

# Notice of Annual General Meeting

## AXIS AKTIEBOLAG (publ)

Axis AB (publ) is holding its Annual General Meeting at 3.00 p.m. on Wednesday, April 18, 2018, at the company's premises, Emdalavägen 14 in Lund, Sweden.

### Participation

The right to participate at the Annual General Meeting falls upon persons who

- are registered as shareholders in the share register maintained by Euroclear Sweden AB as of Thursday, April 12, 2018, and
- have given notice of attendance to the company **not later than Thursday, April 12, 2018.**

### Recording in the share register

Shareholders whose shares are registered in the name of a nominee must, in order to be entitled to participate in the Meeting, ensure that the nominee registers the shares in the shareholder's own name, so that the shareholder is registered in the share register on Thursday, April 12, 2018. Such registration may be temporary.

### Notice of attendance

The notice of attendance should include name, personal identity number or corporate registration number, address and telephone number as well as the number of shares represented. The notice should also state the number of advisors (however, not more than two) that the shareholder wishes to bring to the Meeting. If a shareholder is represented by proxy, the power of attorney and – if the shareholder is a legal entity – a certified copy of the certificate of registration, or other document demonstrating the signatory's authority to sign for the legal entity, must be sent to the company in good time prior to the Meeting. The power of attorney must be presented in its original. Proxy forms are available at the company's website, [www.axis.com](http://www.axis.com).

Notice of attendance shall be made in writing to Axis AB (publ), Attn: Adrienne Jacobsen, Emdalavägen 14, SE-223 69 Lund, Sweden or by telephone +46 46 272 18 00.

### Proposed agenda

1. Opening of the Meeting.
2. Election of the 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 the annual report and the auditor's report, and the consolidated annual report and the auditor's report for the group.
8. Presentation of the report of the special examiner.
9. Resolution:

- a) concerning the adoption of the profit and loss account and the balance sheet, and the consolidated profit and loss account and the consolidated balance sheet;
  - b) concerning the disposition of the company's profit as set forth in the adopted balance sheet;
  - c) concerning discharge from liability for the members of the Board of Directors and for the President.
10. Determination of the number of members of the Board of Directors and auditors.
  11. Determination of the fees payable to the Board of Directors and the auditor.
  12. Election of Board members, Chairman of the Board and auditor.
  13. Resolution concerning the Board of Directors' proposal regarding principles for determining salaries and other remuneration to the President and other members of company management.
  14. Closing of the Meeting.

#### **Number of shares and votes**

The number of shares and votes in the company is 69,461,250. The company does not hold any own shares.

#### **Presentation of the report of the special examiner (Item 8)**

At the Annual General Meeting held on 20 April 2017, the shareholders Elliott International L.P. and The Liverpool Limited Partnership proposed that a special examiner should be appointed pursuant to Chapter 10 Section 21 of the Swedish Companies Act. The special examination has now been concluded and the report will be presented at the Meeting. The special examiner, Attorney at Law Harry Bergman, will present the report and will also answer questions from shareholders in relation to the examination.

#### **Proposal regarding dividend (Item 9b)**

Axis' majority shareholder Canon Inc., holding approximately 86.6 percent of the shares and votes in the company as at the date of this notice, has informed the company's Board of Directors that Canon Inc. will vote against that there shall be any declaration of a dividend to the shareholders at the Annual General Meeting 2018. Based on this information, the Board of Directors and the President have decided not to propose any declaration of dividend at the Annual General Meeting 2018 and that the profits at the disposal of the Annual General Meeting shall be carried forward.

#### **Proposals regarding Items 2 and 10-12**

The Board of Directors has been informed that Canon Inc. proposes the following:

- that associate professor Svante Johansson shall be elected Chairman of the Meeting;
- that five Board members shall be elected without any deputy members;
- that Biörn Riese, Håkan Kirstein, Martin Gren and Toshizo Tanaka shall be re-elected members of the Board of Directors (Bert Nordberg has declined re-election);
- that Marianne Brismar shall be elected as new member of the Board of Directors;

- that Biörn Riese shall be re-elected Chairman of the Board;
- that remuneration totalling SEK 2,000,000 shall be paid to the Board of Directors; to be distributed with SEK 800,000 to the Chairman of the Board and SEK 400,000 to each of the other Board members, except for Toshizo Tanaka who shall not receive any remuneration.

Marianne Brismar is born in 1961. She holds a Bachelor's degree in business administration and economics and a Bachelor of Science in Pharmacy, BSc Pharm. Her present assignments include being a board member of Semcon AB, Concentric AB, Creades AB, Axel Johnson International AB, JOAB AB and Almi Företagspartner Väst AB. She is also chairman of the board of Fam. Knut & Ragnvi Jacobssons Stiftelse. Marianne Brismar has previously been board member of Lindab AB, Beijer Alma AB, Ernströmgruppen AB and Atlet AB (today UniCarriers), among others.

The Board of Directors proposes that the company shall have one auditor without any deputies, that Ernst & Young AB shall be re-elected as auditor for the period until the end of the next Annual General Meeting (authorized public accountant Johan Thuresson is intended to serve as auditor-in-charge) and that the remuneration to the auditor shall be paid against approved invoices. There is no Nomination Committee in Axis and the Board of Directors performs the tasks that fall upon an Audit Committee. The Board of Directors has been informed that Canon Inc. supports the Board of Director's proposal.

**Proposal regarding principles for determining salaries and other remuneration to the President and other members of the company management (Item 13)**

The Board of Directors proposes the following principles for determination of salaries and other remuneration to the President and other members of the company management. The principles shall apply to employment contracts entered into after the general meeting's resolution on the principles, and in cases where changes are made in existing terms and conditions after the general meeting's resolution. With the exception of what is stated below regarding long-term variable remuneration, the principles essentially correspond to the principles that have been applied up to date. For information regarding terms of remuneration for 2017, please refer to Note 20, Personnel, in the Annual Report for the financial year 2017.

Remuneration to the President and the other members of the company management (i.e. the persons who together with the President comprise the group management) ("senior executives") may consist of basic salary, short- and long-term variable remunerations and pension. Other benefits and other remuneration shall be received on the same basis as for other employees.

The objective for Axis AB's remuneration policy for senior executives shall be to offer compensation that increases the company's possibility to retain and recruit qualified expertise. The basic salary should be determined on the basis that it should be competitive. The absolute level should depend on the specific position and the individual's performance.

Short-term variable remuneration (bonus) to the President and the other senior executives shall be based on the financial goals of the group and shall be calculated as a function of the sales growth and the profit margin for the year in question. Short-term variable remuneration may, as regards the President, amount to a maximum of 240 percent of the annual salary and, as regards the other senior executives, amount to a maximum of 80 percent of the annual salary.

The Board of Directors has, subject to a resolution by the general meeting on principles according to this proposal, resolved to implement a long-term bonus program for senior executives in the company ("LTI 2018/2021"), mainly based on the following principles. Senior executives who are offered to participate in the program may, provided that (i) certain performance criteria being met during the period 1 January 2018 – 31 December 2021 (the "four-year period"), (ii) he/she is employed by a group company throughout (or, under certain circumstances, during the majority of) the four-year period and (iii) he/she is still employed by such company, and has not received nor given notice of termination, at the date of payment in March 2022, receive a long-term remuneration (bonus) amounting to a maximum of 388 percent of the annual salary. The performance criteria are based on revenue growth in local currencies and earnings before interests and taxes ("EBIT") at group level – revenue growth 12-18 percent and EBIT 6-12 percent. Maximum bonus is paid where revenue growth is equal to or exceeds 18 percent at the same time as EBIT is equal to or exceeds 12 percent all four years. Deviation from the requirement of employment throughout (or, in some cases, the majority of) the four-year period, and payment in advance, may occur in certain "good leaver" situations. Long-term remuneration (bonus) may be paid to senior executives under a bonus program based on the above main principles and within the said frames. Senior executives who are resident in countries where participation in such bonus program is not suitable, may be offered an alternative incentive solution instead, which, as far as practically possible, shall be designed using comparable conditions.

The retirement age for the President shall be 65. The pension insurance premium shall amount to 35 percent of the pensionable salary up to a maximum of 28.5 basic amounts. For a salary in excess of 28.5 basic amounts, a premium of 25 percent shall be paid. The ITP agreement shall be applied for the other senior executives, with a retirement age of 65.

In the event of termination of employment, a six-month mutual notice period shall apply for the President. In the event of termination of employment of the President by the company, termination benefits corresponding to up to twelve month's cash salary may be paid after the end of the notice period. In the event of termination by the President, no termination benefits shall be payable. A mutual period of notice of three to six months shall apply between the company and the other senior executives. In the event of termination by the company, termination benefits corresponding to up to twelve month's cash salary can be paid. In the event of termination by any of the senior executives, no termination benefits shall be payable.

Persons who are resident outside Sweden may be offered notice periods and termination benefits that are competitive in the country where the persons are or have been resident or to which they have a substantial connection, preferably solutions equivalent to what applies for senior executives resident in Sweden.

Deviations from the principles described above may be approved by the Board of Directors, if there are specific reasons in individual cases.

**Documents available prior to the Annual General Meeting etc.**

The annual report, the special examiner's report and other supporting resolution documentation will be available at the company's head office at Emdalavägen 14 in Lund, Sweden, as well as on the company's website, [www.axis.com](http://www.axis.com), not later than three weeks prior to the Meeting, and will be sent to shareholders upon request.

The shareholders are reminded of their right to request information pursuant to Chapter 7 Section 32 of the Swedish Companies Act.

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Lund, March 2018  
The Board of Directors of Axis AB (publ)