



## **Invitation to Extraordinary General Meeting of Anoto Group AB (publ)**

**Lund 3<sup>rd</sup> November** - The shareholders of Anoto Group AB (publ), are hereby invited to attend the Extraordinary General Meeting to be held on Friday, 25 November 2016 at 13:00 at the Company's premises at Mobilvägen 10 in Lund, Sweden.

### **Notification of participation**

Shareholders wishing to attend the General Meeting must

- be entered as shareholders in the share register maintained by Euroclear Sweden AB no later than on Friday, 18 November 2016,
- notify the Company of their intention to participate no later than on Monday, 21 November 2016, preferably before noon.

Attendance is to be notified by mail to Anoto Group AB (publ) at Mobilvägen 10, SE-223 62 Lund, Sweden, by telephone +46 46 540 12 00, or by e-mail to [EGM@anoto.com](mailto:EGM@anoto.com). The notification should state name, social security number/corporate identification number and registered number of shares. To facilitate admittance to the General Meeting, proxies, registration certificates and other authorisation documents should be submitted to the Company at the above address no later than on 21 November 2016. The Company provides proxy forms at the Company's office in Lund as well as on the Company's web page [www.anoto.com](http://www.anoto.com).

Shareholders who hold their shares through nominees (*Sw. förvaltare*) must request a temporary registration of the shares in their own name, with Euroclear Sweden AB. Shareholders who wishes to obtain such registration must contact the nominee regarding this well in advance of 18 November 2016.

### **Proposed agenda**

1. Opening of the Meeting
2. Election of Chairman at the Meeting
3. Preparation and approval of voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Determination of whether the Meeting has been duly convened
7. Resolution to approve the resolution by the Board of Directors to issue shares
8. Determination of the number of Board members



9. Remuneration for the Board members
10. Election of Board members
11. Resolution to implement an incentive scheme for senior executives
12. Resolution to issue stock options to Board member
13. Resolution to authorise the Board of Directors to issue warrants
14. Resolution to authorise the Board of Directors to issue new shares and/or convertible bonds
15. Closing of the Meeting

## **Proposals**

### **Resolution to approve the resolution by the Board of Directors to issue shares (item 7)**

The Board of Directors proposes that the General Meeting resolves to approve the resolution by the Board of Directors as of 17 October 2016 to increase the share capital by a maximum of SEK 926,970, from SEK 49,801,549.36 to SEK 50,728,519.36, through the issue of up to 46,348,500 new shares. The subscription price per share is USD 0.0231348938 (corresponding to SEK 0.20 at the exchange rate of 8.64495141 for USD/SEK). With deviation from the shareholders' preferential rights, the new shares may only be subscribed for by ABLE Investment Advisors Inc. Subscription for new shares shall be made on a separate subscription list no later than 17 October 2016. Payment for the subscribed shares shall be made no later than three business days following approval of the resolution to issue the new shares by the General Meeting. The new shares shall entitle to dividends as from the shares being registered in the share register kept by Euroclear Sweden AB.

### **Election of Board member etc. (items 8-10)**

The Company has not yet received proposal in respect of new Board members. If the Company receives any such proposals prior to the General Meeting, the proposals will immediately be announced on the Company's web page, [www.anoto.com](http://www.anoto.com).

### **Resolution to implement an incentive scheme for senior executives (item 11)**

The Board of Directors proposes that the General Meeting resolves to adopt an incentive scheme for senior executives employed within the Group as described below. The incentive scheme shall not include the CEO of the Company. The Board of Directors also proposes that the General Meeting resolves to reduce the incentive scheme for senior executives resolved at the Annual General Meeting 2016 from 65,250,000 options to 21,750,000 options and that the scheme resolved at the Annual General Meeting 2016 shall only apply to the CEO of the Company.

The proposed incentive scheme means that the participants, free of charge, will be allocated stock options. The options will vest by one third per year over the term of the scheme and the vesting of the options is contingent on that the participant has been employed by the Anoto Group for at least 12 months from the date of grant of the options. The options can be exercised to purchase shares in



the Company no later than on 31 December 2019. Each option entitles the participant to purchase one share in Anoto Group AB at a price equal to 150 per cent of the average closing price of the Company's shares on Nasdaq Stockholm during the period from 26 October 2016 up to and including 25 November 2016.

The incentive scheme comprises a maximum of 51,760,000 stock options, representing approximately 2.0 percent of the share capital and votes after dilution, based on the current number of shares in the Company and including the additional 259,348,500 new shares resolved by the Board of Directors on 17 October 2016. The maximum number of stock options to be allocated to each of the senior executives shall be 15,000,000 stock options.

The Board of Directors shall be responsible for preparing the detailed terms and conditions of the incentive scheme, in accordance with the above mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments of the incentive scheme to meet foreign regulations or market conditions. The Board of Directors may also make other adjustments if significant changes in the Group, or its markets, result in a situation where the decided terms and conditions for exercising the options become inappropriate.

Furthermore, in case of special circumstances, the Board of Directors shall be authorised to resolve that options will be kept and exercised despite the fact that employment in the Group have ceased, for example due to illness.

The rationale for the proposal is to create opportunities to keep and to recruit competent personnel and to increase the motivation amongst the employees. The Board of Directors considers that the adoption of the incentive scheme as described above is in the favour of the Group and the shareholders in the Company.

The incentive scheme allows employees of the Group to be granted stock options entitling them to acquire shares in the Company. Such transfers fall within the scope of Chapter 16 of the Swedish Companies Act, which means that a resolution to approve the incentive scheme is valid only where supported by shareholders holding not less than nine-tenth of both the shares voted and of the shares represented at the General Meeting.

#### **Resolution to issue stock options to Board member (item 12)**

The shareholder ABLE Investment Advisors Inc. proposes that the General Meeting resolves to approve the allocation of 6,000,000 stock options to the Board member Henric Ankarcrona, representing approximately 0.24 percent of the share capital and votes after dilution, based on the current number of shares in the Company including the additional 259,348,500 new shares resolved on 17 October 2016.

The proposed incentive scheme means that the participant, free of charge, will be allocated stock options. The options will vest by one third per year over the term of the scheme and the vesting of the options is contingent on that the participant is or has been a Board member of the Company, or at least available for re-election as a Board member, for at least 12 months from the date of allocation of the stock options. The options can be exercised to purchase shares in the Company no later than



on 31 December 2019. Each option entitles the participant to purchase one share in Anoto Group AB at a price equal to 150 per cent of the average closing price of the Company's shares on Nasdaq Stockholm during the period from 26 October 2016 up to and including 25 November 2016.

The Board of Directors shall be responsible for preparing the detailed terms and conditions of the incentive scheme, in accordance with the above mentioned terms and guidelines.

Furthermore, in case of special circumstances, the Board of Directors shall be authorised to resolve that options will be kept and exercised despite the fact that the appointment as Board member in the Company has ceased, for example due to illness.

The rationale for the proposal is to create opportunities to keep competent persons as Board members in the Company. ABLE Investment Advisors Inc. considers that the adoption of the incentive scheme as described above is in the favour of the Group and the shareholders in the Company.

The incentive scheme allows a Board member of the Company to be granted stock options entitling him to acquire shares in the Company. Such transfers fall within the scope of Chapter 16 of the Swedish Companies Act, which means that a resolution to approve the incentive scheme is valid only where supported by shareholders holding not less than nine-tenth of both the shares voted and of the shares represented at the General Meeting

#### **Resolution to authorise the Board of Directors to issue warrants (item 13)**

To ensure delivery of shares to participants in the incentive schemes described under items above, and to cover any social security costs related to the incentive scheme, it is proposed that the Board of Directors be authorised, on one or more occasions until the next Annual General Meeting, to issue up to 57,760,000 warrants, representing approximately 2.2 percent of the share capital and votes after dilution, based on the current number of shares in the Company including the additional 259,348,500 new shares resolved on 17 October 2016. The warrants shall be issued free of charge and, with disapplication of the shareholders' preferential rights, may be subscribed for by Anoto AB, a subsidiary of the Company.

A valid resolution by the General Meeting pursuant to the proposal above requires that the resolution be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the General Meeting.

#### **Resolution to authorise the Board of Directors to issue new shares and/or convertible bonds (item 14)**

The Board of Directors proposes that the General Meeting authorizes the Board of Directors to resolve, on one or several occasions during the period until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, against cash payment, for payment in kind or by way of set-off, to issue shares and/or convertible bonds that involve the issue of or conversion into a maximum of 507,000,000 shares, corresponding to a dilution of approximately 20.0 percent of the share capital and votes, based on the current number of shares in the Company including the additional 259,348,500 new shares resolved on 17 October 2016.



The purpose of the authorisation and the reason for any disapplication of the shareholders' preferential rights is make it possible for the Company to pay with own financial instruments in connection with possible acquisitions that the Company may carry out and to increase the flexibility of the Company to finance the ongoing business. The basis for the issue price shall be according to the prevailing market conditions at the time when shares and/or convertible bonds are issued.

A valid resolution by the General Meeting pursuant to the proposal above requires that the resolution be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the General Meeting.

### **Other**

The Board of Directors' complete proposals for resolutions in accordance with the above, including reports and statements related thereto in accordance with the Swedish Companies Act (SFS 2005:551), will be available at the Company's office in Lund and on the Company's web page, [www.anoto.com](http://www.anoto.com), no later than three weeks prior to the General Meeting and will also be sent to those shareholders who so request and provide their postal address.

According to Chapter 7, section 32 of the Swedish Companies Act, at a General Meeting the shareholders are entitled to require information from the Board of Directors and CEO regarding circumstances which may affect items on the agenda and circumstances which may affect the Company's financial situation.

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

As of 3 November 2016, the total number of shares and votes in the Company was 2,277,077,468. The Company is not holding any own shares.

Lund, November 2016

**Anoto Group AB (publ)**

The Board of Directors