentive program 2019/2022 through the issue of warrants**

The AGM resolved in accordance with the Board's proposal regarding incentive program 2019/2022 through issue of a maximum of 500,000 warrants with deviation from the shareholders preferential rights. The increase of the company's share capital at full subscription with the support of all warrants is SEK 50,000, corresponding to a dilution of about 0.9 percent of the total number of shares and votes in the company.

The warrants, which entitle the holder to subscribe for one new share per warrant in the company during the period from and including 9 May 2022 up to and including 20 May 2022, are issued at a price equal to market value of the warrants, calculated by using the Black & Scholes warrant valuation model as of 25 April 2019, based on a subscription price at the time of exercise of 120 per cent of the average volume weighted price paid for the company's share on Nasdaq Stockholm during the period from 17 April 2019 up to and including 25 April 2019. The warrants shall be subscribed for during the period from 29 April 2019 up to and including 13 May 2019 on a separate subscription list. The Board shall have the right to extend the subscription period.

Employees of the company shall be guaranteed allotment of not less than 2,000 warrants per subscriber. After allotment of the guaranteed warrants to the respective subscriber, the remaining warrants are allocated to all subscribers who have subscribed for additional warrants pro rata in proportion to the number of warrants subscribed for. When calculating the pro rata allocation a weighting shall be used, with a maximum of 20,000 warrants per employee. It should be noted that the maximum limits only are used in the pro rata calculation and do not constitute an upper limit on the final allotment. Payment for the warrants shall be made in cash not later than 10 June 2019. The Board shall have the right to extend the payment period. Shares subscribed for by the exercise of the warrants will entitle to dividends for the first time on the record date occurring after the execution of the subscription.

The reason for deviating from the shareholders preferential rights is that the company wishes to promote the company's long-term interest by offering a well-balanced incentive program to the company's employees, giving them an opportunity to take part in a positive development of the company's value.

### **The Board's proposal to authorise the Board to re-purchase warrants**

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The AGM resolved in accordance with the Board's proposal to authorise the Board, during the period until the next AGM, on one or more occasions, to resolve to repurchase, at the current market price (which shall be based on the volume weighted average price of the company share for a period close to the period for repurchase), up to 50 percent of the total of 500,000 warrants issued as resolved by the AGM 2016 (maximum number of warrants that can be repurchased is thus 250,000). The warrants that are subject to the resolution, entitles its holder to subscribe for new shares in the company for SEK 9.97 per share during the period from and including 6 May 2019 up to and including 17 May 2019.

Further, the AGM resolved in accordance with the Board's proposal to authorise the Board, during the period until the next AGM, on one or more occasions, to resolve to repurchase, at the current market price (which shall be based on the volume weighted average price of the company share for a period close to the period for repurchase), up to 50 percent of the total of 500,000 warrants issued as resolved by the AGM 2017 (maximum number of warrants that can be repurchased is thus 250,000). The warrants that are subject to the resolution, entitles its holder to subscribe for new shares in the company for SEK 15.80 per share during the period from and including 11 May 2020 up to and including 22 May 2020.

A repurchase of the warrants as above shall be conditional upon each individual warrant holder who wish to have warrants repurchased using an equivalent amount of the invested warrants to subscribe for new shares.

The purpose of the repurchase is to limit the dilution of the company's shares while the warrant holders are offered an opportunity to receive the value of the warrant. Repurchased warrants are to be held in the company's custody and expire without being transferred.

**For additional information, contact:**

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*This is a translation of the original Swedish version. In the event of any discrepancies between the two versions, the original Swedish version shall take precedence.*

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Formpipe develops ECM products and solutions for structuring information and supplies them to major companies, authorities and organisations. ECM products help organisations to capture, manage and distribute information, and to place it in context. The company's software helps improve efficiency, cut costs and reduce risk exposure. Formpipe was founded in 2004 and has offices in Sweden, Denmark, United Kingdom, The Netherlands, Germany and USA. The Formpipe share is listed on Nasdaq Stockholm.