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Press release

## **Bulletin from FormPipe Software AB (publ) 2011 Annual General Meeting (AGM) held 27 March 2012**

### **Allocation of retained earnings (item 10)**

The Annual General Meeting (AGM) approved a dividend of 0.6 per share and set 30 March 2012 as the record date. The dividend will be distributed by Euroclear Sweden AB on April 4, 2012.

### **The AGM approved the Nomination Committee proposal regarding election of directors, chairman, auditor, fees, and principles of appointment of the Nominating Committee (items 13-16)**

Item 13 – The Board shall consist of five members.

Item 14 – The remuneration is set to SEK 180 000 for the Chairman and SEK 100 000 each for the rest of the General Meeting elected members of the Board who are not employees of the Company (i.e. a total financial contribution to the Board on SEK 580 000). Fees for the auditor to be paid in accordance to invoice.

Item 15 – The AGM decides on the re-election of Hans Möller, Bo Nordlander, Jon Pettersson and Staffan Torstensson and election of Jack Spira. Lennart Pihl has declined re-election. The AGM re-elects Hans Möller as The Chairman of the board.

The Meeting chooses PriceWaterhouseCoopers as the auditors of the Company with Niklas Renstrom as principal auditor, until the end of the AGM held in 2013.

Item 16 – Principles for the nominating committee

AGM decided, according to proposal that the nominating Committee shall consist of four members. The Chairman shall contact the three largest shareholders or shareholder groups (this refers both to shareholders registered as nominee shareholders) in accordance with Euroclear Sweden AB's share register book as at 30 June 2012. These shareholders shall each appoint a representative and the Chairman shall be the nominating committee for the

period until a new committee is appointed by 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 2013.

In the event that any of the three largest shareholders or shareholder groups do not wish to appoint such a representative, shall according to the AGM decision, the fourth largest shareholder, or group be asked and so on until the committee has four members. The majority of the committee members shall be independent of the company and its management. At least one of the committee members shall be independent in relation to the company's largest 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 committee. Board members can be part of the 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 Nominating Committee shall appoint a chairman within the group. The Chairman of the Board or other Board member shall not be Chairman of the committee.

If a member leaves the Committee before its work is completed and if the committee considers that there is a need to replace the member, the Nominating 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 committee shall be announced immediately.

If necessary, the Company shall be responsible for reasonable costs for the work of the committee and for external consultants that the Committee deems necessary for the committee to fulfill its mission.

### **The AGM approved authorization for the Board to acquire and transfer own shares (item 18)**

The AGM approved the Board, for the period until the next AGM, on one or more occasions, to acquire and / or transfer of FormPipe Software's shares on the following principal conditions.

Acquisitions may be made of so many shares that the Company's holding does not exceed 10 percent of all shares in the company. Acquisitions shall be made on the NASDAQ OMX Stockholm at a price within current registered price interval meaning the price interval between the highest bid and lowest ask price. Payment shall be made in cash.

Transfer of shares may take place on NASDAQ OMX Stockholm at a price within the current registered price interval, and outside NASDAQ OMX Stockholm, with or without deviation from the shareholders precedence and with or without regulations of non-cash or offset rights and other conditions, to be used as full or part of payment for an acquisition of companies or businesses. Transfer may be made of all or a part of the company's shares at the time of the Board decision.

This authorization is to enable the Board to adapt and improve the capital structure of the company in order to create increased shareholder value and to transfer shares in connection with financing acquisitions of companies and businesses through payment in full or in part with the company's own shares. In the latter situation, for example, shall the company be able to use own shares, as part of payment of the purchase price, for acquiring a company

and thereby create a common interest between the seller and the Company in its future operations, without result in a dilution for existing shareholders.

#### **The AGM approved the proposed incentive program 2012/2015 (item 19)**

The AGM approved the proposed incentive program 2012/2015 through the issuance of a maximum of 250 000 warrants with preferential rights. The increase in the Company's share capital at full subscription with the support of all warrants to be SEK 25 000 corresponding to a dilution of about 2 percent.

The warrants, which entitle the holder to subscribe for one new share in the Company during the period from February 16, 2015 to and including 27 February 2015, issued at a price equivalent to an estimated market value of the warrants using the Black-Scholes model at 11 May 2012 based on an exercise price upon exercise of the warrants at 120 percent of the volume weighted average price during the period 7 May 2012 to 11 May 2012, but not under quota share's current value. The warrants must be written on a separate subscription list during the period 15 May 2012 to and including 22 May 2012. The warrants are addressed to all the employees who are all guaranteed an allocation of at least 3 000 warrants per subscriber. After allocation of the guaranteed 3000 warrants to the respective subscriber, the remaining warrants are allocated to all subscribers who subscribed for additional warrants pro rata in proportion to the number of subscribed warrants. In calculating the pro rata allocation shall be prepared using a weighting which gives a constraint of a maximum weight of 20 000 warrants per employee, with the exception of persons included in the Company's management team where the maximum number of weights equal to 40 000 warrants per person. (It should be noted that the following constraints are used only at the pro rata calculation and does not constitute an upper limit on the final allotment.) Payment of the warrants shall be made in cash not later than 31 May 2012. Shareholders who subscribed for the exercise of warrant 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 precedence is that the Company wishes to support a long-term interest in the Company by offer its employees a well-considered incentive program, which allows them to take part of a positive value development of the Company. The proposal is not expected to lead to increased tax or salary related costs.

The Board or someone the Board appoints is authorized to make minor changes in the decision above that may be required by the registration thereof with the Bolagsverket and Euroclear Sweden AB.

#### **The AGM approved authorization to the Board to repurchase warrants (item 20)**

The AGM authorize the Board, during the period until the next AGM, on one or more occasions to make decisions, at current market price (which shall be based on the volume weighted average price of the Company share for a period of close the period for repurchase), to repurchase up to 50 percent of the total of 350 000 warrants issued as decided by the AGM 2011 (thus, maximum number of warrants that can be repurchased is 175 000). The warrants who are subject to the decision entitle its holder to subscribe for one new share in the company of 17.51 SEK during the period from February 4, 2013 to February 12, 2013.

A repurchase of the warrants as above shall be conditional upon each individual warrant holder who wish to receive their warrants repurchased using an equivalent amount of the invested warrants to subscribe new shares. Thus, an oversubscription cannot be achieved. Example: If the warrant holder wishes to have 50 percent of invested warrants repurchased, he/she must use the remaining 50 percent to subscribe for new shares. If the warrant holder wishes to get 25 percent of their warrants repurchased, he/she must use at least 25 percent of the total number held warrants to subscribe for new shares.

The AGM authorize the Board to decide on the modalities for implementation and the administrative actions that may be required to implement this decision.

The purpose of the repurchase is to limit the dilution of the company's shares while the warrant holders are offered an opportunity to gain the current value of the warrant. Repurchase of warrants shall be maintained in the company custody and shall expire without further transferred.

### **The AGM approved the proposal regarding guidelines for compensation to senior executives (item 21)**

The AGM approved the Board's proposed guidelines for compensations to the CEO and other senior executives as follows. The Board's proposal is consistent with previously applied principles for compensations. The guidelines apply to contracts concluded after the 2012 AGM, or where modifications to compensations are required accordingly. The Board has not appointed a compensation committee, however, instead manages the Board, in-full, compensations and other employment terms.

The company shall offer compensations at market conditions to enable the company to recruit and retain skilled personnel. The compensation consists of fixed salary, variable compensation, long-term incentive plan, pension, severance conditions and other customary benefits. Compensation level is based on the individual's commitment and performance relative to predetermined targets, both individual and common objectives for the company. Evaluation of individual performance is done on a continuous basis. The fixed salary, as a custom, is reviewed once a year and takes into account the individual's qualitative performance. The fixed salary, for the CEO and other senior executives, shall be market competitive.

The variable compensation 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 fulfillment of financial targets set by the Board. The variable compensation shall represent to a maximum of 40 percent of fixed salary. All variable compensation plans must have maximum limits.

For 2011, the targets were not met and thus no variable compensation for the 2011 financial year was compensated. The company has introduced share-incentive program for all staff (including the CEO and other senior executives) to encourage long-term company interests. The Board will continuously evaluate whether additional stock option plans or any other form of share-or share-based incentive programs should be proposed to the AGM. The CEO and other senior executives shall have premium based pension plans. Retirement age for the CEO and other senior executives are at an age of 65. Retirement benefit is based solely on the budgeted salary.

In the situation of the CEO's termination by the Company, 6 months notice period and 6 months severance pay is held. Other income received by the CEO during the period of severance pay paid is deducted from severance pay. Upon termination from the CEO, six

months notice period is held. The company and the other senior executives have a mutual notice period of 3 to 6 months. In the event the Company becomes the subject of a public offer which means that at least 30 percent of its shares are in the same shareholders own, the CEO has, at the company or the Executive Director's dismissal, the right to a special severance payment equal to 12 fixed monthly salaries at the time of notice of termination. Such severance are settlement free, payable in full upon termination of employment and replaces the normal severance the CEO normally entitled to under his contract.

The AGM authorize the Board to deviate from the above proposed guidelines for individual cases where there are special reasons for this.

*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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The information in this press release is of the kind that FormPipe Software AB (publ) is required to disclose in accordance with the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. This information was submitted for publication on Tuesday, 27 March 2012.

**ABOUT FORMPIPE SOFTWARE**

FormPipe Software develops ECM products 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 Software was founded in 2004 and has offices in Stockholm, Uppsala and Linköping in Sweden, and in Copenhagen, Denmark. The FormPipe Software share is listed on NASDAQ OMX Nordic, Small Cap.

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