

ANNUAL GENERAL MEETING 2015



AGENDA

**for the annual general meeting of shareholders (AGM) in Industrial and Financial Systems, IFS AB (publ)
March 25, 2015, at 3:00 p.m., at Courtyard by Marriott, Rålambshovsleden 50, in Stockholm, Sweden**

PROPOSED AGENDA

1. The meeting is called to order.
2. Election of chairman for the meeting.
3. Preparation and approval of the register of voters.
4. Approval of the agenda.
5. Election of one or two members to verify the minutes.
6. Determine whether the meeting has been duly convened.
7. Presentations:
 - a. Presentation by the chairman of the board.
 - b. Presentation by the chief executive officer (CEO).
8. Presentation of the annual report and the auditor's report as well as the consolidated financial statements and the auditor's report for the group.
9. Resolution to approve the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet.
10. Resolution on appropriation of the company's profit or loss in accordance with the approved balance sheet.
11. Resolution on discharge from liability for the members of the board and the CEO.
12. Determine the number of members of the board and deputies.
13. Determine remuneration of the board members and the auditors.
14. Election of board members, the chairman and deputy chairman of the board, and auditors.
15. Resolution on guidelines for the remuneration of executive management and incentive program:
 - a. Resolution on guidelines for the remuneration of executive management.
 - b. Resolution on incentive program.
16. Resolution concerning nomination committee for the next AGM.
17. Resolution to authorize the board to resolve to repurchase shares.
18. The meeting is closed.



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PRESS RELEASE

LINKÖPING, FEBRUARY 23, 2015

Notice to attend the annual general meeting of shareholders in Industrial and Financial Systems, IFS AB (publ)

The shareholders in Industrial and Financial Systems IFS AB (publ.), Corp Id No 556122-0996, are hereby given notice to attend the annual general meeting (AGM) of shareholders on Wednesday, March 25, 2015, at 3:00 p.m., at hotel Courtyard by Marriott, Råambshovsleden 50, in Stockholm, Sweden.

ATTENDANCE

Shareholders intending to attend the AGM must be registered in the stock register maintained by Euroclear Sweden AB on Thursday, March 19, 2015, and must submit their application to IFS no later than Friday, March 20, 2015 at 12:00 noon.

Notice of attendance may be given by telephone at: +46 8 58 78 45 00 or via the company's website www.ifsworld.com. When giving notice of attendance, please provide name, personal registration or corporate registration number, if applicable, address, telephone number, stockholding, and information regarding any assistants (not more than two). If attendance is by proxy, the proxy must be submitted to the company together with the notice of attendance. Proxy forms for shareholders wishing to participate in the AGM by proxy will be available from the company's website at www.ifsworld.com or can be acquired by calling +46 8 58 78 45 00.

Shareholders who have deposited their stock with trustees, to be entitled to attend the AGM and exercise their voting rights, must provisionally register their stock in their own name in the stock register maintained by Euroclear Sweden AB per March 19, 2015. Consequently, shareholders who wish to re-register must notify their stockbrokers of this well in advance of March 19, 2015.

PROPOSED AGENDA

1. The meeting is called to order.
2. Election of chairman for the meeting.
3. Preparation and approval of the register of voters.
4. Approval of the agenda.
5. Election of one or two members to verify the minutes.
6. Determine whether the meeting has been duly convened.
7. Presentations:
 - a. Presentation by the chairman of the board.
 - b. Presentation by the chief executive officer (CEO).
8. Presentation of the annual report and the auditor's report as well as the consolidated financial statements and the auditor's report for the group.
9. Resolution to approve the statement of income and the balance sheet as well as the consolidated statement of income and the consolidated balance sheet.
10. Resolution on appropriation of the company's profit or loss in accordance with the approved balance sheet.
11. Resolution on discharge from liability for the members of the board and the CEO.
12. Determine the number of members of the board and deputies.
13. Determine remuneration for the board and the auditors.

IFS, Box 1545, SE-581 15 Linköping, Sweden – Phone: +46 13 460 40 00 – Fax: +46 13 460 40 01

Industrial and Financial Systems, IFS AB (publ.) is a limited liability company registered in Sweden. Corporate identity number: 556122-0996. Registered office: Teknikringen 5, SE-583 30 Linköping.

14. Election of board members, the chairman and the deputy chairman of the board, and auditors.
15. Resolution on guidelines for the remuneration of executive management and incentive program:
 - a. Resolution on guidelines for the remuneration of executive management.
 - b. Resolution on incentive program.
16. Resolution concerning nomination committee for the next AGM.
17. Resolution to authorize the board to resolve to repurchase shares.
18. The meeting is closed.

PROPOSALS OF THE BOARD OF DIRECTORS FOR RESOLUTION AT THE AGM

Resolution on dividend (Item 10)

The board proposes that a dividend of SKr 4.50 per share be paid. Friday March 27, 2015, is proposed as the record day. Should the AGM resolve in accordance with the board's proposal, the dividend is expected to be distributed by Euroclear Sweden AB on Wednesday, April 1, 2015.

Resolution on guidelines for the remuneration of executive management and incentive program (Item 15)

The board proposes a system of remuneration for the executive management of IFS, including the CEO, that is aligned with market terms and conditions and that is sufficiently competitive to be of interest to the qualified circle of employees that IFS wishes to attract and retain. The board seeks continuity and hence the proposal is essentially in line with the guidelines and remuneration principles from the previous year and are based on existing contracts between IFS and the respective executives.

Resolution on guidelines for the remuneration of executive management (Item 15.a)

Remuneration to the executive management in IFS shall be aligned with market terms and conditions, shall be individual and differentiated, and shall support the interests of the stockholders. Remuneration principles shall be predictable, both in terms of costs for the company and benefits for the individual, and shall be based on factors such as competence, experience, responsibility and performance.

Total remuneration paid to executive management shall consist of a basic salary, variable remuneration, an incentive program, pension contributions, and other benefits.

The total annual monetary remuneration paid to each member of executive management, i.e., basic salary and variable remuneration, shall correspond to a competitive level of remuneration in the respective executive's country of residence.

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. Variable remuneration varies according to position. For 2015, it is proposed that the guidelines for the variable remuneration payable to the executive management be unchanged from the previous year. For the CEO this means that the maximum variable remuneration shall not exceed 50 percent of the basic salary, and for the other members of executive management variable remuneration shall be payable in the interval 25–60 percent of the basic salary, based on achievement of 80–120 percent of individual goals.

Long-term incentive programs are treated under Item 15.b below.

Pension benefits shall correspond to a competitive level in the respective executive's country of residence and shall, as in previous years, consist of a premium-based pension plan or its equivalent. The CEO is entitled to a premium-based pension plan with a premium that is 20 percent of the basic salary. The retirement age for the CEO and other members of executive management is 65, but the CEO and the company are entitled to invoke the right to early retirement for the CEO at the age of 64. In such a case, the CEO shall receive the equivalent of 60 percent of the basic salary until he is 65. Moreover, the retirement of the CEO will not affect the warrants acquired by him within the scope of adopted incentive programs.

Other benefits are chiefly related to company cars and telephones and shall, where they exist, constitute a limited portion of the remuneration and be competitive in the local market.

If the company terminates the employment, the period of notice is normally 6–12 months; if the executive terminates the employment, the period of notice is normally 3–6 months. 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. In such an event, the board shall inform the immediately following AGM and explain the reason for the deviation.

The guidelines apply to employment contracts entered into after the resolution is adopted by the AGM and to changes made to existing terms and conditions after this point in time.

Resolution on incentive program (Item 15.b)

The board proposes that the AGM resolves to adopt an incentive program with a corresponding structure as last year, which entails that executive management, other officers, and key personnel in the IFS group are offered the opportunity to subscribe for warrants in the company at market price. Each warrant shall be exercisable to subscribe for one issued Series-B share during an exercise period from the day after the release of the first quarterly report 2018 until and including June 30, 2020. To stimulate participation in the program, it is proposed that for each warrant acquired at market price, the participant may be allotted a maximum of additional three warrants free of charge. The number of warrants that participants can be allotted free of charge is dependent on the outcome of a performance condition linked to the company's earnings-per-share target for 2015 in accordance with predetermined criteria established by the board. Warrants allotted free of charge may be exercised only on the condition that the warrants acquired at market price have been retained by the participant until the first day on which they are exercisable for share subscription as per the above.

The proposal entails the issue of not more than 247,000 warrants. Each warrant carries the right to acquire one Series-B share at a subscription price corresponding to 110 per cent of the volume-weighted average price paid for the company's share on the NASDAQ OMX Stockholm Exchange between April 23, 2015 and April 29, 2015.

The right to subscribe for warrants shall accrue to wholly owned subsidiaries, which will transfer the warrants to current and future members of executive management, other officers, and key personnel within the group. The CEO shall be assigned no more than 74,100 warrants, other members of executive management no more than 49,400 warrants in total, and other officers and key personnel no more than 24,700 warrants in total.

If all 247,000 warrants are exercised to subscribe for a maximum of 247,000 Series-B shares, the company's capital stock will increase by SKr 4,940,000, corresponding to approximately 1.0 per cent of the capital stock and 0.7 percent of the voting rights after dilution. Together with the warrants issued at the respective AGMs in 2012, 2013 and 2014, the four programs, on full subscription, can entail a dilution of approximately 2.6 percent of the existing capital stock and of approximately 1.9 percent of the voting rights.

Based on the assumptions of a share price of SKr 268.00 (closing share price of the IFS Series-B share on February 17, 2015), a subscription price of 294.80, a maximum participation and a maximum fulfillment of the performance condition, the cost for the program is estimated at approximately SKr 5.3 million. The cost will be allocated over the years 2015-2018.

To minimize dilution and share price exposure resulting from the incentive program, the board, on the basis of mandates granted by the AGM, intends to purchase Series-B shares in the company in an amount corresponding to the number of warrants issued within the framework of the incentive program.

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 the incentive program as outlined above will benefit the group and the company's shareholders.

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 this connection, the board shall have the right to make adjustments to fulfil particular legislation or market conditions internationally.

A valid resolution to adopt the incentive program under this item 15.b requires that it be supported by shareholders representing at least nine tenths of the shares and votes represented at the AGM.

Resolution to authorize the board to resolve to repurchase shares (Item 17)

The board proposes that the AGM authorize the board to resolve, on one or more occasions until the next AGM, to repurchase the company's own Series-B shares.

The authorization to repurchase Series-B shares shall be limited to such an amount 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 the NASDAQ OMX Stockholm Exchange in compliance with stock

exchange regulations and only at a price within the registered 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 opportunity to continuously adjust the company's capital structure and thereby contribute to increased shareholder value, for example, by minimizing the effects of dilution and the effect on the share price as well as to facilitate the implementation of the incentive program outlined in Item 15.b as well as previously adopted or any subsequent incentive programs that may be adopted.

A valid resolution to adopt the board's proposal under this item 17 requires that it be supported by shareholders representing at least two thirds of the shares and votes represented at the AGM.

PROPOSALS OF THE NOMINATION COMMITTEE FOR RESOLUTION AT THE AGM

The chairman of the AGM, the number of board members and deputies, remuneration of the board members and the auditors, election of board members, the chairman and the deputy chairman of the board, and auditors, and resolution concerning nomination committee for the next AGM (Items 2, 12, 13, 14, and 16)

The nomination committee, consisting of Gustaf Douglas (Förvaltnings AB Wasatornet, committee chairman), Lars Bergkvist (Lannebo Fonder), Ulf Strömsten (Catella Fonder), Bengt Nilsson (Founders) and Anders Böös (chairman of the board of IFS), who represent approximately 52 percent of the total number of votes in the company, propose that:

- Anders Böös chair the AGM.
- Seven ordinary board members be elected, without deputies.
- Directors' fees (including remuneration for work on the audit committee) shall amount to a total of SKr 3,425,000, of which an unchanged amount of SKr 1,400,000 be paid to the chairman of the board and an unchanged amount of SKr 375,000 be paid to each of the other board members, with the exception of the CEO. An unchanged fee of SKr 100,000 is proposed to be paid to the chairman of the audit committee and an unchanged fee of SKr 50,000 to its other members.
- Auditors' fees be paid according to approved invoices.
- Board members Anders Böös, Bengt Nilsson, Ulrika Hagdahl, Birgitta Klasén, Neil Masom, and Alastair Sorbie be re-elected.
- Gunilla Carlsson be elected as board member.
Gunilla Carlsson was born in 1963 and has many years' experience from international work and relations, primarily in the public sector and the political systems in Sweden and Europe. Between the years 2006 and 2013, Gunilla Carlsson was Sweden's Minister for International Development Cooperation. She was a member of the Swedish Parliament during the years 2002–2013 and before that was a member of the European Parliament during the years 1995–2002. Gunilla Carlsson also has several years' experience in board work and honorary positions in international organizations. In addition, she has previously several years' experience in accounting and auditing in private businesses.
- Anders Böös be re-elected as chairman of the board.
- Bengt Nilsson be re-elected deputy chairman of the board.
- PricewaterhouseCoopers AB be re-elected as the company's auditor. Pursuant to the Swedish Companies Act the term will apply until the end of the next AGM
- Finally, it is proposed that the corresponding principles and procedures applicable to the nomination committee for the AGM of 2015 be applied for the establishment of a nomination committee and its work for the AGM of 2016.

MISCELLANEOUS

Authority to make necessary amendments

Finally, it is proposed that the AGM authorize the board of directors, the CEO or other person appointed by the board to make such amendments to resolutions that may be required in connection with registration with the Swedish Companies Registration Office (Bolagsverket).

Available documentation

The complete list of proposals for resolution above, including the statement by the board in respect of profit allocation and authorization to repurchase shares, and the company's annual report and auditor's report for fiscal 2014 will be available for inspection as of March 4, 2015, at the company's head office in Linköping, at the company's office in Stockholm, and via the company's website, www.ifsworld.com. Further information about the directors proposed as members of the board and the reasoned opinion of the nomination committee are also available on the company's website. The information will be sent upon request to any shareholders who submit their postal addresses. The proposal detailed under Item 15.b, Long-term Incentive Program, will also be sent by post to shareholders who give notice of their attendance at the AGM.

Information at the AGM

The board and the CEO will, if any shareholder so requests and the board deems that it can be done without material harm to the company, provide information at the AGM regarding circumstances that may affect the agenda, or conditions that may affect the assessment of the financial situation of the company or any subsidiary or the company's relationship to any group company.

Outstanding shares and votes

At the time this notice was issued, the number of outstanding shares in the company amounted to 24,971,830, representing a total of 3,472,875.7 votes, of which 1,084,103 Series-A shares represent 1,084,103 votes and 23,887,727 Series-B shares represent 2,388,772.7 votes. The number of shares held by the company in own custody was 200,000 Series-B shares, representing 20,000 votes and corresponding to approximately 0.8 per cent of the capital stock of the company. The shares held by the company in own custody may not be represented at the AGM.

Linköping, February 2015

The Board of Directors

About IFS

IFS™ is a globally recognized leader in developing and delivering business software for enterprise resource planning (ERP), enterprise asset management (EAM) and enterprise service management (ESM). IFS brings customers in targeted sectors closer to their business, helps them be more agile and enables them to profit from change. IFS is a public company (XSTO: IFS) that was founded in 1983 and currently has over 2,700 employees. IFS supports more than 2,400 customers worldwide from local offices and through partners in more than 60 countries. For more information visit: www.ifsworld.com.

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IFS discloses the information provided herein pursuant to the Financial Instruments Trading Act (1991:980) and/or the Securities Markets Act (2007:528).

The information was submitted for publication on February 23, 2015 at 1 p.m. (CET).

PROPOSALS FOR RESOLUTION PRESENTED BY THE BOARD OF DIRECTORS

to the annual general meeting in Industrial and Financial Systems, IFS AB (publ), March 25, 2015

The items below follow the numbering in the agenda proposed by the board of directors.

RESOLUTION ON DIVIDEND (Item 10)

The board proposes that a dividend of SKr 4.50 per share be paid. Friday March 27, 2015, is proposed as the record day. Should the AGM resolve in accordance with the board's proposal, the dividend is expected to be distributed by Euroclear Sweden AB on Wednesday, April 1, 2015.

The statement of the board in accordance with Chapter 18 § 4 of the Swedish Companies Act (2005:551) in respect of the above dividend proposal is to be found in **Appendix 1**.

RESOLUTION ON GUIDELINES FOR THE REMUNERATION OF EXECUTIVE MANAGEMENT AND INCENTIVE PROGRAM (Item 15)

The board strives for a system of remuneration for executive management of IFS, including the CEO that is aligned with market terms and conditions and that is sufficiently competitive to be of interest to the qualified circle of employees that IFS wishes to attract and retain. The board seeks continuity and hence the proposal is essentially in line with the guidelines and remuneration principles from the previous year and is based on existing contracts between IFS and respective officers.

RESOLUTION ON GUIDELINES FOR THE REMUNERATION OF EXECUTIVE MANAGEMENT (Item 15 a)

The board proposes that the AGM resolve that the following guidelines for remuneration of the president and other members of executive management be applied for 2015:

- The guidelines deal with remuneration and other terms and conditions of employment of the executive management in IFS. The principles apply to employment contracts entered into after the resolution is adopted by the AGM and to changes made to existing terms and conditions after this point in time.
- Remuneration of executive management shall be aligned with market terms and conditions, shall be individual and differentiated, and shall support the interests of the stockholders. Remuneration principles shall be predictable, both in terms of costs for the company and benefits for the individual, and shall be based on factors such as competence, experience, responsibility and performance.
- Total remuneration paid to executive management shall consist of a basic salary, variable remuneration, an incentive program, pension contributions, and other benefits. The total annual monetary remuneration paid to each member of executive management, i.e., basic salary and variable remuneration, shall correspond to a competitive level of remuneration in the respective executive's country of residence.

Basic salary

The basic salary shall be on market terms and related to the officer's position, responsibility, competence, and experience.

Variable remuneration

Variable remuneration shall be linked to predetermined measurable criteria designed to promote long-term value generation in the company. The relationship between basic salary variable remuneration shall

proportionate to the officer's responsibility and powers. Variable remuneration varies according to position.

The basis for the variable remuneration of the CEO and other members of executive management is established by the board and is based on individual goals linked to profitability goals set by the board for each year. When determining variable remuneration paid in cash to executive management, the board shall also consider introducing restrictions that:

- place conditions on part of such remuneration such that the performance on which the payments are based shall prove to be sustainable over time, and
- entitle the company to reclaim remuneration paid out on the basis of information that later proves to be obviously incorrect.

The limits for the maximum outcome for variable remuneration paid in cash shall be established. The Board proposes that the limits for the variable remuneration for 2015 be unchanged from the previous year, as follows:

- For the *CEO*, the maximum variable remuneration shall not exceed 50 percent of the basic salary.
- For the *other members* of executive management, variable remuneration shall be payable in the interval 25–60 percent of the basic salary, based on achievement of 80–120 percent of individual goals.

Variable remuneration to executive management for the fiscal year 2015 shall not exceed, in total, SKr 5.1 million. A statement regarding possible outcome in respect of remuneration of executive management for 2015 is set forth in **Appendix 3**.

Long-term incentive program

As outlined in Item 15 b, the Board proposes that the AGM adopt a new incentive program based on the same structure as the programs adopted annually by the AGM since 2011, under which the executive management, other officers, and key personnel of the IFS group will be offered to acquire warrants in the company at market price. To stimulate participation in the program it is proposed that employees be allotted, subject to certain conditions, up to three additional warrants free of charge for each warrant acquired at market price.

It is the Board's view that the proposed program, whilst meeting the requirements of the Swedish Corporate Governance Code, in an appropriate manner creates conditions for retaining and recruiting competent personnel and contributes to increasing employee motivation. Therefore, the Board considers that the introduction of the incentive program will benefit the group and the company's stockholders.

Other benefits

Other benefits are chiefly related to company cars and telephones and shall, where they exist, constitute a limited portion of the remuneration and be competitive in the local market.

Pension

Pension benefits shall correspond to a competitive level in the respective officer's country of residence. The CEO is entitled to a premium-based pension plan with a premium that is 20 percent of the basic salary. The retirement age for the executive management is 65, but with respect to the CEO he and the company are entitled to invoke the right to early retirement at the age of 64. In such a case, the CEO shall receive the equivalent of 60 percent of the basic salary until he is 65. Notwithstanding item 15 b below, the retirement of the CEO will not affect the warrants acquired by him within the scope of adopted incentive programs and, consequently, will not trigger any repurchasing right for IFS.

Other members of executive management are included in IFS's premium-based special pension plan or corresponding pension plans.

Period of notice and severance payment

If the company terminates the employment, the period of notice is normally 6–12 months; if the officer terminates the employment, the period of notice is 3–6 months. If the company terminates an officer's employment, severance pay corresponding to a maximum of 12 months' salary may be paid in exceptional cases. In addition, variable remuneration is paid to the CEO during the period of notice in an amount corresponding to the variable remuneration paid during the immediately preceding year. 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. In such an event, the board shall inform the immediately following AGM and explain the reason for the deviation. The board's evaluation of executive remuneration for 2014 pursuant to Sections 9.1 and 10.3 of the Swedish Corporate Governance Code is set forth in **Appendix 3**.*

RESOLUTION ON INCENTIVE PROGRAM (Item 15 b)

The board proposes that the AGM resolve to establish an incentive program which entails that the company offers executive management, other officers, and key personnel the opportunity to acquire warrants in the company at market price. The price of the warrants will be established based on the Black & Scholes valuation model. The warrants shall be valued by independent valuers. Each warrant entitles to subscription of one new Series-B share during the period from publishing the interim report for the first quarter 2018 up to and including June 30, 2020 at a subscription price corresponding to 110 percent of the volume-weighted average price paid for the company's Series-B shares on Nasdaq OMX Stockholm during the period commencing on April 23, 2015 up to and including April 29, 2015.

In order to stimulate participation in the program, it is proposed that for each warrant acquired at market price, the participant may be allotted a maximum of additional three warrants free of charge.

The number of warrants that participants can be allotted free of charge is dependent on the outcome of a performance condition linked to the company's earnings-per-share target during 2015 as determined by the board. The allocation of warrants free of charge will be made after the end of the financial year 2015 when the outcome of the 2015 earnings-per-share target has been determined. In connection to purchasing warrants, the participants will enter into agreements with IFS which gives IFS the right to repurchase warrants from the participant when leaving his or her employment with IFS. Exercise of the warrants free of charge is conditional upon that the participant holds the warrants acquired at market price up to the first day on which they are exercisable for subscription of Series-B shares as per the above.

The proposal described above entails the issue of not more than 247,000 warrants and the board's proposal regarding resolution to issue warrants is set out in **Appendix 2**.

The right to subscribe for warrants shall accrue to wholly owned subsidiaries, which will transfer the warrants to current and future members of executive management, other officers, and key personnel. The board shall determine the distribution of the warrants according to the following guidelines: the company CEO shall be assigned no more than 74,100 warrants in total, other members of the executive management no more than 49,400 warrants in total, and other officers and key personnel no more than 24,700 warrants in total.

The total number of shares in the company is approximately 25 million. If all 247,000 warrants are exercised to subscribe for a maximum of 247,000 Series-B shares, the company's capital stock will increase by SKr 4,940,000, corresponding to approximately 1.0 per cent of the capital stock and 0.7 percent of the voting rights after dilution. Together with the warrants issued at the respective AGMs in 2012, 2013 and 2014, the four programs, on full subscription, can entail a dilution of approximately 2.6 percent of the existing capital stock and of approximately 1.9 percent of the voting rights. The effect on key ratios is only marginal. However, to minimize dilution and share price exposure resulting from the incentive program, the board, on the basis of mandates granted by the AGM, intends to

purchase Series-B shares in the company in an amount corresponding to the number of warrants issued within the framework of the incentive program.

The program will be accounted for in accordance with IFRS 2 which stipulates that the warrants should be recorded as a personnel expense in the income statement during the vesting period. Based on the assumptions of a share price of SKr 268.00 (closing share price of the IFS Series-B share on February 17, 2015), a subscription price of 294.80, a maximum participation and a maximum fulfillment of the performance condition, the cost for the program, including financing costs and social charges, is estimated at approximately SKr 5.3 million. The cost will be allocated over the years 2015–2018.

Social security costs will be recorded as a personnel expense in the income statement by current reservations. The social security costs are estimated to around SKr 0.8 million with the assumptions above and an average social security tax rate of 17 percent and a share price increase of 10 percent from issuance up to the allotment of the warrants free of charge.

If the program had been introduced 2014 with the assumptions above, the earnings-per-share would result in a decrease by 0.5 percent.

The program administration cost is estimated at SKr 0.3 million, allocated over the years 2015–2018.

The average annual cost of the program including social charges is estimated to approximately SKr 1.4 million assuming the above assumptions. This cost can be related to the company's total personnel costs, including social charges, of SKr 1,773 million in 2014.

The incentive program has been prepared by the board and has been dealt with at board meetings during the winter of 2014/15.

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 the incentive program will benefit the group and the company's stockholders.

The board proposes that the AGM adopt the above principles for transferring subscription warrants and shares in connection with the exercise of warrants in accordance with Chapter 16, Section 4 of the Swedish Companies Act (2005:551). It is further proposed that the AGM resolve to approve the transfer of shares in the event that the incentive program requires that call options be issued to comply with specific legislation or market conditions internationally.

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.

For information on IFS's other equity-related incentive programs, reference is made to the annual report for 2014, Note 34.

A valid resolution to adopt the board's proposal under this Item 15 b requires that it be supported by stockholders representing at least nine tenths of the shares and votes represented at the AGM.

RESOLUTION TO AUTHORIZE THE BOARD TO RESOLVE TO REPURCHASE SHARES (Item 17)

AUTHORIZATION TO REPURCHASE SHARES

The board proposes that the AGM authorize the board to, during the period up to the next AGM, resolve to repurchase shares in accordance with the following terms and conditions:

1. Series-B shares may be acquired in such an amount that the company's stockholding on each occasion does not exceed 10 percent of the total number of registered shares in the company.
2. Series-B shares may be acquired on one or more occasions during the period up to the next AGM.

3. Series-B shares shall be acquired through Nasdaq OMX Stockholm pursuant to the regulations governing the purchase and sale of the company's own shares in accordance with the rules for issuers of shares provided by Nasdaq OMX Stockholm.
4. Series-B shares may be acquired at a share price within the register share price interval on each occasion, by which is meant the interval between the highest buying price and the lowest selling price.
5. Payment for the shares is to be made in cash.

The Statement by the board according to Chapter 19, Section 22 (2005:551) of the Swedish Companies Act is attached in **Appendix 1**.

PURPOSE, ETC.

The purpose of the authorization is to accord the board a greater opportunity to continuously adjust the company's capital structure and thereby contribute to increased shareholder value. This may be achieved, for example, by minimizing the effects of dilution and the effect on the share price as well as to facilitate the implementation of the incentive program outlined in Item 15.b as well as previously adopted or any subsequent incentive programs that may be adopted.

As per the day of the AGM, the company holds in own custody 200,000 Series-B shares, representing 20,000 votes and corresponding to approximately 0.8 per cent of the capital stock of the company. The shares held by the company in own custody may not be represented at the AGM.

A valid resolution to adopt the board's proposal under Item 17 requires that it be supported by shareholders representing at least two thirds of the shares and votes represented at the AGM.

MISCELLANEOUS

Finally, it is proposed that the AGM authorize the board of directors, the chief executive officer or other person appointed by the board to make such amendments to resolutions that may be required in connection with registration with the Swedish Companies Registration Office (*Sv*: Bolagsverket).

PROPOSALS FOR RESOLUTION PRESENTED BY THE NOMINATION COMMITTEE

to the annual general meeting in Industrial and Financial Systems, IFS AB (publ), March 25, 2015

The nomination committee of Industrial and Financial Systems, IFS AB (“IFS”, the “company”), consisting of Gustaf Douglas (Förvaltnings AB Wasatornet, committee chairman), Lars Bergkvist (Lannebo Fonder), Ulf Strömsten (Catella Fonder), Bengt Nilsson (founders) and Anders Böös (chairman of the board of IFS), submits the following proposals to the AGM. The proposals are numbered in accordance with the proposed agenda.

ELECTION OF CHAIRMAN OF THE AGM (Item 2)

The nomination committee proposes that Anders Böös, chairman of the board, be appointed to chair the AGM.

DETERMINE THE NUMBER OF MEMBERS OF THE BOARD AND DEPUTIES (Item 12)

The nomination committee proposes that until the end of the next AGM the board of directors shall consist of seven members without deputies.

DETERMINE REMUNERATION OF THE BOARD MEMBERS AND THE AUDITORS (Item 13)

The nomination committee proposes that directors’ fees (including remuneration for work on the audit committee) until the end of the next AGM shall amount to a total of SKr 3,425,000, of which an unchanged amount of SKr 1,400,000 be paid to the chairman of the board and an unchanged amount of SKr 375,000 be paid to each of the remaining board members, with the exception of the CEO. An unchanged fee of SKr 100,000 shall be paid to the chairman and an unchanged fee of SKr 50,000 to other members of the audit committee.

The nomination committee proposes that fees be paid to the company’s auditors according to approved invoices.

ELECTION OF BOARD MEMBERS, THE CHAIRMAN AND DEPUTY CHAIRMAN OF THE BOARD, AND AUDITORS (Item 14)

BOARD OF DIRECTORS

The nomination committee proposes that Anders Böös, Ulrika Hagdahl, Birgitta Klasén, Neil Masom, Bengt Nilsson, and Alastair Sorbie be re-elected to the board.

Furthermore, the nomination committee proposes the election of Gunilla Carlsson.

Gunilla Carlsson was born in 1963 and has many years’ experience from international work and relations, primarily in the public sector and the political systems in Sweden and Europe. Between the years 2006 and 2013, Gunilla Carlsson was Sweden’s Minister for International Development Cooperation. She was a member of the Swedish Parliament during the years 2002–2013 and before that was a member of the European Parliament during the years 1995–2002. Gunilla Carlsson also has several years’ experience in board work and honorary positions in international organizations. In addition, she has previously several years’ experience in accounting and auditing in private businesses.

Moreover, the nomination committee proposes that Anders Böös remain chairman of the board and that Bengt Nilsson remain deputy chairman of the board.

The nomination committee has collated the information about the proposed candidates as set forth in **Appendix A**.

AUDITORS

The nomination committee proposes that the registered public accounting firm PricewaterhouseCoopers AB be re-elected as the company's auditors.

Pursuant to Chapter 9 § 21 of the Swedish Companies Act (2005:551), the term will apply until the end of the next AGM.

It is the responsibility of the accounting firm to appoint the auditor in charge. Subject to the AGM's approval of the proposal, PricewaterhouseCoopers AB has appointed Nicklas Kullberg (in charge since 2012) to remain as auditor in charge.

RESOLUTION CONCERNING NOMINATION COMMITTEE AND ITS WORK FOR THE NEXT AGM (Item 16)

Pursuant to the AGM's previous resolution, the nomination committee shall prepare and present proposals to the AGM concerning the principles and procedures to be applied for the establishment of a nomination committee and its work for the AGM of 2016.

The nomination committee proposes that the corresponding principles and procedures applicable to the nomination committee for the AGM of 2015 be applied for the establishment of a nomination committee and its work for the AGM of 2016, as follows:

1. A nomination committee shall be established on the basis of the ownership structure as per the last trading day in August 2015, consisting of the following five members:
 - a. the chairman of the board,
 - b. a representative of the company's principal owner in terms of voting rights,
 - c. a representative of each of the largest institutional shareholders in the company in terms of voting rights, and
 - d. a representative of the founders of the company.

If either of the owners under 1.b or 1.c above waives its right to appoint a member of the nomination committee, such right shall be transferred to the shareholder or institutional shareholder, as applicable, who, based on the ownership structure as per the last trading day in August 2015, represents the largest shareholding in terms of voting rights after the above-mentioned shareholders.

The representative of the principal owner in terms of voting rights shall convene and chair the nomination committee unless the members agree otherwise.

The term of office of the nomination committee shall extend until a new nomination committee has been established.

The names of the members of the nomination committee and of the shareholders they represent shall be announced and published on the company website as soon as the nomination committee has been appointed, but not later than six months before the AGM.

2. If, *no later than* two months prior to the AGM, there is a change in ownership in the company resulting in either of the shareholders under 1.b or 1.c above no longer representing the largest ownership as set forth in Section 1 above—and the change in ownership is so substantial that the holding of the shareholder in question, in respect of voting rights, thereby falls below the holding of another corresponding shareholder by one percentage point—then the committee member appointed by such shareholder shall submit his/her resignation from the committee. Instead, shareholders representing the largest ownership as a result of the change in ownership shall, pursuant to Section 1 above and in consultation with the chairman of the committee, be entitled

to appoint a replacement member. Should such change in ownership occur *less than* two months prior to the AGM, then each shareholder representing, as a result of the change in ownership, the largest ownership pursuant to Section 1 above shall instead be entitled to appoint a representative who shall be co-opted onto the committee.

If a committee member resigns from the nomination committee on his or her own initiative before the work of the committee has been completed, then the appointing shareholder shall be entitled to appoint a replacement. Moreover, stockholders who appointed members of the nomination committee are entitled to remove such member and appoint a replacement.

Any changes in the composition of the committee shall be published without delay after the change has taken place.

3. The nomination committee shall prepare and submit to the AGM of 2016 proposals concerning:
 - a. the chairman of the AGM;
 - b. the number of directors and deputies, and nomination for election of the chairman, deputy chairman, and other directors of the board;
 - c. directors' fees and other remuneration to the board members including fees for committee work;
 - d. auditors' fees;
 - e. nomination for election of auditors; and
 - f. the principles and procedures to be applied for the establishment of a nomination committee and its duties for the AGM of 2017.
4. The nomination committee shall, in connection with its duties, also perform any other duties related to the work of the nomination committee provided under the Swedish Corporate Governance Code. The nomination committee shall not be remunerated. Members shall, however, to a reasonable extent be reimbursed for customary expenses related to their work.

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 provisions above related to the tasks of the nomination committee in connection with the AGM shall, if deemed practicable, apply also in connection with extraordinary shareholders' meetings at which the election of board members or auditors is to take place.

The above proposals by the nomination committee are supported by stockholders who represent approximately 52 percent of the voting rights in the company, including the Douglas family, Förvaltnings AB Wasatornet, Anders Böös via companies, Bengt Nilsson via companies, Catella Fonder, and Lannebo Fonder.

APPENDIX A (Item 14)

BOARD OF DIRECTORS

of Industrial and Financial Systems, IFS AB (publ)



ANDERS BÖÖS

CHAIRMAN OF THE BOARD

Principal occupation: directorships

Other assignments: board director of Investment AB Latour, Stronghold Invest AB, Newsec AB, and Tundra Fonder AB

Previous assignments and work experience: chairman of the board of Cision AB; CEO of Drott AB and H&Q AB

Shareholding*: 427 010 A shares

Born 1964. Elected 2003, chairman since 2004

Anders Böös is considered independent in relation to the company and its management, but not independent in relation to the major owners of the company



BENGT NILSSON

DEPUTY CHAIRMAN OF THE BOARD

Principal occupation: Board director, president, and CEO of Pagero AB

Other assignments: board director of Greenfield AB, GreenTrade AB, GreenTrade Aviation AB, Hikka Group AB, Hikkadua Investments AB, Homes and Villas Ltd, Ides AB, Norelia AB, Payer AB, Leandev AB, Primelog AB, and Pocket Mobile AB

Previous assignments and work experience: one of the founders of IFS, and of European Flight Service & European Maintenance Service; president and CEO of IFS

Education: studies at Linköping Institute of Technology

Shareholding*: 150 000 A shares

Born 1955. Elected 1983

Bengt Nilsson is considered independent in relation to the company, its management and its major shareholders



ULRIKA HAGDAHL

BOARD DIRECTOR

Principal occupation: directorships

Other assignments: board director of Beijer Electronics AB and HiQ International AB

Previous assignments and work experience: founder of Orc Software AB; CEO and board director of Orc Software AB; board director of Strålfors AB, Anoto Group AB, and Protect Data AB

Education: M.Sc. in Engineering Physics from the Royal Institute of Technology, Stockholm

Shareholding*: 30 000 B shares

Born 1962. Elected 2003

Ulrika Hagdahl is considered independent in relation to the company, its management and its major shareholders

* Shareholding in IFS (including shares held by closely related companies and family members) per February, 2015

BIRGITTA KLASÉN

BOARD DIRECTOR

Principal occupation: senior IT advisor for Swedish and international corporate management

Other assignments: board director of Assa-Abloy AB, Acando AB and Avanza AB

Previous assignments and work experience: board director of OMX AB and Telelogic AB; CIO at EADS, Pharmacia & Upjohn, and Telia. Prior to this, a long period that included various management positions at IBM, including deputy CEO of IBM's outsourcing subsidiary, Responsor AB

Education: M.Sc. in applied physics from the Royal College of Technology, Stockholm, B.A. from Stockholm University (business economics, psychology, and sociology) and management training courses (Ruter Dam, IFS, and IMD)

Shareholding*: 12 000 B shares

Born 1949. Elected 2009

Birgitta Klasén is considered independent in relation to the company, its management and its major shareholders



NEIL MASOM OBE

BOARD DIRECTOR

Principal occupation: directorships

Other assignments: board director at High Speed Two (HS2) Ltd, CQC Holdings Ltd, and Solutions SK Ltd

Previous assignments and work experience: chairman of the board of IFS Defence Ltd and of UK Foreign & Commonwealth Office Services Agency, board director of the UK Information Commissioner's Office, and CEO for Logistics and Information Systems in BAE Systems plc

Education: B.Sc. (Eng) Hons Imperial College, London

Shareholding*: –

Born 1959. Elected 2009

Neil Masom is considered independent in relation to the company, its management and its major shareholders



GUNILLA CARLSSON

BOARD DIRECTOR

Principal occupation: international assignments within global health, global development, and policy reforms

Other assignments: board director of GAVI (Geneva); member of the advisory boards of the Bill and Melinda Gates Foundation Europe and Eurasia Foundation (Washington); member of the European Center for Foreign Relations (London)

Previous assignments and work experience: Swedish minister for International Development Cooperation (2006–2013); member of the Swedish Parliament (2002–2013); member of the European Parliament (1995–2002); political advisor for the Swedish Moderate Party; deputy party leader of the Swedish Moderate Party; financial manager of New World International AB / Sesam Production AB; accountant, Wänström Revision AB

Education: accounting and auditing courses, studies in political science, Linköping University

Shareholding*: –

Born 1963. Proposed to be elected to the board at the AGM of 2015

Gunilla Carlsson is considered independent in relation to the company, its management and its major shareholders



* Shareholding in IFS (including shares held by closely related companies and family members) per February, 2015



ALASTAIR SORBIE

BOARD DIRECTOR, VD OCH KONCERNCHEF

Principal occupation: president and CEO of IFS AB

Previous assignments and work experience: managing director of IFS EMEA, sales director at Avalon Software UK, services director application products at Computer Associates, services director at Pansophic Systems, and director of Insight Applications division of Hoskyns Group

Education: B.Sc. (Hons), University of London

Shareholding*: 8 526 B shares

Born 1953. Elected 2006

Alastair Sorbie is not considered independent in relation to the company and its management, but independent in relation to the major shareholders in the company

APPENDIX A (Item 14)

EXECUTIVE MANAGEMENT

ALASTAIR SORBIE

President and CEO

Born 1953

Employed by IFS since 1997

PAUL SMITH

Chief financial officer

Born 1963

Employed by IFS since 2009

FREDRIK VOM HOFE

Vice president, Business Development

Born 1966

Employed by IFS since 2003

JESPER ALWALL

General counsel and secretary of the board

Born 1969

Employed by IFS since 2009

AUDITORS

PricewaterhouseCoopers AB

Auditors since 2001

NICKLAS KULLBERG

Authorized public accountant and auditor in charge since 2012

Born 1970

Holdings* in stock and financial instruments February, 2015

	Shareholding		Warrants
	Series-A shares, no.	Series-B shares, no.	
BOARD OF DIRECTORS			
Anders Böö (Chairman)	427 010	-	-
Ulrika Hagdahl	-	30 000	-
Birgitta Klasén	-	12 000	-
Neil Masom	-	-	-
Bengt Nilsson	150 000	-	-
Alastair Sorbie (CEO)	-	8 526	94 875
Total	577 010	50 526	94 875
EXECUTIVE MANAGEMENT			
Jesper Alwall	-	-	1 929
Fredrik vom Hofe	-	-	10 015
Paul Smith	-	-	63 250
Total	0	0	75 194

For further information concerning remuneration and holdings in stock and warrants of the board and executive management, see note 14 of the Annual Report for 2014.

* Shareholding in IFS (including shares held by closely related companies and family members) per February, 2015

APPENDIX 1 (Items 10 and 17)

STATEMENT BY THE BOARD OF DIRECTORS

in respect of Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act (2005:551)

The board hereby presents the following statement in accordance with Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act.

The board presents the following reasons to demonstrate why the proposed dividend and authorization to repurchase shares are in accordance with the provisions of Chapter 17, Section 3, Paragraphs 2 and 3 of the Swedish Companies Act.

THE NATURE AND EXTENT OF THE BUSINESS AND RELATED RISKS

The nature and extent of the business is presented in the articles of association and annual reports indicated. The business conducted by the company does not entail risks over and above those that arise or can be expected to arise in the industry or the risks generally associated with doing business. Significant events are reported in the Board of Directors' Report. Over and above these, no other events have occurred that affect the company's ability to issue a dividend or repurchase shares.

THE FINANCIAL POSITION OF THE COMPANY AND GROUP

The financial position of the company and group as of December 31, 2014 is presented in the latest annual report. The annual report also presents the principles applied when valuing assets, provisions, and liabilities.

The board proposes a dividend of SKr 4.50 per share, corresponding to a total amount of approximately SKr 111 million (The amount takes into consideration treasury shares held by the company, which do not carry the right to a dividend). The proposed dividend constitutes approximately 7 percent of Parent Company stockholders' equity and approximately 8 percent of Group stockholders' equity. Unrestricted equity in the Parent Company amounted to SKr 476 million at the end of fiscal 2014. The board proposes that the record day for the dividend be Friday, March 27, 2015.

The annual report shows that, among other things, following payment of the proposed dividend the company equity ratio will be 71 percent and the Group equity ratio will be 43 percent. The board considers that the proposed dividend and authorization to repurchase shares do not jeopardize the completion of investments that have been deemed necessary.

The company's financial position does not indicate any assessment other than that the company can continue to do business and that it can be expected to fulfill its short-term and long-term commitments.

JUSTIFICATION FOR THE DIVIDEND AND SHARE REPURCHASE

In view of the above and based on what the board is otherwise aware of, the board considers that a comprehensive assessment of the financial position of the company and Group justifies a dividend in accordance with Chapter 17, Section 3, Paragraphs 2 and 3 of the Swedish Companies Act, i.e. taking into consideration the requirements imposed by the nature, extent, and risks associated with doing business on the equity of the company and Group and considering the need of the company and Group to strengthen its balance sheet, liquidity and financial position in general.

Linköping March 4, 2015

Industrial and Financial Systems, IFS AB (publ)

The Board of Directors

Anders Böös

Ulrika Hagdahl

Bengt Nilsson

Neil Masom

Birgitta Klasén

Alastair Sorbie

APPENDIX 2 (Item 15.b)

THE BOARD OF DIRECTORS' PROPOSAL REGARDING RESOLUTION TO ISSUE WARRANTS

§ 15.b

It was resolved to issue not more than 247,000 warrants.

The issue shall be governed by the following terms and conditions:

1. The issued warrants shall, notwithstanding the stockholders' preferential rights, be subscribed for by wholly owned subsidiaries within the group.
2. Each warrant shall entitle to subscribe for one new Series-B share in Industrial and Financial Systems, IFS AB during the period starting from the day after release of the interim report for the first quarter of 2018 up to and including June 30, 2020.
3. The warrants have subscription price corresponding to 110 percent of the volume-weighted average price paid for the company's Series-B shares on NASDAQ OMX Stockholm for each trading day during the period commencing on April 23, 2015 up to and including April 29, 2015. The subscription price thus calculated shall be rounded off to the nearest whole SKr 0.10, whereupon SKr 0.05 shall be rounded downwards. If the warrants are fully exercised, the share capital will increase by SKr 4,940,000.
4. Subscription for warrants shall take place not later than June 30, 2015. The warrants are issued free of charge.
5. Series-B shares issued following subscription shall entitle the holders thereof to participate in the distribution of dividends for the first time on the record date that occurs immediately thereafter.
6. The warrants shall in all other respects be governed by the terms and conditions set forth in **Sub-Appendix A.**

The subscription price upon exercise of warrants and the number of Series-B shares each warrant entitles the holder to subscribe for may be adjusted in accordance with section 8 of the terms and conditions for warrants, see **Sub-Appendix A.**

It was resolved that the CEO be authorized to undertake such minor adjustments in the decision that may be required for registration with the Companies Registration Office and Euroclear Sweden AB.

It was noted that oversubscription cannot occur.

SUB-APPENDIX A TO APPENDIX 2 (Item 15 b)

TERMS AND CONDITIONS FOR WARRANTS 2015/2020
for Subscription of Series B Shares in Industrial and Financial Systems, IFS AB (publ)

1. DEFINITIONS

In these terms and conditions, the following terms shall have the meanings given below:

“Companies Act”	the Swedish Companies Act (SFS 2005:551);
“Securities Account”	a securities account (Sw. <i>avstämningskonto</i>) with Euroclear Sweden AB in which the respective Warrant Holders’ holdings of Warrants or holdings of shares acquired pursuant to Warrants are registered;
“Business Day”	a day which is not a Saturday, Sunday or other public holiday or, with respect to the payment of promissory notes, is not equated with a public holiday in Sweden;
“Bank”	the bank or account operator which the Company at each time has appointed to handle the administration of the Warrants in accordance with these terms and conditions;
“Company”	Industrial and Financial Systems, IFS AB (publ), registration number 556122-0996;
“Control”	means to hold more than 90 percent of the shares in the Company;
“Euroclear”	Euroclear Sweden AB;
“Market Quotation”	listing of shares in the Company on a stock exchange, authorized market place or other corresponding market place;
“Warrant Holder”	a person registered in a Securities Account as the holder of a Warrant;
“Subscription”	subscription of Series B-shares in the Company on exercise of Warrants in accordance with Chapter 14 of the Companies Act;
“Subscription Price”	the price at which Subscription for new Series B-shares may take place on exercise of Warrants;
“Warrant”	the right to subscribe for one newly issued Series B-share in the Company in exchange for payment in accordance with these terms and conditions.

2. WARRANTS AND REGISTRATION

The total number of Warrants amounts to not more than 247,000. The Warrants shall be registered in Securities Accounts in accordance with Chapter 4 of the Financial Instruments Accounts Act (1998:1479).

Requests for particular registration measures in respect of the Warrants shall be submitted to the account operator with which the Warrant Holder has opened a Securities Account.

3. RIGHT TO SUBSCRIBE FOR NEW SHARES

Each Warrant entitles the holder thereof to subscribe for one new Series B-share in the Company at a Subscription Price corresponding to 110 percent of the volume-weighted average price paid for the

Company's shares on Nasdaq Stockholm for each trading day during the period commencing on April 23, 2015 up to and including April 29, 2015. The Subscription Price thus calculated shall be rounded off to the nearest whole SKr 0.10, whereupon SKr 0.05 shall be rounded downwards.

The Subscription Price and the number of B-shares for which each Warrant entitles the holder to subscribe may be recalculated in the circumstances set out in Section 8 below.

Subscription may only take place in respect of the entire number of B-shares for which the total number of Warrants entitles the Warrant Holder to subscribe and which a single Warrant Holder desires to exercise. On such Subscription, any excess fractions of Warrants which cannot be exercised shall be disregarded.

4. APPLICATION FOR SUBSCRIPTION

Application for Subscription of B-shares may take place during the period starting from the day following the release of the interim report for the first quarter of 2018 up to and including June 30, 2020 or such earlier date as may be determined in accordance with Section 8 or 9 below. If the Company has not released the interim report for the first quarter of 2018 within two months from the end of the report period, the subscription period shall start following the end of such two-month period.

If an application for Subscription is not submitted within the time stated above, the Warrant shall lapse.

On application for Subscription, a completed application form in the predetermined form shall be submitted to the Company. Applications for Subscription are binding and irrevocable.

5. PAYMENT FOR NEW SHARES

On application for Subscription, payment for the number of B-shares which the application for Subscription covers shall be made simultaneously. Payment shall be made in cash to a bank account designated by the Company.

6. REGISTRATION IN SECURITIES ACCOUNT AND IN THE SHARE REGISTER

Following payment for subscribed B-shares, Subscription shall be effected through the registration of the new shares as interim shares in the Company's share register and on the respective Warrant Holder's Securities Account. Following registration with the Swedish Companies Registration Office, the registration of the new B-shares in the share register and on Securities Accounts will become definitive. According to Section 8 below such registration might in certain circumstances be postponed.

7. DIVIDENDS ON NEW SHARES

B-shares issued following Subscription shall entitle the holders thereof to participate in the distribution of dividends for the first time on the record date that occurs immediately following the Subscription.

8. RECALCULATION OF SUBSCRIPTION PRICE AND THE NUMBER OF SHARES

The following provisions shall govern the right that vests in Warrant Holder in the event the share capital prior to the Subscription is increased or reduced, convertible bonds or warrants are issued, or the Company is dissolved or ceases to exist as a consequence of a merger or division, or there is an Extraordinary Dividend (as defined below):

A. Bonus issue

In the event of a bonus issue, where an application for Subscription is submitted at such time that the allotment of shares cannot be made on or before the fifth weekday prior to the general meeting which resolves to make the bonus issue, Subscription shall be effected only after the general meeting has adopted a resolution approving the bonus issue. Shares which are issued pursuant to Subscription effected after the adoption of a resolution approving the bonus issue shall be registered in the Warrant Holder's Securities Account as interim shares, and accordingly such shares shall not entitle the holder

thereof to participate in the bonus issue. Definitive registration in Securities Accounts shall only take place after the record date for the bonus issue.

In conjunction with Subscription which is effected after the adoption of a resolution to make a bonus issue, a recalculated Subscription Price as well as a recalculated number of B-shares for which each Warrant entitles the Warrant Holder to subscribe shall be applied. The recalculation shall be carried out by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the number of shares in the Company prior to the bonus issue) / (the number of shares in the Company after the bonus issue)

Recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the number of shares in the Company after the bonus issue) / (the number of shares in the Company prior to the bonus issue).

The Subscription Price and the number of B-shares which each Warrant entitles the holder to subscribe for, recalculated as set out above, shall be determined by the Company as soon as possible after the general meeting has adopted a resolution approving the bonus issue.

B. Reverse share split/share split

In the event the Company effects a reverse share split or share split, the provisions of Sub-section A above shall apply mutatis mutandis. The record date shall be deemed to be the date on which the reverse share split or share split is carried out by Euroclear at the request of the Company.

C. New issue

If the Company issues new shares subject to preferential rights for shareholders to subscribe for new shares in exchange for cash payment, the following shall apply with respect to the right to participate in the new issue held by the shareholders whose shares are issued as a consequence of Subscription on exercise of the Warrant:

1. If the board of directors of the Company has resolved to carry out a new issue conditional on the approval of the general meeting of the shareholders or pursuant to authorization granted by the general meeting of the shareholders, the resolution of the new issue shall state the last day on which Subscription must be effected in order to entitle the holders of the shares held pursuant to the Subscription to participate in the new issue.
2. If the general meeting adopts a resolution to issue new shares, where an application for Subscription is submitted at such time that it cannot be effected on or before the fifth weekday prior to the general meeting which shall address the question of the new issue, Subscription shall only be effected following the adoption of a resolution with respect thereto by the general meeting. Shares which issued as a consequence of such Subscription shall be registered in the Securities Account as interim shares, and accordingly shall not entitle the holders to participate in the new issue. Definitive registration in Securities Accounts shall only take place after the record date for the new issue.

Where Subscription is effected at such time that no right to participate in the new issue arises, a recalculated Subscription Price as well as a recalculated number of B-shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formula:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during the subscription period stated in the resolution approving the issue (referred to below as the "average price of the share")) / (the average price of the share increased by the theoretical value of the subscription right calculated on the basis thereof)

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the theoretical value of the subscription right calculated on the basis thereof) / (the average price of the share)

The average price of the share shall be deemed to be the equivalent of the average calculated mean value, for each trading day during the subscription period, of the highest and lowest quoted paid price on that day according to the stock exchange or market place list on which the shares are quoted. In the absence of a quoted paid price, the bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The theoretical value of the subscription right is calculated in accordance with the following formula:

Theoretical value of subscription right = (the maximum number of new shares which may be issued pursuant to the resolution approving the issue) x ((the average price of the share) - (the issue price of the new share)) / (the number of shares prior to the adoption of the resolution approving the issue)

If this results in a negative value, the theoretical value of the subscription right shall be deemed to be zero.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the subscription period and shall apply to each Subscription effected thereafter.

If the Company's shares, at the time of the resolution to issue the new shares, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

D. Issue of convertible bonds or warrants in accordance with Chapters 14 and 15 of the Companies Act

In the event the Company issues convertible bonds or warrants, in both cases subject to preferential rights for the shareholders to subscribe for such equity related instrument in exchange for cash payment, the provisions of Sub-section C, first paragraph, sub-paragraphs 1 and 2 shall apply mutatis mutandis in respect of the right to participate in the issue for any share which has been issued through Subscription.

Where Subscription is effected at such a time that no right to participate in the new issue arises, a recalculated Subscription Price as well as a recalculated number of B-shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during the relevant period stated in the resolution approving the issue (referred to below as the "average price of the share")) / (the average price of the share increased by the value of the subscription right).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the value of the subscription right) / (the average price of the share).

The average price of the share shall be calculated in accordance with the provisions of Sub-section C above.

The value of the subscription right shall be deemed to be the equivalent of the average calculated mean value, for each trading day during the subscription period, of the highest and lowest quoted paid price on that day according to the stock exchange or market place list on which the subscription rights are quoted. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

If the subscription rights are not subject to a Market Quotation, the value of the subscription right shall, to the greatest extent possible, be determined based upon the change in the market value of

the Company's shares which may be deemed to have occurred as a consequence of the issue of the convertible bonds or warrants.

The Subscription Price and the number of B-shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the subscription period and shall apply to each Subscription effected thereafter.

If the Company's shares, at the time of the resolution to issue the notes, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of B-shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

E. Other offers to shareholders

Where the Company, in circumstances other than those referred to in Sub-sections A–D above, makes offers to the shareholders, subject to preferential rights for the shareholders in accordance with the principles set out in Chapter 13, Section 1 of the Companies Act, to acquire securities or rights of any type from the Company or resolves, in accordance with the principles mentioned above, to distribute such securities or rights to the shareholders without consideration, in conjunction with Subscription which is effected at such time that the shares thereby received do not entitle the holder to participate in the offer, a recalculated Subscription Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during the application period for the offer (referred to below as the "average price of the share")) / (the average price of the share increased by the value of the right to participate in the offer (referred to below as the "value of the purchase right")).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the value of the purchase right) / (the average price of the share).

The average price of the share shall be calculated in accordance with the provisions of Sub-section C above.

Where shareholders have received purchase rights and trading in these has taken place, the value of the right to participate in the offer shall be deemed to be equivalent to the value of the purchase rights. For this purpose, the value of the purchase right shall be deemed to be equivalent to the average calculated mean value, for each trading day during the application period, of the highest and lowest quoted paid price during the day according to the stock exchange or market place list on which the purchase rights are quoted. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

If the shareholders do not receive purchase rights or where such trading in purchase rights as referred to in the preceding paragraph otherwise does not take place, the recalculation of the Subscription Price shall be made as far as possible by applying the principles set out above in this Sub-section E and the following shall apply. Where listing of the securities or rights offered to the shareholders takes place, the value of the right to participate in the offer shall be deemed to be equivalent to the average calculated mean value, for each trading day during the period of 25 trading days calculated from the first day of listing, of the highest and lowest transaction prices quoted for trades in such securities or rights on the securities exchange or other marketplace for financial instruments on which those securities or rights are listed, reduced where appropriate by the

consideration paid for these in conjunction with the offer. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation of the value of the right to participate in the offer. In the recalculation of the Subscription Price and the number of B-shares for which each Warrant entitles the holder to subscribe, the period of 25 trading days referred to above shall be deemed to be the application period determined for the offer pursuant to the first paragraph of this Sub-section E.

Where no listing of such securities or rights offered to the shareholders takes place, the value of the right to participate in the offer shall, to the greatest extent possible, be determined based on the change in the market value of the Company's shares which may be deemed to have occurred as a consequence of the offer.

The Subscription Price and the number of B-shares for which each Warrant entitles the holder to subscribe, recalculated in accordance with the above, shall be determined by the Company as soon as possible after it becomes possible to calculate the value of the right to participate in the offer.

If the Company's shares, at the time of the offer, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of B-shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of B-shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of B-shares for which each Warrant entitles the holder to subscribe.

F. Equal treatment of Warrant Holders and shareholders

Where the Company issues new shares or makes an issue pursuant to Chapters 14 or 15 of the Companies Act, with preferential rights for shareholders to subscribe for equity related instruments in exchange for cash payment, the Company may grant all Warrant Holders the same preferential rights as the shareholders. In conjunction therewith, each Warrant Holder, irrespective of whether subscription for shares has been made, shall be deemed to be the owner of the number of shares which such Warrant Holder would have received, had Subscription on the basis of the Warrant been effected in respect of the Subscription Price, and the number of B-shares for which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to issue the shares.

If the Company resolves to make an offer to the shareholders as described in Sub-section E above, what has been stated in the preceding paragraph shall apply *mutatis mutandis*. However, the number of shares of which each warrant holder shall be deemed to be the owner shall, in such circumstances, be determined on the basis of the Subscription Price, and the number of B-shares for which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to make the offer.

If the Company resolves to grant the warrant holders preferential rights in accordance with the provisions set out in this Sub-section F, no recalculation as set out in Sub-sections C, D, or E above of the Subscription Price and the number of B-shares for which each Warrant entitles the holder to subscribe for shall be made.

G. Extraordinary Dividend

If the Company decides to pay a cash dividend to shareholders of an amount which, combined with other dividends paid during the same fiscal year, exceeds 15 percent of the average price of the share during the period of 25 trading days immediately preceding the day on which the Company's board of directors announced its intention to propose that the general meeting approve such a dividend, a recalculation of the Subscription Price, and the number of B-shares for which each Warrant entitles the holder to subscribe, shall be made in respect of any Subscription requested at such a time that the B-shares thereby received do not carry rights to receive such dividend. The recalculation shall be based on

that part of the total dividend which exceeds 15 percent of the average price of the B-shares during the above-mentioned period of 25 trading days (referred to below as “Extraordinary Dividend”).

The recalculation shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during a period of 25 trading days calculated from the day on which the share is listed without any right to Extraordinary Dividend (referred to below as the “average price of the share”)) / (the average price of the share increased by the Extraordinary Dividend paid per share).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the Extraordinary Dividend paid per share) / (the average price of the share).

The average price of the share shall be deemed to be the equivalent of the average calculated mean value during the above-mentioned period of 25 trading days of the highest and lowest quoted paid price on each day according to the stock exchange or market place list on which the shares are quoted. In the absence of a quoted paid price, the bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe shall be determined by the Company two Business Days after the expiry of the above-mentioned period of 25 trading days and shall apply to each Subscription effected from the day on which the share is listed without any right to Extraordinary Dividend.

If the Company’s shares, at the time of the resolution to pay a dividend, are not subject to a Market Quotation and it is resolved to pay a cash dividend to shareholders of an amount which, combined with other dividends paid during the same fiscal year, exceeds 50 percent of the Company’s earnings after tax in accordance with the Company’s consolidated income statement adopted in the financial year immediately preceding the year in which the resolution was adopted to pay the dividend, a recalculation of the Subscription Price, and the number of B-shares for which each Warrant entitles the holder to subscribe, shall be made in respect of any Subscription requested at such a time that the shares thereby received do not carry rights to receive such dividend. The recalculation shall be based on that part of the total dividend which exceeds 50 percent of the Company’s earnings after tax and shall be made by the Company in accordance with the above-mentioned principles.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

H. Reduction of share capital

If the Company’s share capital is reduced through a repayment to the shareholders, and such reduction is compulsory, a recalculated Subscription Price and a recalculated number of B-shares for which each Warrant entitles the holder to subscribe shall be applied.

The recalculations shall be made by the Company in accordance with the following formulae:

Recalculated Subscription Price = (previous Subscription Price) x (the average quoted price of the share during a period of 25 trading days calculated from the day on which the share is listed without any right to participate in the distribution (referred to below as the “average price of the share”)) / (the average price of the share increased by the amount repaid per share).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the amount repaid per share) / (the average price of the share).

The average price of the share is calculated in accordance with the provisions set out in Sub-section C above.

In carrying out the recalculations according to the above and where the reduction is made through redemption of shares, instead of using the actual amount which is repaid for each share, an amount calculated as follows shall be applied:

Calculated amount to be repaid for each share = (the actual amount repaid for each redeemed share reduced by the average market price of the share during a period of 25 trading days immediately prior to the day on which the share is listed without any right to participate in the reduction (referred to below as the "average price of the share")) / (the number of shares of the Company which carry an entitlement to the redemption of one share, reduced by 1)

The average exchange price is calculated in accordance with the provisions set out in Sub-section C above.

The Subscription Price and number of B-shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the above-mentioned period of 25 trading days, and shall apply to each Subscription effected thereafter.

During the period prior to the determination of the recalculated Subscription Price and the recalculated number of B-shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

If the Company's share capital is reduced through redemption of shares with repayment to the shareholders, where such reduction is not compulsory, but where, in the opinion of the Company, the reduction, due to its technical structure and its financial effects, is equivalent to a compulsory reduction, the recalculation of the Subscription Price and the number of B-shares for which each Warrant entitles the holder to subscribe shall be made, to the greatest extent possible, in accordance with the principles stated above in this Sub-section H.

If the Company's shares, at the time of the reduction of share capital, are not subject to a Market Quotation, a corresponding recalculation of the Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by the Company, shall be based on the assumption that the value of the Warrants shall remain unchanged.

I. Recalculation shall give a reasonable result

Should the Company take actions such as those stated in Sub-sections A–E, G or H above and if, in the Company's opinion, application of the recalculation formula established for such action, taking into account the technical framework of such action or for other reasons, could not be made or would result in the Warrant Holders receiving, in relation to the shareholders, economic compensation that is not reasonable, the Company shall, subject to prior written approval by the board of directors of the Company, make the recalculation of the Subscription Price, and the number of B-shares for which each Warrant entitles the holder to subscribe, in such a manner as the Company determines is appropriate to ensure that the recalculation gives a reasonable result.

J. Rounding off

On recalculation of the Subscription Price in accordance with the above, the Subscription Price shall be rounded off to the nearest SEK 0.10, for which purposes SEK 0.05 shall be rounded downwards and the number of B-shares shall be rounded off to two decimal places.

K. Mergers

Where the general meeting adopts a resolution to approve a merger plan pursuant to Chapter 23, Section 15 of the Companies Act, pursuant to which the Company is to be merged into another company or where the board of directors adopts a resolution pursuant to Chapter 23, Section 28 of the Companies Act adopts a resolution that the Company be merged into its parent company, the Warrant Holders shall receive rights in the acquiring company corresponding at least to the rights held in the

Company (the transferor company), unless, pursuant to the merger plan, the Warrant Holders are entitled to demand redemption of their Warrants by the acquiring company.

L. Division

Where the general meeting adopts a resolution to approve a division plan pursuant to Chapter 24, Section 17 of the Companies Act, pursuant to which a proportion of the assets and liabilities of the Company are taken over by two or more other companies, a recalculated subscription price and a recalculated number of B-shares for which each Warrant entitles the Warrant Holder to subscribe shall be calculated. The provisions of Sub-section G regarding Extraordinary Dividend shall then apply *mutatis mutandis*. The recalculation shall be based on the proportion of the assets and liabilities of the Company that are taken over by the transferee company or companies.

Where all assets and liabilities of the companies are taken over by two or more other companies, on paying consideration to the shareholders of the Company, the provisions of Sub-section M below regarding liquidation shall apply *mutatis mutandis*. *Inter alia*, this means that the right to demand Subscription shall terminate simultaneously with the registration in accordance with Chapter 24, Section 27 of the Companies Act and that the Warrant Holder shall be notified no later than four weeks before the division plan shall be submitted for approval to the general meeting.

M. Liquidation

If it is resolved that the Company be put into liquidation, for whatever reason, Subscription may not take place thereafter. The right to demand Subscription shall terminate simultaneously with the adoption of the resolution to put the Company in liquidation, irrespective of whether such resolution has become final.

Not later than four weeks prior to the adoption of a resolution by a general meeting in respect of whether or not the Company should be put into liquidation in accordance with Chapter 25 of the Companies Act, the Warrant Holders shall be notified with respect to the planned liquidation in accordance with Section 11 below. The notice shall state that subscription may not take place following the adoption of the resolution in respect of liquidation.

If the Company gives notice of a planned liquidation pursuant to the above, the Warrant Holders shall, notwithstanding the provisions of Section 4 in respect of the earliest date for application for Subscription, be entitled to apply for Subscription commencing on the day on which the notice is given, provided that Subscription may be effected not later than prior to the general meeting at which the resolution regarding the liquidation of the Company shall be addressed.

Notwithstanding the provisions above pursuant to which Subscription may not take place after the adoption of a resolution regarding liquidation, the right to subscribe shall be reinstated in the event the liquidation is not carried out.

N. Insolvent liquidation

If the Company is put into insolvent liquidation, Subscription may not take place through the exercise of Warrants. Where, however, the decision to put the Company into insolvent liquidation is set aside by a higher court, subscription rights shall be reinstated.

9. CHANGE OF CONTROL

In addition to the subscription period set out in Section 4, where a person (or a group of persons acting in concert) obtains Control of the Company (as defined in section 1, Definitions, above), application for Subscription of allocated Warrants may take place on the date such person(s) obtains Control (the "Control Date") up until the earliest of (i) the expiry of 60 days from the Control Date and (ii) the date the controlling shareholder(s) commences a compulsory acquisition procedure pursuant to Chapter 23, Section 6 of the Companies Act.

The Company shall immediately notify Warrant Holders about the change of Control and the applicable subscription period following such change of Control.

If not exercised during the abovementioned period, Subscription may take place in accordance with the other provisions of these terms and conditions.

10. NOMINEES

According to Chapter 3, Section 7 of the Financial Instruments Accounts Act (SFS 1998:1479), a legal entity shall be entitled to be registered as nominee. Such a nominee shall be regarded as a Warrant Holder for the purposes of the application of these terms and conditions.

11. NOTICES

Notices relating to these Warrant Terms and Conditions shall be provided to each Warrant Holder and any other rights holders registered in Securities Accounts.

12. RIGHT TO REPRESENT WARRANT HOLDERS

The Bank shall be entitled to represent Warrant Holders in matters of a formal nature concerning the Warrants without special authorization from the Warrant Holders.

13. AMENDMENTS TO TERMS AND CONDITIONS

The Company shall be entitled, in consultation with the Bank, to amend the terms and conditions of the Warrants to the extent required by legislation, decisions of courts of law or decisions of governmental authorities or where otherwise, in the Company's opinion, such is necessary or expedient for practical reasons and provided that the rights of the Warrant Holders are in no way prejudiced.

14. CONFIDENTIALITY

The Company and Euroclear may not, without authorization, disclose information regarding the Warrant Holders to any third party. The Company shall have access to information contained in the register of warrants held by Euroclear which sets out the persons registered as holders of Warrants.

15. LIMITATION OF LIABILITY

In respect of measures which it is incumbent on the Company, Euroclear or the Bank to take in accordance with the terms and conditions of the Warrants, taking into consideration the provisions of the Financial Instruments Accounts Act (SFS 1998:1479), neither the Company, Euroclear nor the Bank shall be liable for loss which arises as a consequence of Swedish or foreign legislation, the actions of Swedish or foreign governmental authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation in respect of strikes, blockade, boycotts, and lockouts shall apply notwithstanding that the Company, Euroclear or the Bank is itself the subject of, or effects, such measures.

Nor shall Euroclear be liable for loss which arises under other circumstances provided Euroclear has duly exercised normal caution. The Company and the Bank shall also enjoy a corresponding limitation of liability. In addition, under no circumstances shall the Company or the Bank be liable for indirect loss.

If the Company, Euroclear or the Bank is unable to perform its obligations as a consequence of a circumstance specified in the first paragraph, such performance may be postponed until such time as the cause for the impediment has terminated.

16. APPLICABLE LAW AND FORUM

The Warrants, and all legal issues related to the Warrants, shall be determined and interpreted in accordance with Swedish law. Legal proceedings relating to the Warrants shall be brought before the Stockholm District Court or such other forum as is accepted in writing by the Company.

APPENDIX 3 (item 15 a)

**Possible outcome in respect of
REMUNERATION OF SENIOR EXECUTIVES
for fiscal 2015**

The foundations for variable remuneration of senior executives, including the chief executive officer, are established by the board and are based on profitability targets likewise established by the board.

If no more than 80 percent of the targets are attained, no payment is made.

Subject to the approval by the AGM of the Board's proposal, if targets are fully attained, the total remuneration by the Company of the current senior executives will not exceed approximately SKr 13 million, of which the variable annual remuneration for 2015 accounts for approximately SKr 3 million. As the remuneration criteria differ among the various executives, the outcome may vary from person to person. If the targets are surpassed, the total variable remuneration for corporate management cannot exceed the value of 50 percent of the fixed salary of the CEO and 60 percent of the total fixed salary of the other members of executive management, amounting, in total, to approximately SKr 5 million for 2015.

EVALUATION OF EXECUTIVE REMUNERATION OF INDUSTRIAL AND FINANCIAL SYSTEMS, IFS AB (PUBL)

- Report by the Board pursuant to the Swedish Corporate Governance Code, Sections 9.1 and 10.3 -

The following is a report from the Board regarding the evaluation for fiscal 2014 of:

- ongoing and completed programs for variable remuneration to senior executives during 2014;
- the application of the guidelines for remuneration of executive management adopted by the Annual General Meeting (AGM) on 26 March 2014; and
- the current remuneration structures and levels applicable in IFS.

1. GENERAL

The Board's remuneration work

The Board has decided not to appoint a separate remuneration committee. Remuneration of the CEO is determined by the Board, as are the principles and earnings targets for variable remuneration of the CEO and officers reporting to the CEO. The Board member being part of the executive management of the company does, however, not participate in this work.

Other remuneration of officers reporting to the CEO is determined in consultation with the Chairman of the Board, and information is subsequently provided to the other members of the Board.

The 2014 remuneration guidelines

Pursuant to the remuneration guidelines adopted by the AGM in 2014, executive management's total remuneration consists of fixed salary, variable remuneration, incentive programs, pension contribution, and other benefits.

Pursuant to the remuneration guidelines, the basic salary shall be on market terms and related to the executive's position, responsibility, competence, and experience.

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 proportionate to the executive's responsibility and powers. Hence, the variable remuneration varies according to position.

The basis for the variable remuneration of the CEO and other members of executive management is established by the Board and is based on individual goals linked to profitability targets set by the Board for each year. The variable remuneration is thus linked to predetermined and measurable criteria. Moreover, the variable remuneration is linked to a specified maximum portion (where applicable determined in intervals) of the basic salary. Thus, there is a fixed upper limit for payment of variable remuneration.

The variable remuneration is also designed to promote the company's long-term value creation in the sense that no variable remuneration will be paid if the profitability targets are not reached.

Pursuant to the resolution of the AGM, the Board has been mandated to deviate from the remuneration guidelines in individual cases if there is good reason to do so. In such an event, the Board shall inform the immediately following AGM and explain the reason for the deviation.

Incentive programs

The AGM of 2014 resolved to adopt an incentive program based on the same structure as the programs adopted by the AGMs of 2011, 2012 and 2013. Under the program executive management and key personnel of the IFS group are offered to acquire warrants in the company at market price. To stimulate participation in the program employees are allotted, subject to certain conditions, up to three additional warrants free of charge for each warrant acquired at market price.

The allotment of additional warrants free of charge has been dependent on the outcome of a performance condition linked to the company's earnings-per-share (EPS) target during 2014 (SKr 8.32), under which a target completion rate of 85% will result in one (1), 100% in two (2), and 115% in three (3) additional warrants free of charge. The outcome of the 2014 EPS has now been established (SKr 8.45, a target completion rate of 101.6%),

meaning that the program participants will be allotted 2 additional warrants free of charge for each warrant they have acquired at market price.

The Board has decided to propose at the AGM 2015 that a new incentive program be adopted based on the same structure as the 2014 program. It is the Board's view that the program, whilst meeting the requirements of the Swedish Corporate Governance Code, in an appropriate manner creates conditions for retaining and recruiting competent personnel and contributes to increasing employee motivation and the Board considers that the introduction of the incentive program will benefit the group and the company's stockholders.

2. VARIABLE REMUNERATION TO EXECUTIVE MANAGEMENT IN 2014

Levels for variable remuneration pursuant to the remuneration guidelines for 2014

In accordance with the remuneration guidelines adopted by the AGM in 2014 the following levels for the variable remuneration to executive management have been applied:

- For the *CEO*, the maximum variable remuneration must not exceed 50 percent of the basic salary.
- For the *other members of executive management*, variable remuneration shall be payable in the interval 25 – 60% of the basic salary, based on achievement of 80 – 120% of individual goals.

Pursuant to the guidelines, the total maximum variable remuneration of executive management for fiscal 2014 has been set at SKr 4 million.

Remuneration paid in 2014

The variable remuneration to executive management amounted in 2014 to a total of SKr 2,144k.

The total remuneration paid to the CEO in 2014 amounted to SKr 5,215k, of which SKr 474k consisted of variable remuneration. The variable remuneration to the other members of the executive management last year amounted to a total of SKr 1,670k.

The variable remuneration in 2014 to the CEO was exclusively based on the financial result of IFS, and to other members of executive management, on individual goals.

Acquired warrants

In 2014 the CEO acquired 18,525 warrants under the incentive program adopted by the AGM 2014 and will under the terms of the program, in view of the above-mentioned outcome of the performance condition, be allotted 37,050 additional warrants free of charge. As per February 2015, the CEO holds a total of 94,875 warrants.

In total, during 2014 the other members of executive management acquired an aggregate of 16,208 warrants under the 2014 incentive program and will, in view of the above-mentioned outcome of the performance condition, be allotted 32,416 additional warrants free of charge, in the aggregate. As per February 2015, this group of people holds, in the aggregate, a total of 75,194 warrants.

3. CONCLUSIONS

The remuneration guidelines adopted by the AGM in 2014 have been fully observed during the year and the Board has in no case exercised the mandate to deviate therefrom.

It is the Board's view that the remuneration guidelines, including adopted incentive programs, are consistent with applicable law as well as the Corporate Governance Code.

Moreover, it is the Board's evaluation that the currently applied structures and levels of remuneration in IFS, as well as ongoing and completed programs for variable remuneration, are market adjusted, well-balanced and necessary for IFS to attract and retain skilled personnel.

In light of the above, it is the Board's overall conclusion that the guidelines, programs, structures and levels of remuneration to executive management during 2014 are suitable, appropriate and applied in a manner consistent with applicable rules.

Linköping, February 2015

the Board



Revisorsyttrande enligt 8 kap. 54 § aktieföretagslagen (2005:551) om huruvida årsstämmans riktlinjer om ersättningar till ledande befattningshavare har följts

Till årsstämman i Industrial and Financial Systems, IFS AB (publ), org.nr 556122-0996

Vi har granskat om styrelsen och verkställande direktören för Industrial and Financial Systems, IFS AB (publ) under år 2014 har följt de riktlinjer för ersättningar till ledande befattningshavare som fastställdes på årsstämman den 26 mars 2014.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att riktlinjerna följs och för den interna kontroll som styrelsen och verkställande direktören bedömer är nödvändig för att tillse att riktlinjerna följs.

Revisorns ansvar

Vårt ansvar är att lämna ett yttrande, grundat på vår granskning, till årsstämman om huruvida riktlinjerna har följts. Vi har utfört granskningen enligt Fars rekommendation RevR 8 *Granskning av ersättningar till ledande befattningshavare i aktiemarknadsbolag*. Denna rekommendation kräver att vi följer yrkesetiska krav samt planerar och utför granskningen för att uppnå rimlig säkerhet att årsstämmans riktlinjer i allt väsentligt följts.

Granskningen har omfattat bolagets organisation för och dokumentation av ersättningsfrågor för ledande befattningshavare, de nya beslut om ersättningar som fattats samt ett urval av de utbetalningar som gjorts under räkenskapsåret till de ledande befattningshavarna. Revisorn väljer vilka åtgärder som ska genomföras, bland annat genom att bedöma risken för att riktlinjerna inte i allt väsentligt följts. Vid denna riskbedömning beaktar revisorn de delar av den interna kontrollen som är relevant för riktlinjernas efterlevnad i syfte att utforma granskningsåtgärder som är ändamålsenliga med hänsyn till omständigheterna, men inte i syfte att göra ett uttalande om effektiviteten i bolagets interna kontroll.

Vi anser att vår granskning ger oss rimlig grund för vårt uttalande nedan.

Uttalande

Vi anser att styrelsen och den verkställande direktören för Industrial and Financial Systems, IFS AB (publ) under 2014 följt de riktlinjer för ersättningar till ledande befattningshavare som fastställdes på årsstämman den 26 mars 2014.

Stockholm 2015-03-04

PricewaterhouseCoopers AB

Nicklas Kullberg
Auktoriserad revisor

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