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## PRESS RELEASE

LINKÖPING, MARCH 25, 2010

# IFS Annual General Meeting of Stockholders, March 25, 2010

**The Annual General Meeting (AGM) of stockholders in Industrial and Financial Systems, IFS AB (publ), approved the proposed dividend to stockholders of SKr 2.00 per share. The record day for the dividend shall be Monday, March 30, 2010. The dividend is expected to be distributed on Tuesday, April 6, 2010. The AGM resolved to discharge the members of the board and the chief executive officer from liability for fiscal year 2009.**

At the AGM the CEO, Alastair Sorbie, restated the outlook for IFS in 2010 as being on track for moderate growth, excluding the effects of any acquisitions. Furthermore, IFS' long term strategy is working, which is to target specialized sectors such as defense, utilities, and offshore. Alastair Sorbie also commented that the business year on year has followed the typical intra-year seasonal pattern, with a smaller portion of full-year license sales being generated in the 1st and 3rd quarters, a larger share in the 2nd and the largest share in the 4th quarter. Alastair Sorbie also pointed out that, for 2010, currency development is becoming more troublesome compared with the previous year, as the strengthening of the Swedish krona in relation to the Euro and the Pound Sterling has a negative impact on revenue and earnings measured in Skr.

### **BOARD OF DIRECTORS, AUDITORS AND FEES**

Anders Böös (chairman), Ulrika Hagdahl, Bengt Nilsson (deputy chairman), Birgitta Klasén and Neil Masom and Alastair Sorbie (president and CEO) were elected to the board. Jacob Palmstierna, a board director since 2004, had declined re-election. It was resolved that directors' fees (including remuneration for work on the audit committee) totaling SKr 2.25 million shall be paid, of which SKr 1 million shall be paid to the chairman of the board and SKr 275,000 to each of the other directors apart from the chief executive officer (CEO). It was resolved that a fee of SKr 100,000 be paid to the chairman and a fee of SKr 50,000 be paid to other directors for work on the audit committee. Auditors' fees will be paid according to approved invoices.

The AGM resolved that Öhrlings PricewaterhouseCoopers, via its subsidiary PricewaterhouseCoopers AB, be appointed as the company's auditors until the period up to the AGM 2014. It is the responsibility of the auditors to appoint the principal auditor. Öhrlings PricewaterhouseCoopers has appointed Lars Wennberg as principal auditor until the end of fiscal 2011.

### **RESOLUTION CONCERNING THE REMUNERATION OF SENIOR EXECUTIVES (ITEM 15)**

The AGM resolved to apply the following guidelines for remuneration of corporate management, including the CEO, which primarily entail that the remuneration and conditions of employment of corporate management shall be on market terms and competitive in respect of the executive's position, responsibility, competence, and experience. In summary, the guidelines provide that the total remuneration paid to corporate management shall consist of a basic salary, variable remuneration, an incentive program, pension contributions, and other benefits. Variable remuneration shall be linked to predetermined measurable criteria designed to promote long-term value generation in the company. The relationship between basic salary and variable remuneration shall be proportionate to the executive's responsibility and powers, and vary according to position. Variable remuneration paid to corporate management, including the CEO, shall not exceed 100 percent of the basic salary. If less than 80 percent of the targets are achieved, no variable remuneration shall be paid. If targets are fully achieved, the total remuneration paid by the company to corporate management can amount to a maximum of approximately SKr 10.6 million, of which the

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variable annual remuneration for 2010 amounts to approximately SKr 3.3 million. If targets are exceeded, variable remuneration of corporate management can amount to a maximum of SKr 7.3 million for 2010.

The retirement age shall be 65, but the CEO is entitled to invoke the right to retirement at the age of 62. If the company terminates the employment, the period of notice is normally 1 year; if an executive terminates the employment, the period of notice is 3–6 months. If the company terminates an executive's employment, severance pay corresponding to a maximum of 12 months' salary may be paid in exceptional cases. The basic salary during the period of notice together with severance pay shall not exceed an amount corresponding to two years' basic salary. The board of directors shall have the right to deviate from the above guidelines in individual cases if there is good reason to do so. The guidelines are available in their entirety on the corporate website.

The AGM resolved to establish an incentive program which entails that the company offers senior executives and key personnel the opportunity to subscribe for warrants in the company. The warrants will be valued at market price. To stimulate participation in the program, it was resolved that employees will receive one warrant free of charge for each warrant acquired at market price. The proposal entails the issue of not more than 265,000 warrants. Each warrant carries the right to acquire one Series B share at an initial subscription price corresponding to 110 percent of the volume-weighted average price paid for the company's share on NASDAQ OMX Stockholm for each trading day between April 22, 2010 and May 5, 2010. After one year, the exercise price shall be adjusted to 120 percent of the average price and after two years to 130 percent of the average price. It was resolved that the warrants have a term of approximately three years.

If all 265,000 warrants are exercised to subscribe for shares, the company's capital stock will increase by SEK 5,300,000, corresponding to approximately 1.0 percent of the capital stock and 0.7 percent of the voting rights after dilution. In addition to the warrants issued at the AGM in 2008 and at the AGM in 2009, all three programs, if fully subscribed for, can result in a dilution of existing capital stock of approximately 2.4 percent and just under 1.7 percent of the voting rights. The board shall be responsible for the exact wording and management of the incentive program within the framework of the given terms and conditions, and guidelines. In connection with this, the board shall have the right to make adjustments to fulfill particular legislation or market conditions internationally.

The purpose of the incentive program is to create conditions for retaining and recruiting competent personnel and to increase employee motivation. The board considers that the introduction of a participation program will benefit the group and the company's stockholders.

### **RESOLUTION CONCERNING THE REDUCTION OF CAPITAL STOCK BY CANCELLING REPURCHASED SHARES**

In accordance with the authorization granted by the preceding AGM, the company has repurchased 147,501 of its own Series B shares since the preceding AGM. The AGM resolved to reduce the capital stock of the company by SKr 2,950,020 by withdrawing the repurchased Series B shares without repayment. The reduction amount shall be allocated to the company's reserve fund to be used as the AGM determines.

### **RESOLUTION TO AUTHORIZE THE BOARD TO RESOLVE TO REPURCHASE SHARES (ITEM 18)**

The AGM authorized the board to resolve to acquire, on one or more occasions during the period up to the next AGM, a total of so many Series B shares that the company's stockholding on each occasion does not exceed 10 percent of the total number of shares in the company. The shares shall be acquired through NASDAQ OMX Stockholm pursuant to stock exchange regulations and may only be acquired at a share price within the registered share price interval on each occasion, by which is meant the interval between the highest buying price and the lowest selling price. The purpose of the authorization is to accord the board a greater possibility to continuously adjust the company's capital structure and thereby contribute to increased stockholder value.

### **NOMINATION COMMITTEE**

The AGM resolved to establish a nomination committee as of August 31 and until a new nomination committee is appointed consisting of the following five members: the chairman of the board, a representative of the company's principal owner, a representative of each of the largest institutional shareholders in the company and a representative of the founders. The representative of the

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principal owner shall convene and chair the nomination committee unless the members agree otherwise. The composition of the nomination committee shall be announced as soon as the nomination committee has been appointed, but not later than six months before the AGM.

If the representative of the company's principal owner or the representatives of the two largest institutional shareholders waive their right to appoint a member of the nomination committee, such right shall be transferred to the shareholder who represents the largest shareholding after the above-mentioned shareholders. If, after the nomination committee has been constituted, stockholders that appointed a committee member are no longer entitled to inclusion in the nomination committee because of a change of more than one percentage point in the internal relationship between stockholders, the committee member in question shall resign from the committee and a new member shall be appointed in accordance with the procedure detailed above. The same procedure applies to the replacement of a director who resigns from the nomination committee on his or her own initiative before the work of the committee has been completed. Stockholders who appointed members of the nomination committee are entitled to remove such member and appoint a new member to the nomination committee.

The nomination committee shall discharge its duties in the interests of all the stockholders and shall prepare and submit to the AGM proposals concerning the election of the chairman of the AGM, the chairman of the board and other directors, directors' and auditors' fees (including fees for committee work) and the procedures for establishing a nomination committee and issues pertaining to this. Where appropriate, the nomination committee shall submit proposals concerning the election of auditors. The proposals of the nomination committee shall be presented in the notification convening the AGM and shall be published on the company's website. In connection with the publication of the AGM notification, the nomination committee shall present on the company's website a statement justifying its proposals pertaining to board directorship. In connection with this, information about the board directors shall be made available. At the AGM, the nomination committee shall also present a report pertaining to how its work has been carried out and shall present and justify its proposals. The nomination committee shall not be remunerated. Members shall, however, to a reasonable extent be reimbursed for customary expenses related to their work.

### **About IFS**

IFS is a public company (OMX STO: IFS) founded in 1983 that develops, supplies, and implements IFS Applications™, a component-based extended ERP suite built on SOA technology. IFS focuses on agile businesses where any of four core processes are strategic: service & asset management, manufacturing, supply chain and projects. The company has 2,000 customers and is present in more than 50 countries with 2,700 employees in total. Net revenue in 2009 was SKr 2.6 billion.

More information on IFS is available at [www.IFSWORLD.com](http://www.IFSWORLD.com).

The information is that which IFS is required to declare by the Securities Business Act and/or the Financial Instruments Trading Act. The information was submitted for publication on March 25, 2010, at 5:20 p.m. CET.