

PRESS RELEASE

Halmstad, March 29, 2017

HMS Networks: Notice of the Annual General Meeting

The shareholders of HMS Networks AB (publ) are hereby invited to the Annual General Meeting, which will be held at 10.30 a.m on Wednesday April 26, 2017 at the HMS head office, Stationsgatan 37, Halmstad. Registration for the Annual General Meeting will begin at 9.30 a.m.

Right of participation in the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting must be registered in the share register kept by Euroclear Sweden (the former VPC AB - the Swedish Central Securities Depository) on Thursday 20 April 2017 and give notice of their intention to participate at the Meeting to the Company no later than 4 p.m. on Thursday, 20 April 2017.

Registration must be communicated in one of the following ways: by phone: +46 (0)35-17 29 00, in writing: HMS Networks AB, c/o Computershare AB, Box 610, 182 16 Danderyd, or via the website: www.hms.se/investors. The registration must include the following information: name, personal ID number/CIN, shareholding, address, daytime telephone number and, when applicable, information on assistants or deputies who will be attending. The notification must include, where applicable, complete authorization documents such as registration certificate, power of attorney, or equivalent.

Proxies

If a shareholder is represented by a proxy, the proxy should be issued with a power of attorney dated for this day. If the power of attorney is issued by a legal entity, a certified copy of the registration certificate, or other document demonstrating the signatory's authority to sign for the legal entity, must be included. The power of attorney and any registration certificate may not be more than one year old. The power of attorney (original), and registration certificate must be sent to HMS Networks AB, c/o Computershare AB, Box 610, 182 16 Danderyd, well in advance of the AGM. The power of attorney form is available on the HMS website: www.hms.se/investors and at the Company's head office.

Nominee registered shares

Shareholders whose shares are registered in the name of a nominee through a bank or Securities Register Center must temporarily re-register the shares in their own name to be able to participate at the Meeting. Such registration must be done at Euroclear Sweden no later than Thursday 20 April 2017, which means that shareholders must notify their intentions on this matter to the nominee well in advance of the stated date.

Number of shares and votes

In the company, there exists a total of 11,704,717 shares and votes.

Proposed agenda

1. Opening of the Meeting
2. Election of the Chairman of the Meeting
3. Drawing up and approval of the voting list
4. Approval of the Agenda
5. Election of one or two persons to approve the minutes
6. Determination as to whether the Meeting has been duly convened
7. Presentation of the Annual Report, Auditors' Report and the Consolidated Accounts and Consolidated Auditors' Report
8. Report by the CEO
9. Resolution concerning the adoption of the Income Statement and Balance Sheet, and of the Consolidated Income Statement and Consolidated Balance Sheet
10. Resolution concerning the allocation of the Company's profit as set forth in the adopted Balance Sheet
11. Resolution concerning the discharge of liability for Board Members and CEO
12. Presentation of the work of the Nomination Committee
13. Determination of the number of Board Members and Deputies
14. Determination of fees payable to Board Members and Auditors
15. Election of Board Members, Chairman and Auditors
16. Principles for appointing members of the Nomination Committee
17. Proposal regarding guidelines for salaries and other remuneration to the CEO and other Members of executive management
18. Proposal on decision regarding share split and amendment of the Articles of Association
19. Decision to authorize the Board of Directors to issue new shares
20. Decision to acquire shares in connection with established Share Savings Plan and transfer of own shares

21. Decision on the introduction of performance-based Share Savings Plan 2018-2021, authorization to acquire own shares under this program and transfer of own shares to participants in the program
22. Close of meeting

Nomination Committee's proposals

Point 2 and 13-15

The Nomination Committee for 2017, comprising Chairman Jan Svensson (Investment AB Latour), Evert Carlsson (Swedbank Robur Fonder), Göran Espelund (Lannebo Fonder), Staffan Dahlström (Eget innehav) and Charlotte Brogren (Chairman of the Board), proposes:

- that Charlotte Brogren shall be appointed Chairman of the Annual General Meeting. (Point 2)
- that the Board of Directors shall consist of six Board Members without Deputies. (Point 13)
- That directors' fees totaling SEK 1,450,000 (1,275,000) shall be paid, of which SEK 450,000 (400,000) shall be paid to the Chairman, and SEK 200,000 (175,000) to each other Board Member. The fees to the Auditor shall be paid according to approved invoices. (Point 14)
- that **Ray Mauritsson, Henrik Johansson, Charlotte Brogren, Kerstin Lindell, Fredrik Hansson** and **Anders Mörck** are re-elected as Board Members and that **Charlotte Brogren** is elected as Chairman. (Point 15)
- that Öhrlings PricewaterhouseCoopers with Authorized Public Accountant **Fredrik Göransson** is elected as auditor for the year 2017 (Point 15)

Point 16

The Nomination Committee proposes that the Annual General Meeting shall determine principles regarding the appointment of members of the Nomination Committee before the Annual General Meeting 2018, mainly in accordance with the following.

- HMS shall have a Nomination Committee consisting of one representative from each of the four largest shareholders or owner groups (by number of votes) and the Chairman of the Board. The names of the four Committee members and the shareholders they represent shall be made public at the presentation of the Q3 report of the Company, and the contact names for questions regarding the Nomination Committee shall also be made public at that time. The Nomination Committee will be appointed on the basis of known shareholders in the Company on 31 August of the calendar year of question. The mandate period of the Nomination Committee extends until such time as a new Nomination Committee is appointed.

Proposals from the Board of Directors

Point 10

The Board proposes that the Parent Company's profit of SEK 49,931,489 and retained earnings of SEK 133,358,069, in total SEK 183,289,558 is allocated so that SEK 4.00 per share, corresponding to SEK 46,694,868 is distributed to the shareholders as dividends and that the remaining amount is brought forward. The proposed record date for the dividend is 28 April 2017. If the Annual General Meeting approves the Board's proposal, it is estimated that the dividend will be paid out through Euroclear Sweden on Thursday 4 May 2016.

Point 17

For the CEO and other members of executive management, the principles for determining remuneration are based on fixed salary, short and long-term incentive programs and pension benefits. The Board proposes that corresponding principles shall be approved by the Annual General Meeting 2017 for the period up to the end of the Annual General Meeting 2018.

Point 18

The Board of Directors for HMS Networks AB, proposes that the AGM resolves to, for the purpose of achieving an appropriate number of shares for the Company, increase the number of shares in the Company via a 4:1 stock split in accordance with the following terms.

A. Decision on stock split

The number of shares in the Company is increased by splitting each share into 4 shares (4:1 split). After the stock split, the number of shares in the Company will increase from 11,704,717 to 46,818,868. The proposed stock split means that the quotient value of shares will change from SEK 0.10 to SEK 0.025.

B. Decision on change to the Articles of Association

Because the proposal above regarding stock split requires a change to the Articles of Association, the Board proposes that the limits for number of shares stated in Point 5 of the Company's Articles of Association are changed from lowest of 10,000,000 and highest 40,000,000 to lowest 40,000,000 and highest 160,000,000.

Point 19

The Board of Directors in HMS Networks AB hereby proposes that the Annual General Meeting resolves to authorize the Board of Directors to, at one or more occasions for the period up to the next Annual General Meeting of shareholders, to increase the share capital in the company by no more than SEK 55,000 by a new issue of no more than 550,000 shares. Under the presumption that the Annual General Meeting resolves in accordance with the Board's proposal regarding stock split, as described in Point 18 on the Agenda, and that the Swedish Companies Registration Office registers the decision, the number of shares will then amount to, at most, 2,200,000. The Board of Directors shall be authorized to decide upon new issue of shares with deviation from the shareholders' pre-emption rights and/or with a provision of

non-cash, by way of sett-off or otherwise with condition in accordance with Chapter 2 clause 5 sections 1-3 and 5 in the Swedish Companies Act.

The mandate only applies upon possible acquisitions, and if no acquisitions are completed where payment, in whole or in part, is made in the form of HMS shares no issue of new shares will be implemented and therefore the mandate will not be applied.

If the authorization is exercised in full, it will correspond to a maximum dilution of 4.7%.

Majority resolution

For a resolution in accordance with the Board's proposal to be adopted, there is a requirement of at least two-thirds of both the number of votes represented at the meeting, as well as of the number of shares represented at the meeting.

Point 20

The Board of Directors for HMS Networks AB (publ) ("the Company") proposes that the Annual General Meeting resolves to

- A. Authorize the Board of Directors to decide on acquisition of own shares in connection with the established Share Savings Plans
- B. Decide on transfer of shares to participants in existing Share Savings Plans

At the Annual General Meetings of 2014-2016 it was resolved to implement Share Savings Plans. Starting in 2018, participants in the plans will receive Matching Shares, and possibly also Performance Shares in accordance with the terms and condition of each plan, depending on the outcome. To ensure these commitments to deliver shares to the participants, the Board proposes that the AGM authorize the Board to decide on acquisition of own shares, and decide to transfer shares to the participants under the terms of the Share Savings Plans.

The Board of Director's proposal for the implementation of Share Savings Plans is based on the acquisition of own shares, through repurchase on the market, to be undertaken in order that the Company's obligation to deliver such shares to the plan participants can be realized.

The Company's holdings of own shares amounts to, as of the date of this proposal, 25,433 shares. These shares were acquired on the basis of the authorization that was given by prior Annual General Meetings for securing the Company's obligations under the previous Share Savings Plan 2013-2016. Depending on the level of participation in Share Savings Plans, the maximum number of Matching Shares to be repurchased under these plans amounts to 46,000 and the total number of Performance Shares to 46 000, which in total represents about 0.8 percent of all shares in the Company. Provided that the AGM approves the Board's proposal for a share split according to Point 18 on the agenda, and that the Swedish Companies Registration Office registers the decision, the number of Matching Shares will amount to 184,000, the number of Performance Shares will amount to 184,000 shares and the number of shares held by the Company will instead amount to 101,732 shares.

The reason for deviation from the shareholders' preferential rights in conjunction with the transfer of own shares is to enable the Company to transfer Matching Shares and Performance Shares to the participants in Share Savings Plans

Majority resolution

For a resolution to be adopted there is a requirement of at least nine tenths of both the number of votes represented at the meeting, as well as of the number of shares represented at the meeting.

Point 21

- A. Introduction of performance-based Share Savings Plan 2018-2021 for all employees

The Board of HMS Networks, proposes that the AGM approves the introduction of the Share Savings Plan 2018-2021 for all employees, covering at most 57,600 shares in the Company. Under the presumption that the Annual General Meeting resolves in accordance with the Board's proposal regarding stock split, as described in Point 18 on the Agenda, and that the Swedish Companies Registration Office registers the decision, the number of shares covered by the Share Savings Plan will then amount to, at most, 230,400 shares.

- B. Authorize the Board of Directors to decide on acquisition of own shares in connection with the established Share Savings Plan 2018-2021

In order to enable the Company's to deliver Matching Shares and Performance Shares in accordance with the Share Savings Plan 2018-2021, the Board proposes also that the AGM authorize the Board to decide on acquisition of own shares.

The authorization may be utilized on one or more occasions up until the Annual General Meeting 2018.

The number of shares required for delivery of Matching Shares and Performance Shares to participants in the Share Savings Plan 2018-2021, but not to exceed 38,400 shares, may be acquired to ensure such delivery. Under the presumption that the Annual General Meeting resolves in accordance with the Board's proposal regarding stock split, as described in Point 18 on the Agenda, and that the Swedish Companies Registration Office registers the decision, the number of shares covered by this authorization will instead amount to, at most, 153,600 shares.

C. Transfer of own shares to participants in the Share Savings Plan 2018-2021

In order to deliver Matching Shares and Performance Shares in accordance with the Share Savings Plan 2018-2021, the Board proposes finally that the AGM resolves on transfer of own shares in accordance with the following conditions.

The number of shares required for delivery of Matching Shares and Performance Shares to participants in the Share Savings Plan 2018-2021, but not to exceed 38,400 shares, may be transferred. Under the presumption that the Annual General Meeting resolves in accordance with the Board's proposal regarding stock split, as described in Point 18 on the Agenda, and that the Swedish Companies Registration Office registers the decision, the number of shares that may instead be transferred will instead amount to, at most, 153,600 shares.

Majority resolution

For a resolution to be adopted there is a requirement of at least nine tenths of both the number of votes represented at the meeting, as well as of the number of shares represented at the meeting.

Documentation

The complete text of the Board's proposal is available at the Company's head offices and will also be available on the Company's website, www.hms.se, as of 14 April 2017, and can be sent to any shareholders requesting a copy.

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The Annual Report and Auditor's Report for the 2016 financial year are posted on the Company's website. A printed version can be ordered by sending address details to ir@hms.se. The Board's statement regarding the proposal for allocation of profit (point 10), the Nomination Committee's and Board's complete proposals regarding points 16, 17, 18, 19 and 20, and the Auditor's statement on whether the Board's guidelines on remuneration to leading executives have been followed, are available from the Company and are sent out to those shareholders who require it and state their postal address.

Halmstad, March 2017
HMS Networks AB (publ)
The Board of Directors

For more information please contact:

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This information is such that HMS Networks AB (publ) is required to disclose in accordance with the Swedish Financial Instruments Trading Act and the Swedish Securities Market Act. The information was submitted for publication at 08.00 CET on March 29, 2017.

HMS Networks AB (publ) is one of the world's leading suppliers of communication technology for industrial automation. Sales amounted to SEK 952 million in 2016 and more than 90 percent was derived outside Sweden. Product development and some manufacturing takes place at the company's head office in Halmstad (Sweden) as well as in Ravensburg (Germany), Igualada (Spain) and Nivelles (Belgium). Sales offices are located in Japan, China, Germany, USA, Italy, France, Belgium, India, England, Spain and Denmark. HMS has approximately 500 employees and it manufactures and markets products under the brands Anybus®, IXXAT®, Netbiter® and eWON®. HMS is listed on NASDAQ-OMX Nordic Exchange in Stockholm under the category Mid Cap, Information Technology.

