

*The information provided herein is such that AB Industrivärden (publ) is obligated to disclose pursuant to the Securities Market Act (SFS 2007:528). Submitted for publication at 10:00 a.m. on March 26, 2013.*

## PRESS RELEASE

### Notice of Annual General Meeting 2013

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**AB Industrivärden (publ) will hold its Annual General Meeting at 2 p.m. on May 7, 2013, at the Grand Hotel, Vinterträdgården (entrance at the corner of Stallgatan/Blasieholmsgatan), in Stockholm. Registration opens at 1 p.m.**

#### **Right to attend and notification**

Those who on April 30, 2013, are registered as shareholders in the shareholder register maintained by Euroclear Sweden AB and who have notified the Company of their intention to attend the Annual General Meeting by no later than April 30, 2013, have the right to attend the Annual General Meeting. Notification can be made by post to AB Industrivärden (publ), Box 5403, SE-114 84 Stockholm, Sweden; by phone at +46-8-666 64 00; by fax at +46-8-661 46 28; or by e-mail at [agm@industrivarden.se](mailto:agm@industrivarden.se). Notification by e-mail requires confirmation from the Company by e-mail (within 24 hours on weekdays) that notification has been received. Notification can also be made using the form on Industrivärden's website: [www.industrivarden.net](http://www.industrivarden.net). Upon notification, shareholders must provide their name, national ID number/corporate registration number, address and phone number. The same dates, addresses, etc. apply for notification of the number of any assistants accompanying the shareholder. Proxies, certificates of incorporation and other authorization documents must be on hand at the Annual General Meeting, and to facilitate entry to the Meeting, they should be submitted to the Company no later than April 30, 2013. Any proxies must be shown in original and may not be older than one year unless a longer validity period (max. five years) is stated on the proxy form. The Company provides proxy forms on its website: [www.industrivarden.net](http://www.industrivarden.net).

Shareholders whose shares are registered in the name of a nominee must, in order to be entitled to attend the Meeting, request that their nominee re-register their shares in their own name, so that the shareholder is registered in the shareholder register on April 30, 2013. Such registration may be temporary. Shareholders who wish to register their shares in their own name should inform their nominee well in advance of April 30, 2013.

#### **The Board's proposed agenda**

- 1 Opening of the meeting
- 2 Election of a chairman to preside over the Annual General Meeting
- 3 Drawing-up and approval of the register of voters
- 4 Approval of the agenda
- 5 Election of persons to check the minutes
- 6 Decision as to whether the Annual General Meeting has been duly convened
- 7 Presentation of:
  - a. the annual report and audit report, and of the consolidated accounts and audit report for the Group,
  - b. the auditor's statement on whether the guidelines for executive compensation, which have applied since the previous Annual General Meeting, have been followed,
  - c. the Board's proposed distribution of earnings and statement in support of such proposal
- 8 Address by the CEO

- 9 Decisions concerning:
  - a. adoption of the Income Statement and Balance Sheet, and the Consolidated Income Statement and Consolidated Balance Sheet,
  - b. distribution of the Company's earnings as shown in the adopted Balance Sheet,
  - c. the record date, in the event the Annual General Meeting resolves to distribute earnings,
  - d. discharge from liability to the Company of the members of the Board of Directors and the CEO
- 10 Decision on the number of directors
- 11 Decision regarding directors' fees for each of the Company directors
- 12 Election of directors and the Chairman of the Board
- 13 Decision on auditor's fees
- 14 Decision on guidelines for executive compensation
- 15 Decision on a long-term share saving program

## **The Board's other proposals**

### Dividend and record date

The Board of Directors and the CEO propose a dividend of SEK 5.00 per share.

May 13, 2013, has been proposed as the record date for payment of the dividend. Provided that the Annual General Meeting votes in favor of this proposal, dividends are expected to be sent out via Euroclear Sweden AB on May 16, 2013.

### Guidelines for executive compensation

The Board has issued the following recommendation for decision by the 2013 Annual General Meeting: Compensation paid to the CEO and other members of the executive management shall consist of a base salary, a variable salary, other benefits and pension. The total compensation should be competitive and in line with the going rate in the market, and shall be commensurate with the executive's responsibilities and authority. The variable salary consists of a short-term variable salary component (yearly) and a long-term variable salary component. The short-term variable salary component is based on individual performance, shall have a cap, and never exceed the base salary. The long-term variable salary is based on the long-term performance of the Company's stock and shall have a cap. None of the variable components shall be pensionable. Upon cancellation of an executive's employment contract by the Company, a two-year notice period applies. No severance pay should be payable. Pension benefits shall be either defined-benefit or defined-contribution, or a combination of both, and give the members of the executive management the right to retire from 60 or 65 years of age, depending on their position. The Board may depart from these guidelines if there are special reasons for doing so in individual cases.

### Long-term share saving program

#### *Background*

The 2012 Annual General Meeting resolved on the implementation of a long-term share saving program which replaced previous cash-based incentive programs. Long-term share saving programs are intended to be annually recurring and form the type of long-term variable salary. The Share Saving Program (the "Share Saving Program" or the "Program"), which is now proposed by the Board of Directors to the 2013 Annual General Meeting, corresponds in its construction to the program approved by the 2012 Annual General Meeting. The intention is that the Program will be part of a competitive total compensation, where the employee receives so called matching shares after three years, subject to an investment of part of the employee's fixed salary in Industrivärden shares and subject to the employee remaining employed when matching occurs. The purpose of the Program is to encourage the employees of Industrivärden to an increased shareholding and thereby further emphasize long-term shareholder value. The Share Saving Program is deemed to increase Industrivärden's prospects for retaining and recruiting employees with key competencies to Industrivärden as well as the employees' interest and involvement in Industrivärden's business and

development. In light of the above, the Program is deemed to have a positive effect on Industrivärden's future development and therefore be advantageous both to the shareholders and to the employees of Industrivärden.

The Board of Directors thus proposes that the 2013 Annual General Meeting resolve on the implementation of a long-term share saving program for no more than 28 employees of the Industrivärden Group.

*The Board of Directors' proposal for resolution*

The Board of Directors proposes that the Annual General Meeting resolve to implement the Program based on the terms and conditions set out below.

- a. The Program is open to no more than 6 members of Industrivärden's management ("Management"), to no more than 9 key persons employed within the Industrivärden Group ("Key Persons"), and to no more than 13 other permanent employees within the Industrivärden Group ("Employees").
- b. The Program means that Management, Key Persons and Employees are offered the possibility to, provided an investment of their own in Series C shares in Industrivärden ("Saving Shares") during the period May 15 –October 15, 2013 ("Acquirement Period"), from a designated third party be allotted Class C shares in Industrivärden free of charge ("Matching Shares"). For each Saving Share, Management may be allotted three (3) Matching Shares, Key Persons two (2) Matching Shares and Employees one (1) Matching Share. Due to the fact that allotment of Matching Shares will be pensionable for some program participants in the Key Persons and Employees categories, such program participants may be allotted fewer than two (2) Matching Shares and one (1) Matching Share, respectively, for each Saving Share.
- c. Matching Shares may normally be allotted to program participants only after the expiration of a three-year period, such period commencing on the last day of the Acquirement Period ("Lock-up Period"). Accordingly, allotment of Matching Shares is estimated to occur shortly after the publication of Industrivärden's interim report for the third quarter of 2016.
- d. The maximum number of Saving Shares that each program participant may acquire is limited such that Saving Shares may be acquired for an amount corresponding to no more than ten (10) percent of the participant's annual base gross salary for 2013.
- e. In order for a program participant to be allotted Matching Shares it is required that, with certain specific exemptions, he or she is permanently employed within the Industrivärden Group for the duration of the entire Lock-up Period and that the participant, throughout this Lock-up Period, has retained the Saving Shares. Saving Shares disposed of prior to the expiration of the Lock-up Period will therefore not entitle to any allotment of Matching Shares. Should a program participant retire during the Lock-up Period, the entitlement to receive allotment of Matching Shares shall be reduced in proportion to the time remaining of the Lock-up Period.
- f. The Program shall comprise no more than 150,000 Class C shares in Industrivärden (Matching Shares). Should Saving Shares be acquired at a share price such that the total number of Matching Shares exceeds 150,000 Matching Shares, the number of Matching Shares that may be transferred to the program participants will be proportionally reduced.
- g. The Board of Directors shall be authorized to establish the detailed terms and conditions for the Program.
- h. If significant changes in Industrivärden or in the market would occur, or if the costs for the Program significantly would exceed the estimated costs, and this, in the opinion of the Board of Directors, would result in a situation where the conditions for allotment of Matching Shares under the Program become unreasonable, the Board of Directors shall be entitled to make adjustments to the Program, including, among other things, a decision to reduce the allotment of Matching Shares or to not allot any Matching Shares at all. For Management and Key Persons, who may be allocated three (3) and two (2) Matching Shares, respectively, the following shall apply for allocations of more than one (1) Matching Share: If the Board of Directors is of the opinion that Industrivärden's performance during the Lock-up Period is not aligned with Industrivärden's long-term financial objectives, the Board of Directors shall have

the right to decide on a reduced allocation or that no allocation of said Matching Shares be made at all.

- i. The number of Matching Shares shall be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.

#### *Preparation of the proposal*

The proposal regarding the Program to the 2013 Annual General Meeting has been prepared by the Compensation Committee and resolved by the Board of Directors after consultation with major shareholders.

#### *Hedging, etc.*

The Board of Directors intends to hedge the expected financial exposure of the Program by, on behalf of Industrivärden, entering into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer Class C shares in Industrivärden to the program participants.

The Program may in total comprise no more than 150,000 Class C shares in Industrivärden, representing approximately 0.04 percent of all outstanding shares in Industrivärden and approximately 0.13 percent of all outstanding Class C shares in Industrivärden.

In accordance with the scope of the Program as described above, the costs are estimated to total approximately SEK 14 million, under the assumption that 28 employees participate in the Program and that all program participants acquire the maximum number of Saving Shares.

The Program is expected to have only marginal effects on Industrivärden's and the Industrivärden Group's key figures.

For a description of outstanding share-related incentive programs, please refer to note 6 in the annual report for the 2012 financial year.

#### *Majority requirements*

The shareholders' meeting's resolution in accordance with the above requires a majority of more than half of the votes cast.

### **Nominating Committee's proposals**

The Nominating Committee has consisted of Sverker Martin-Löf, Chairman of the Board; Bo Damberg, the Jan Wallander och Tom Hedelius Foundation and others; Ulf Lundahl, L E Lundbergföretagen; Mikael Schmidt, SCA pension foundations and others; and Håkan Sandberg, Handelsbanken Pension Foundation and Handelsbanken Pension Fund. Håkan Sandberg has served as Nominating Committee Chair. The Nominating Committee has made the following proposals:

#### Chairman to preside over the Annual General Meeting:

Attorney Sven Unger.

#### Number of directors:

Seven and no deputies (unchanged).

#### Directors' fees:

SEK 1,860,000 (previous year: SEK 1,800,000) for the Chairman of the Board, SEK 545,000 (previous year: SEK 525,000) for each of the other non-executive directors. No separate fee shall be paid for committee work.

## Directors:

Re-election of Christian Caspar, Boel Flodgren, Stuart Graham, Fredrik Lundberg, Sverker Martin-Löf and Anders Nyrén, and new election of Pär Boman. Hans Larsson has declined re-election. Pär Boman (born 1961) has been serving as President and CEO of Handelsbanken since 2006, where he has held a number of positions since 1991. Per Boman is also a board member of SCA and Swedish Bankers' Association.

Chairman of the Board: Re-election of Sverker Martin-Löf.

## Auditor's fee:

Fee payable on account (unchanged).

## **Documents**

Accounting records, audit reports and auditors' statements, and the Board's proposed distribution of earnings and statement in support of such proposal, will be on hand for the shareholders at the Company three weeks before the Annual General Meeting. These documents will also be posted on the Company's website, [www.industrivarden.net](http://www.industrivarden.net), and will be sent to shareholders at their postal address upon request. The documents will also be available at the Annual General Meeting.

## **Number of shares and votes in the Company**

The total number of shares in AB Industrivärden is 386,271,224, of which 268,530,640 are Class A shares and 117,740,584 Class C shares. Each Class A share carries one vote. Each Class C share carries one-tenth of a vote. The total number of votes is 280,304,698.4. This data pertains to the conditions at the time this notice is issued.

## **Disclosures at the Annual General Meeting**

The shareholders have the right to certain disclosures at the Annual General Meeting: The Board of Directors and the CEO shall, if requested by any shareholder, and if the Board believes that it can be done without causing material harm to the Company, provide disclosures on conditions that could affect the assessment of a matter on the agenda, conditions that could have an effect on the assessment of the Company's or a subsidiary's financial situation as well as of the Company's relations with another Group company. A shareholder who wishes to submit questions in advance can do so by post: AB Industrivärden, the Board of Directors, Box 5403, SE-114 84 Stockholm, Sweden, or by e-mail: [agm@industrivarden.se](mailto:agm@industrivarden.se).

Stockholm, March 2013

*The Board of Directors*  
AB Industrivärden (publ)