



Shareholders of OEM International AB (publ) are hereby invited to attend the

## **ANNUAL GENERAL MEETING**

Wednesday 19 April 2017, at 4.00 pm  
at Badhotellet's Conference Centre, Ågatan 16, Tranås, Sweden

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### **Registration**

Shareholders wishing to attend the Annual General Meeting must:

- be entered in the share register held by Euroclear Sweden AB, on Tuesday 11 April 2017.
- notify the company no later than Tuesday 11 April 2017, before 1.00 pm at: OEM International AB, Attn.: Anna Enström, Box 1009, SE-573 28 TRANÅS, Sweden, on +46 (0)75-242 40 05 or +46 (0)75-242 40 10 or email [ir@oem.se](mailto:ir@oem.se).

When notifying OEM of their attendance, shareholders should state their name, personal identity number (company registration number), address, phone number, their shareholding and the names of any proxies.

Shareholders who have registered their shares in the name of an authorised agent must temporarily register the shares in their own name with Euroclear Sweden AB, to be entitled to participate at the Annual General Meeting. The shareholders must notify their agent of this well before the Meeting so that they are entered in the share register by Tuesday 11 April 2017.

Shareholders who wish to be represented by proxy should submit a signed and dated power of attorney. The original of the power of attorney must be sent in good time before the Annual General Meeting to the company at the above address. Shareholders who wish to be represented by proxy may obtain a power of attorney form from the company or from the company's website, [www.oem.se](http://www.oem.se). Representatives of legal entities must enclose a copy of the relevant certificate of registration or equivalent authorisation document.

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## Proposed Agenda

1. Election of a Chairman for the meeting.
2. Preparation and approval of the voting register.
3. Election of one or two persons to verify the minutes with the Chairman.
4. Determination of whether the meeting has been properly convened.
5. Approval of the agenda.
6. Presentation of the submitted Annual Report and Auditors' Report, as well as the consolidated financial statements
  - Report of the Managing Director on the activities of the Group in 2016.
  - Questions regarding business activities in 2016.
7. Report on the work of the Board of Directors.
8. Resolution regarding the adoption of the income statement and balance sheet, and the Group's statement of comprehensive income and statement of financial position.
9. Resolution regarding the appropriation of the company's profit according to the adopted balance sheet.
10. Resolution to grant discharge to the members of the Board and the Managing Director for their activities during the financial year.
11. Resolution regarding the number of Board members.
12. Determination of remuneration to the Board of Directors and the auditors.
13. Election of the Board of Directors.
14. Election of the Chairman of the Board.
15. Election of auditors.
16. Resolution regarding guidelines for remuneration and other employment terms for senior executives.
17. Resolution regarding the Nomination Committee.
18. Resolution to authorise the Board of Directors to resolve on a new share issue.
19. Resolution to authorise the Board of Directors to acquire and transfer the company's shares.
20. Any other business.
21. Closure of the Meeting.
22. Interim Report January – March 2017.

The Nomination Committee, which was appointed according to the policies adopted at the 2016 Annual General Meeting, comprises Lars-Åke Rydh (Chairman of the Nomination Committee), Richard Pantzar, representative for Orvaus AB, Hans Franzén, Agne Svenberg and Bengt Stillström representing AB Traction, who together represent 80% of the voting rights and approximately 41% of the capital in the company.

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## **Item 1 – Election of a Chairman for the meeting**

The Nomination Committee proposes that the Chairman of the Board, Lars-Åke Rydh, is elected as Chairman of the Annual General Meeting.

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## **Item 9 – Resolution regarding appropriation of the company's profit and the record date for dividends**

The Board of Directors recommends to the Annual General Meeting a dividend of SEK 5.50 per share for the financial year 2016 and Friday 21 April 2017 as the record date. If approved by the Annual General Meeting, the dividend is payable on Wednesday 26 April 2017 to shareholders on the share register on the record date.

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## **Item 11 – Number of Board members**

The Nomination Committee proposes that the Board of Directors shall be increased by one member and comprise seven members.

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## **Item 12 – Determination of remuneration to the Board of Directors and the auditors**

The Nomination Committee proposes that a total remuneration of SEK 1,800,000 be paid to the Board of Directors, of which SEK 450,000 is to be paid to the Chairman of the Board, and SEK 225,000 to each of the other Board members appointed by the Annual General Meeting who are not employees of OEM.

The Nomination Committee further proposes that the Annual General Meeting determines that Board members shall be able to invoice the remuneration through their companies if current tax legislation allows for invoicing and provided the company will not incur any expense. If a Board member invoices the Board remuneration through his/her company, the remuneration shall be augmented by an amount equivalent to the statutory social contributions and value added tax.

The Nomination Committee proposes that the Chairperson of the Audit Committee shall be paid SEK 50,000. No other remuneration is paid for work on committees. It is proposed that the audit fee be paid in accordance with an approved invoice.

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## **Items 13 and 14 – Election of the Chairman of the Board and other Board members**

The Nomination Committee proposes the re-election of Ulf Barkman, Hans Franzén, Petter Stillström and Åsa Söderström Jerring who are presiding members of the Board. Ingrid Nordlund, Jörgen Rosengren and Anna Stålenbring are proposed as new members of the Board. Petter Stillström is proposed for election as the Chairman of the Board.

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## **Item 15 – Election of auditor**

The Nomination Committee proposes the re-election of KPMG AB, with Olle Nilsson as the principal auditor, effective until the 2018 Annual General Meeting.

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## **Item 16 - Guidelines for remuneration and other employment terms for senior executives**

The Board proposes that the Annual General Meeting determines on guidelines for remuneration for senior executives within the OEM Group, principally in accordance with the following.

The Board of Directors shall appoint a Remuneration Committee with the task of preparing proposals concerning employment terms, pension benefits and a bonus system for senior executives.

"Senior executives" include the Managing Director, Group management and managers who report directly to the Managing Director.

Competitive salaries and other remuneration terms shall apply for senior executives. In addition to base salary, the executive team may also receive variable remuneration, which is capped at 58% of base salary. The remuneration level is the same as the previous year. Senior executives in the OEM Group shall have market-competitive, premium-based pension schemes, capped at 30% of fixed remuneration. This remains unchanged from last year. All share-related incentive schemes are to be decided by the Annual General Meeting. The maximum term of notice is 24 months and shall also include the obligation to work during the term of notice. Employment agreements shall not contain provisions for severance pay. However, there is an exception in an agreement signed in 2001, where severance pay, amounting to six (6) months' salaries, may be made upon termination by the company when the employee reaches the age of 55. The severance pay does not involve the obligation to work. This exception means a maximum of 18 monthly salaries upon termination by the company.

The Board of Directors may waive these guidelines in individual instances should there be special reasons for doing so. Any such waiver, including the reasons, must be reported at the next Annual General Meeting.

Decisions concerning the above require the approval of shareholders representing more than half of the votes cast.

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## **Item 17 - Resolution regarding the Nomination Committee**

The Nomination Committee proposes guidelines for the Nomination Committee, the main effect of which is that the Chairman of the Board shall assemble a Nomination Committee. The Nomination Committee shall consist of one representative from each one of no less than three and no more than four of the company's largest shareholders and the Chairman of the Board, unless he/she is a member as a shareholder representative. If a shareholder does not exercise his/her right to appoint a member, the next largest shareholder in terms of voting rights is entitled to appoint a member in the Nomination Committee. The names of the members and the names

of the shareholders they represent shall be published at least six months before the 2018 Annual General Meeting and shall be based on the known number of votes immediately before publication. The term of office of the Nomination Committee shall run until a new Nomination Committee is appointed. The Chairman of the Board of Directors will chair the Nomination Committee.

Should there be any significant changes in the company's ownership structure after the appointment of the Nomination Committee, the composition of the Nomination Committee shall also be changed in line with the principles above. Shareholders who appointed a representative to be a member of the Nomination Committee shall be entitled to dismiss such a member and appoint a new one and also appoint a new representative if the member appointed by the shareholder chooses to withdraw from the Nomination Committee. Changes to the composition of the Nomination Committee are to be announced as soon as they have been made.

The Nomination Committee shall prepare proposals for the following issues and present them to the 2018 Annual General Meeting for resolution:

- proposal for a Chairman for the Meeting
- proposal for remuneration to the Board of Directors and the auditors
- proposal for remuneration for any committee work
- proposal for members of the Board of Directors
- proposal for Chairman of the Board of Directors
- proposal for auditors
- proposal for a resolution regarding the Nomination Committee

The Nomination Committee shall discharge its duties as required by the Swedish Code of Corporate Governance and may, if necessary, take independent professional advice at the company's expense in the furtherance of its work.

Decisions concerning the above require the approval of shareholders representing more than half of the votes cast.

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### **Item 18 - Resolution to authorise the Board of Directors to resolve on a new share issue**

The Board of Directors requests the Annual General Meeting to grant the Board authorisation to issue up to 1,800,000 new Class B shares in connection with any business combinations.

The Board shall be able to decide on new issues with decisions on subscription in kind and thereby be able to deviate from the shareholders' preferential rights. The authorisation shall remain in effect until the next Annual General Meeting.

The Annual General Meeting's approval of this proposal is effective only if supported by shareholders with at least 2/3 of the votes cast as well as of the shares represented at the Meeting.

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### **Item 19 - Resolution to grant the Board of Directors authorisation to resolve on the acquisition and transfer of the company's shares**

The Board of Directors requests the Annual General Meeting to grant the Board authorisation to acquire up to 10% of the company's shares through purchases on NASDAQ OMX Nordic Stockholm, and, if the Board finds it appropriate, to sell all or some of the purchased shares on NASDAQ OMX Nordic Stockholm, or

alternatively, to use the purchased shares as liquid assets in the event of a business acquisition.

Acquisitions and transfers of shares shall be made at a price within the registered price range on the stock exchange at the time of purchase.

The authorisation shall remain in effect until the next Annual General Meeting.

The Annual General Meeting's approval of this proposal is effective only if supported by shareholders with at least 2/3 of the votes cast as well as of the shares represented at the Meeting.

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## **Other information**

As at 14 March 2017, the total number of shares in the company amounted to 23,169,309, whereof 4,767,096 are Class A shares and 18,402,213 are Class B shares. The total number of voting rights in the company is 66,073,173. The company has a holding of 61,847 Class B shares which cannot be represented at the Annual General Meeting.

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## **Documentation**

The Board's complete proposals for resolution, Annual Report documents and other documentation that is required under the rules of the Swedish Companies Act (including forms for power of attorney) will be available from the company and on the company website, [www.oem.se](http://www.oem.se), from 20 March 2017 and will be sent to shareholders upon request.

## **Disclosures**

The shareholders are informed of their right, under Chapter 7 Section 32 of the Swedish Companies Act, to request information at the Annual General Meeting of circumstances that can influence judgement on a matter on the agenda and circumstances that can influence judgement of the company's financial position.

**Tranås, March 2017**  
**OEM International AB (publ)**  
**BOARD OF DIRECTORS**