

Notice to attend the Annual General Meeting of shareholders of I.A.R. Systems Group AB (publ)

The shareholders of I.A.R Systems Group AB (publ) (the “Company” or “IAR Systems”) are hereby invited to attend the Annual General Meeting of shareholders to be held on Tuesday, April 27, 2021.

Due to Covid-19 and in an effort to reduce the spread of infection, the Board of Directors has decided that the Annual General Meeting will be held without the physical presence of shareholders, proxies or outside parties, and that shareholders will only be able to exercise their voting rights through postal voting in accordance with the instructions specified below. Information regarding the resolutions passed by the Annual General Meeting will be published on April 27, 2021 as soon as the results of the postal voting have been finalized.

A speech by CEO Stefan Skarin, during which he comments on the company's operations in the 2020 financial year, will be published (in Swedish) on the company's website, www.iar.com/investors, on Tuesday, April 27, 2021.

Registration and notification

Shareholders who wish to participate in the Annual General Meeting through postal voting must:

- be registered as a shareholder in the share register prepared by Euroclear Sweden AB as of Monday, April 19, 2021, and
- notify the company of their intention to participate in the Meeting by submitting their postal vote in accordance with the instructions under the heading “Postal voting” below in such a manner that the company has received the postal vote by Monday, April 26, 2021 at the latest.

To be entitled to participate in the Annual General Meeting, shareholders whose shares are held in the name of a nominee must, in addition to providing notification of their participation in the Annual General Meeting by submitting their postal vote, re-register the shares in their own name so that the shareholders are registered in the share register on Monday, April 19, 2021. This re-registration may be temporary (known as “voting rights registration”) and is carried out through the nominee according to their procedures at a time predetermined by the nominee. Voting rights registration that has been completed by the nominee no later than Wednesday, April 21, 2021, will be recognized in the share register.

Postal voting

The Board of Directors has decided that the shareholders may exercise their voting rights only through postal voting, pursuant to Section 22 of the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198). A special form is to be used for postal voting. The form is available on the company's website www.iar.com/investors.

The completed and signed postal voting form may be sent by mail to I.A.R. Systems Group AB, Box 23051, SE-750 23 Uppsala, Sweden or by e-mail to josefin.skarin@iar.com. The completed form must reach the company by Monday, April 26, 2021 at the latest.

The conditions and instructions for postal voting are presented on the form. Shareholders are not allowed to include special instructions or conditions in the postal vote. If such instructions or conditions are included in the postal vote, the vote (meaning the postal vote in its entirety) will be null and void.

Power of attorney

If shareholders wish to cast their postal vote through a proxy, a written and dated power of attorney signed by the shareholder must be enclosed with the form. The power of attorney form is available on the company's website www.com/investors. If the shareholder is a legal entity, a registration certification or an equivalent authorization document must be enclosed along with the form.

Shareholders' right to receive information

If a shareholder so requests and the Board of Directors considers it possible without this resulting in material damage to the company, the Board of Directors and the CEO must provide information concerning conditions that could influence the assessment of items on the agenda, information concerning conditions that could influence assessments of the financial condition of the company or subsidiaries as well as the company's relationship with other Group companies. Requests for such information questions are to be submitted to the company no later than ten days prior to the Annual General Meeting, that is, no later than April 17, 2021, at I.A.R. Systems Group AB, Box 23051, SE-750 23 Uppsala, Sweden or by e-mail to josefin.skarin@iar.com. Such information will be made available on the company's website www.iar.com/investors and at the company's head office at Strandbodgatan 1 in Uppsala no later than Thursday, April 22, 2021. The information will also be available from the company at Strandbodgatan 1 in Uppsala on the same date. Information will also be sent to shareholders who requested the information and provided an address.

Proposed agenda

1. Election of the Chairman of the Meeting.
2. Election of one or two persons to check and sign the minutes.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Decision as to whether the AGM has been duly convened.
6. Presentation of the annual accounts, the auditor's report, the consolidated financial statements and the consolidated auditor's report.
7. Resolutions on:
 - a. adoption of the income statements and balance sheets of the Parent Company and the Group,
 - b. appropriation of the company's profits according to the adopted balance sheet, and
 - c. discharge from liability for the members of the Board of Directors and the CEO.
8. Resolution on the number of Board members and deputies.
9. Resolution on fees to be paid to the Board of Directors and auditors.
10. Election of Board members and the Board Chairman.
11. Election of auditors.
12. Resolution on the appointment of the nominating committee.
13. Resolution on changed principles for remuneration of senior executives.
14. Approval of the remuneration report.
15. Resolution on the authorization of the Board to decide on the issue of new shares and/or convertibles.

16. Resolution on the authorization of the Board to decide on the repurchase and transfer of treasury shares.
17. Other business to be addressed by the AGM according to the Swedish Companies Act (2005:551) or the Articles of Association.
18. Adjournment of the AGM

Proposals for resolution

Item 1 – Election of the Chairman of the Meeting

The nominating committee – comprising Jonas Eixmann (Chairman of the nominating committee), appointed by Andra AP-fonden, Ossian Ekdahl, appointed by Första AP-fonden, and Evert Carlsson, appointed by Swedbank Robur Fonder – proposes that Board Chairman Maria Wasing be elected as Chairman of the Meeting.

Item 2 – Election of one or two persons to check and sign the minutes

The Board of Directors proposes that one minutes-checker and the Chairman of the Meeting be elected to check and sign the minutes. The Board also proposes that Jonas Eixmann, Andra AP-fonden, or in the event he is unable to participate, the individual appointed by the Board, be elected as the minutes-checker. The role of the minutes-checker also includes checking the voting list and ensuring that all postal votes received are correctly recorded in the minutes of the Meeting.

Item 3 – Preparation and approval of the voting list

The proposed voting list is the voting list prepared by the company, based on the share register as of April 19, 2021 and the postal votes received, and checked by the minutes-checkers.

Item 7 b – Resolution on the appropriation of the company's profits according to the adopted balance sheet

The Board of Directors proposes that the earnings at the disposal of the Annual General Meeting according to the company's balance sheet, amounting to SEK 417,217,789.77, be carried forward.

Item 8 – Resolution on the number of Board members and deputies

The nominating committee proposes that the Board of Directors is to comprise six Board members and no deputies.

Item 9 – Resolution on fees to be paid to the Board of Directors and auditors

The nominating committee proposes that Board fees be paid in an amount of SEK 1,350,000, of which SEK 450,000 to the Board Chairman and SEK 180,000 to each of the non-executive Board members. It is proposed that fees to the auditors be paid according to approved invoices.

Item 10 – Election of Board members and the Board Chairman

The nominating committee proposes the re-election of Board members Michael Ingelög, Richard Lind, Kent Sander and Fred Wikström, and the election of Nicolas Hassbjer and Cecilia Wachtmeister. The nominating committee also proposes the election of Nicolas Hassbjer as Board Chairman.

Information about the proposed Board members is available on the company's website:
www.iar.com/investors

Item 11 – Election of auditors

The nominating committee proposes the re-election of Deloitte AB as the company's auditor for a period of one year, with Andreas Frountzos as Auditor in Charge. The nominating committee's proposal has been approved by the Board's audit committee.

Item 12 – Resolution on the appointment of the nominating committee

The nominating committee proposes that the Annual General Meeting resolve to appoint a nominating committee in accordance with the following principles. Not later than September 30, 2021, the Board of Directors is to convene a meeting of the four largest shareholders or known shareholder groups in the company in terms of voting power, which in turn are entitled to appoint at least four members to the nominating committee, one from each of the largest shareholders or shareholder groups in terms of voting power. If any of the four largest shareholders or known shareholder groups waives the right to appoint a member to the nominating committee, the next-largest shareholder or known shareholder group is to be given the opportunity to appoint a member to the nominating committee. In addition, the Chairman of the Board may be co-opted to the nominating committee. The CEO and other members of executive management may not serve as a member of the nominating committee. The Chairman of the Board is responsible for convening the initial meeting of the nominating committee. A shareholder representative is to be appointed Chairman of the nominating committee. The nominating committee is to serve for a term ending when a new nominating committee has been appointed.

The composition of the nominating committee is to be made public not later than six months prior to the 2022 AGM.

The nominating committee is to be appointed based on known shareholdings in the company at August 31, 2021. Should the ownership in the Company in terms of voting power change, after the announcement of the Nomination Committee but before the end of the fourth quarter of 2021, to such extent that the members of the Nomination Committee no longer reflect the shareholding as stipulated above, and the Nomination Committee so considers appropriate, then the member of the Nomination Committee representing the shareholder with the lesser number of shares in the Company shall resign from the committee and the shareholder who has become the larger shareholder in the Company shall, in the order corresponding to its shareholding in the Company, be offered to appoint a new member of the Nomination Committee. Minor changes in the shareholding of the Company shall not be taken into account. Changes in the nominating committee are to be publicized immediately.

The nominating committee is responsible for preparing and submitting proposals to the AGM for resolution regarding: the election of the Chairman of the Board and other Board members; Board fees allocated between the Chairman and other Board members; remuneration, if applicable, for service on Board committees; election of the auditor and fees to the auditor; principles for the appointment of the nominating committee; and the election of the Chairman of the AGM.

The members of the nominating committee are not to be paid a fee for their services. Upon approval by the Chairman of the Board, the nominating committee is entitled to charge the company for costs, such as for recruitment consultants or other costs necessary for the nominating committee to perform its duties.

Item 13 – Resolution on changed principles for remuneration of senior executives

The Board of Directors proposes that the AGM resolve to approve a change to the guidelines for remuneration to senior executives that were adopted by the 2020 AGM and that the item “Pension and other benefits” should be worded as follows: “The CEO is covered by a pension plan corresponding to the cost of the ITP plan, but with a retirement age of 62, which raises the premium compared with a retirement age of 65. Other employees are covered by a pension plan corresponding to the cost of the ITP plan. Other benefits may include, for example, health insurance, phone benefits, meal benefits and company car and shall be provided to the extent this is considered to be in line with market conditions.”

Item 14 – Approval of the remuneration report

The Board of Directors proposes that the AGM resolve to approve the Board’s remuneration report in accordance with Chapter 8, Section 53a of the Swedish Companies Act.

Item 15 – Authorization of the Board to decide on the issue of new shares and/or convertibles

The Board of Directors proposes that the AGM authorize the Board, on one or several occasions during the period until the next AGM, either applying or disapplying the shareholders' preemptive rights, to decide on the issue of new shares and/or convertibles entailing the issue of, or conversion to, a maximum total of 1,550,000 class B shares, corresponding to a dilution effect of approximately 10.0% of the share capital and about 9.4% of the number of votes based on the current number of shares in the company.

The motive for the authorization and any disapplication of the shareholders' preemptive rights is to enable issues to be conducted in a timely manner in order to finance acquisitions or investments in new or existing operations. In the event that the shareholders' preemptive rights are disappplied, issues of new shares and issues of convertibles supported by this authorization are to be conducted at market price in accordance with the market conditions prevailing on the date on which the shares and/or convertibles are issued. Payment for subscribed shares and/or convertibles is to be made in cash, through non-cash consideration or in the form offsetting.

For the AGM's resolution to be valid, the resolution must be supported by shareholders representing at least two-thirds of both the number of votes cast and the number of shares represented at the AGM.

Item 16 – Authorization for the Board to decide on the repurchase and transfer of treasury shares

The Board of Directors proposes that the AGM authorize the Board, on one or several occasions during the period until the next AGM, to decide on the purchase of a maximum number of class B shares whereby the holding of treasury shares at no time exceeds 10% of all registered shares in the company. The shares are to be acquired on Nasdaq Stockholm at a price that is within the registered price interval at any given time, defined as the interval between the highest bid price and the lowest ask price. The motive for the authorization is to give the Board greater freedom of action in optimizing the company's capital structure.

It is furthermore proposed that the Board be authorized, on one or several occasions during the period until the next AGM, to decide on the transfer of, at most, all class B treasury shares held by the company at any given time (i) on Nasdaq Stockholm or (ii) in a manner other than a transfer on a regulated market, whereby the Board shall be able to decide on the transfer of shares for payment in cash disapplying the shareholders' preemptive rights or as consideration for the acquisition of companies or operations. The transfer of shares on a regulated market may take place only at a price that is within the registered price interval at any given time. The transfer of shares in a manner other than through a transfer on a regulated market disapplying the shareholders' preemptive rights, or as consideration for the acquisition of companies or operations, may take place only at a price corresponding to the prevailing market value at the time of each issue. The motive for the authorization is to give the Board greater freedom of action and scope to continuously adapt the company's capital structure as well as the opportunity to finance future acquisitions. The motive for authorizing the Board, in connection with the transfer of shares in a manner other than through a transfer on a regulated market, to decide on the transfer of shares disapplying the shareholders' preemptive rights is that the company can thereby dispose of the shares in a more timely manner in the event that the liquidity of the company's share on the regulated market is limited on the date of transfer.

For the AGM's resolutions to be valid, the resolutions must be supported by shareholders representing at least two-thirds of both the number of votes cast and the number of shares represented at the AGM.

Other

The annual report, the auditor's opinion on the application of the guidelines for remuneration of senior executives, the complete proposals of the Board and the nominating committee as set out above,

including related documents under the Swedish Companies Act (2005:551), and postal voting and power of attorney forms will be available from the company at Strandbodgatan 1, Uppsala, or Kungsgatan 33, Stockholm, and on the company's website www.iar.com/investors. Copies of the documents will be sent free of charge to shareholders who so request and who provide their mailing address.

The share register is available at the company's head office at the address provided above. The company's corporate identification number is 556400-7200 and its registered office is located in Stockholm. For information on the processing of personal data, refer to: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf> .

As of March 28, 2021, the company had a total of 13,968,333 shares, comprising 100,000 class A shares, 13,540,974 class B shares and 327,359 class C shares, corresponding to a total of 14,868,333 votes. The company currently holds 327,359 class C shares.

Stockholm, March 2021

I.A.R. SYSTEMS GROUP AB (PUBL)

Board of Directors