

Notice to Attend Annual General Meeting in Net Insight

The shareholders in **NET INSIGHT AB (publ)** are hereby summoned to the annual general meeting on Thursday, May 7, 2015 at 10 a.m. by the company's offices, Västberga Allé 9, Hägersten, Stockholm

Notification etc.

Shareholders who wish to participate in the annual general meeting must *firstly* be included in the shareholders' register maintained by Euroclear Sweden AB as of Thursday, April 30, 2015, and *secondly* notify the company of their participation in the annual general meeting no later than 4.00 p.m. on Monday, May 4, 2015. The notification shall be in writing to Net Insight AB, Attn: Susanne Jonasson, Box 42093, SE-126 14 Stockholm, via telephone: +46 8-685 04 00, via fax: +46 8-685 04 20 or via e-mail: agm@netinsight.net. The notification must state the name, personal/corporate identity number, address, telephone number and shareholding and, when applicable, should state information about representatives, counsels and assistants. When applicable, complete authorization documents, such as registration certificates and powers of attorney for representatives and counsels, shall be appended the notification.

Nominee shares

Shareholders whose shares have been registered in the name of a bank or other trust department or with a private securities broker, must temporarily re-register their shares in their own names with Euroclear Sweden AB in order to be entitled to participate in the annual general meeting. Shareholders wishing such re-registration must inform their nominee of this well before Thursday, April 30, 2015, when such re-registration must have been completed.

Proxy etc.

Shareholders represented by proxy shall issue dated and signed power of attorney for the proxy. If the power of attorney is issued on behalf of the proxy or, should the right to vote for the shares be divided among different representatives, the representatives, together with information on the number of shares each representative is entitled to vote for. The proxy is valid for one year from the issuance or the longer period of validity stated in the proxy, however not more than five year from the issuance. If the proxy is issued by a legal entity, attested copies of the certificate of registration or equivalent authorisation documents, evidencing the authority to issue the proxy, shall be enclosed. The power of attorney in original and, where applicable, the registration certificate, should be submitted to the company by mail at the address set forth above well in advance of the annual general meeting. A proxy form is available on the company's website, www.netinsight.net, and will also be sent to shareholders that so request and inform the company of their postal address.

The shareholders are reminded of their right to ask questions to the Board of Directors and the CEO at the annual general meeting in accordance with Chapter 7, Section 32 of the Swedish Companies Act (Sw. *aktiebolagslagen*).

Number of shares and votes

There are, as of the day of this notice, 389,933,009 shares and 400,283,009 votes in the company. As of the day of this notice, the company holds no own shares.

Proposed agenda

1. Election of a Chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to verify the minutes.

5. Determination as to whether the meeting has been duly convened.
6. Speech by the managing director.
7. Presentation of the annual accounts and the auditor's report, and the group annual accounts and the auditor's report on the group accounts.
8. Decision:
 - a) regarding the adoption of the income statement and the balance sheet, and of the consolidated income statement and the consolidated balance sheet;
 - b) regarding appropriation of the company's result according to the adopted balance sheet;
 - c) regarding discharge from liability for the members of the Board of Directors and the managing director.
9. Determination of the number of members and deputy members of the Board of Directors as well as the number of auditors and deputy auditors.
10. Determination of the fees to the Board of Directors and the auditors.
11. Election of the members and deputy members of the Board of Directors.
12. Election of auditors.
13. Proposal for resolution regarding the nomination committee.
14. Proposal for resolution regarding guidelines for remuneration and other terms of employment for the group management.
15. Proposal for resolution on the issue of synthetic options to group management and other key employees at Net Insight.
16. Proposal for resolution regarding authorization for the Board of Directors to resolve to repurchase and transfer of own shares.
17. Closing of the meeting.

Proposal regarding appropriation of the company's result (item 8 (b))

The Board of Directors and the managing director propose that the company's results shall be carried forward and thus no dividend will be distributed.

Election of Chairman of the meeting, determination of the number of members and deputy members of the Board of Directors as well as auditors and deputy auditors, fees to the Board of Directors and the auditors and election of members of the Board of Directors and auditors (items 1, 9, 10, 11 and 12)

The nomination committee, appointed in accordance with the process that was determined at the annual general meeting 2014, consists of Lars Bergkvist, Chairman, (Lannebo Fonder), Jan Barchan (Briban Invest), Annika Andersson (Swedbank Robur fonder), Ramsay Brufer (Alecta) and Lars Berg (Chairman in Net Insight AB). The nomination committee proposes that:

- The Chairman of the Board, Lars Berg, is proposed to chair the annual general meeting (item 1).
- The number of members of the Board of Directors shall be 7, with no deputy members (item 9).
- The number of auditors shall be 1 without deputy auditors (item 9).
- That the fees to the Board of Directors shall amount to SEK 1,650,000 to be allocated with SEK 450,000 to the Chairman of the Board and SEK 200,000 to each other member of the Board of Directors who are not employees in the company. Following a separate agreement with the company, a Board member may invoice the fees for the board work, together with statutory social security contributions and value added tax, through a company owned by the Board member, subject to the precondition that such payment is cost neutral to the company. For work relating to committees, each member appointed by the Board of Directors shall receive SEK 10,000 per meeting (item 10).
- Auditors' fee is proposed to be on approved account (item 10).
- Re-election of the Board members Lars Berg, Gunilla Fransson, Anders Harrysson, Cecilia Beck-Friis, Crister Fritzson and Regina Nilsson and new election of Jan Barchan. Jan Barchan, is presented below. For information about the Board members proposed for re-election, please see the annual report. Lars Berg is proposed to be re-elected as Chairman of the Board (item 11).
- Re-election of the auditor PricewaterhouseCoopers AB (item 12).

Jan Barchan, born 1946. Jan holds a Bachelor of Business Administration and is CEO in Briban Invest AB, Chairman of the Board in Audiodev AB, in Västraby Gård AB and in Västraby Gård Energi AB and is member of the Board of Directors in Assistera AB, Studsvik AB, Trianon AB och Trialbee AB. Jan Barchan owns, through Briban Invest, 12 per cent of the shares in Net Insight.

Proposal for resolution regarding the nomination committee (item 13)

The Nomination Committee proposes that the Annual General Meeting resolves to approve the committee's proposal for a decision regarding the nomination committee as set out below.

The Chairman of the Board shall convene the four largest shareholders in the company based on Euroclear Sweden AB's list of shareholders (grouped) on the last business day in August 2015 and on other reliable information provided by the company at that time, who shall each appoint a representative to be a member of Nomination Committee together with the Chairman of the Board until a new Nomination Committee has been appointed. The nomination committee elects a Chairman.

If one of the four largest shareholders waives their right to appoint a member, the next largest shareholder, based on the number of votes, shall be entitled to appoint a member. If a member of the Committee resigns before the committee's work is finished, the same shareholder who appointed the resigning member is entitled to appoint a new member if deemed necessary. If this shareholder is no longer one of the four largest owners in the company, a new member shall be appointed by the new shareholder within this group. The Nomination Committee shall be announced through a press release as soon as the committee is appointed. If ownership is then substantially changed the composition of the Committee changed accordingly.

The Nomination Committee shall prepare the following proposals to submit to the Annual General Meeting for resolution: the number of Board members to be appointed by the Meeting, the Board fees and distribution between the Chairman of the Board and the other Board members and remuneration for committee work, proposal of Board members, proposal of the Chairman of the Board, the Chairman of the Annual General Meeting, nomination process and, where appropriate, a proposal for election of auditors and proposals for remuneration of the auditors.

The Nomination Committee shall, in connection with its duties meet the information, according to the Swedish Code of Corporate Governance for Nominating Committees.

The Nomination Committee shall have the right to charge the Company with costs for recruitment consultants that may be required for the committee to fulfil its mission. No remuneration is paid to the committee members.

Proposal for resolution regarding guidelines for remuneration and other terms of employment for the group management (item 14)

The Board of Directors proposes that the annual general meeting resolves to approve the Board of Directors' proposal regarding guidelines for remuneration and other terms of employment for senior executives as set forth below.

Senior executives' terms and remuneration, and general remuneration principles

The company offers salaries and remuneration in line with market practice, as verified by external compensation database, based on a fixed and a variable component. Remuneration to the CEO and senior executives consists of basic salary, variable remuneration and pension benefits. "Senior executives" refers to those people, including the CEO, who constitute executive management. The division between fixed and variable remuneration is in proportion to the manager's responsibility and authority. The variable remuneration is based on a combination of revenue, results and activity targets.

For the CEO, the Global Head of Sales and the VP New Segment Sales, annual variable remuneration is capped at 100 per cent, and for other senior executives at 20-60 per cent of basic salary. 70 per cent of the variable remuneration is based on measurable financial targets. For the Global Head of Sales, a

compensation model with variable remuneration 100 per cent based on financial targets is applied. For certain senior executives, half of the outcome of variable compensation is put in escrow and paid out in the fourth year following the vesting period. At the time of payment, a multiplier will be applied to the amount held in escrow to reflect share price performance during these three years. The multiplier is based on the ratio of the average share price for two eight-week periods, where the first period commences on the publication date of Net Insight's Year-end Report in the year following the first year of the vesting period, and the second period commences on publication date of the Year-end Report in the year when payment shall occur (i.e. three years between the periods). The average share price is the average of the daily closing share prices of each eight-week period. The multiplier is limited to a maximum value of 5 and minimum value of 0.5.

Where a Board member serves the company or another group company in addition to work on the Board, a consultancy fee and/or other remuneration may be payable.

Almost all staff are eligible for some form of variable remuneration. All variable remuneration and applicable social security contributions are provisioned in the accounts.

From time to time, the Board of Directors may propose share-based long-term incentive programs, which are then considered by shareholders' meetings as a dedicated item.

Pension liability

The company's pension liability towards the CEO amounts to 30 per cent of the fixed annual salary, excluding variable remuneration. For other senior executives the pension liability amounts to between 15 and 25 per cent of annual salary. All pension plans are defined contribution.

Redundancy payments

The company and the CEO have a reciprocal notice period of six months. Upon termination by the company, a redundancy payment corresponding to 12 monthly salaries is due. Any salary or other remuneration that the CEO receives from employment or other business the CEO conducts during the notice period of the following 12-month period should be deducted from redundancy payments. The company and the other senior executives have a reciprocal notice period of 3-6 months.

The Board of Directors is entitled to depart from these guidelines in special circumstances.

Proposal for resolution on the issue of synthetic options to group management and other key employees at Net Insight (item 15)

The Board of Directors proposes that the annual general meeting resolves to introduce a cash-based option programme related to Net Insight's share price development. It is proposed that the programme is carried out through the issue of synthetic options ("Option Programme 2015").

The Board of Directors believes that a programme that in the long term gives key people an opportunity to share in the growth in value of the company will maintain confidence in Net Insight and increase the value of its shares. Option Programme 2015 is expected to lead to greater involvement and increased motivation for the participants in the programme and result in those included in the programme having stronger ties to Net Insight. In addition, Option Programme 2015 is expected to align the interests of the group management and key employees with the interests of the shareholders. Option Programme 2015 is intended to include approximately 10 present and future members of group management and other key employees at Net Insight. Net Insight's Board of Directors is of the opinion that Option Programme 2015 will benefit Net Insight's shareholders and that it will contribute to opportunities to recruit and retain competent employees.

In order to be able to carry out Option Programme 2015, the Board of Directors proposes that the annual general meeting decides on the main terms and conditions for the issue to the company's CEO,

additional members of group management and other key employees of synthetic options related to Net Insight's share price during a period of three (3) years.

The proposal gives the participants the right to acquire synthetic options at market price (half of which will be re-paid to the participant through two equal installments following the second and the third year of the term of Option Programme 2015). As the acquisitions will be made at market price, Net Insight will have no initial cost and the future cost for the company will depend on the development of Net Insight's share price. The value per synthetic option cannot exceed three times the share price at the time of the start of the programme.

The total value of the synthetic options at the maturity of Option Programme 2015, adjusted for the participants' initial investment, paid strike price and the abovementioned installments, including social security contributions, will be Net Insight's cost for Option Programme 2015.

The proposal has been prepared together with external advisers and has been examined by the Remuneration Committee and the Board of Directors. The proposal was adopted by the Board of Directors on 27 March 2015.

Invitation for acquisition of and entering into an agreement regarding synthetic options shall be resolved by the Board of Directors according to the following terms and conditions:

- a) The invitation to acquire synthetic options shall include the CEO, with a maximum of 1,000,000 options and additional members of group management and other key employees working at Net Insight, with a maximum of between 100,000 and 500,000 options per person (the total number of options to these persons may, however, not exceed 2,200,000). Option Programme 2015 will consist of approximately ten (10) persons. Members of Net Insight's Board of Directors are not included in the invitation.
- b) A maximum total of 3,200,000 synthetic options shall be issued in Option Programme 2015.
- c) Participants in Option Programme 2015 shall no later than 25 May 2015 provide notification of how many synthetic options he or she wishes to acquire.
- d) The employees' acquisitions of synthetic options shall be made at market price. The price will be calculated by an independent valuation institute applying a standard valuation model (Black & Scholes).
- e) The issue of synthetic options shall take place by an agreement being concluded between Net Insight and the employee containing the following terms and conditions.
 - One synthetic option shall give the option holder the right to receive from Net Insight a cash amount calculated on the basis of Net Insight's share price, however, with the limitation that such amount may not exceed three times the share price at the time of the start of the programme,
 - The strike price shall be 120 per cent of the option's acquisition price,
 - The term of the option shall be three (3) years,
 - The option shall be freely transferable, but subject to a pre-emptive right for Net Insight to acquire the option,
 - The participants are encouraged to re-invest the amount in the company's share.
- f) The Board of Directors shall be responsible for the detailed design and management of Option Programme 2015 within the framework of the main terms and guidelines set out above and the assumption that the allocation in Option Programme 2015 shall be made by the Remuneration Committee.

- g) The company's maximum total cost for Option Programme 2015 is estimated to amount to approximately MSEK 20. The costs have been estimated based on a share price of SEK 3.20 at the time of the start of the programme and that full allocation and maximum outcome will apply.

The annual general meeting's resolution according to the above shall be made taking into account the majority rules stipulated in Chapter 7, Section 40 of the Swedish Companies Act, which means that the resolution must be supported by shareholders representing more than half of the number of votes represented at the meeting.

Proposal for resolution regarding authorization for the Board of Directors to resolve to repurchase and transfer of own shares (item 16)

The Board of Directors proposes that the annual general meeting authorizes the Board of Directors to resolve to repurchase, on one or several occasions until the next annual general meeting, as many own shares as may be purchased without the company's holding at any time exceeding 5 per cent of the total number of shares in the company. The shares shall be purchased on Nasdaq Stockholm and only at a price per share within the price range applicable, i.e. the range between the highest purchase price and the lowest selling price.

The Board of Directors also proposes that the annual general meeting authorizes the Board of Directors to resolve, on one or several occasions until the next annual general meeting, to transfer (sell) own shares. Transfers may be carried out on Nasdaq Stockholm at a price within the price range applicable, i.e. the range between the highest purchase price and the lowest selling price. Transfers may also be made in other ways, with or without preferential rights for the shareholders, against cash payment or against payment through set-off or in kind, or otherwise on special conditions. Upon such transfers, the price shall be established so that it is not below market terms. However, a discount to the stock market price may apply, in line with market practice. Transfers of own shares may be made of up to such number of shares as is held by the Company at the time of the Board of Directors's resolution regarding the transfer.

The purpose of the authorization to repurchase own shares is to promote efficient capital usage in the company, to provide flexibility as regards the company's possibilities to distribute capital to its shareholders and to provide hedging for the company's option programme. The purpose of the authorization to transfer own shares is to enable the Board of Directors to make corporate acquisitions, product acquisitions or enter into collaboration agreements, or to raise working capital or broaden the shareholder base or for use in the context of the company's incentive plans or to provide hedging for the company's option programme.

Shareholders representing approximately 33 per cent of the votes of all shares in the company have announced that they at the annual general meeting will support the above resolutions as regards items 1 and 9-13.

The annual report, the auditor's report as well as the auditor's statement whether the Board of Directors' guidelines for remuneration to key executives have been applied will not later than Thursday, April 16, 2015 be held available at the company's office at Västberga Allé 9, Hägersten, Sweden, and on the company's website as well as sent to the shareholders who so request and inform the company of their postal address.

Stockholm, April, 2015
NET INSIGHT AB (publ)
The Board of Directors

For further information, please contact:

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About Net Insight

Net Insight delivers the world's most efficient and scalable transport solution for Broadcast and IP Media, Digital Terrestrial TV and IPTV/CATV networks.

Net Insight products truly deliver 100 percent Quality of Service with three times improvement in utilization of bandwidth for a converged transport infrastructure. Net Insight's Nimbra™ platform is the industry solution for video, voice and data, reducing operational costs by 50 percent and enhancing competitiveness in delivery of existing and new media services.

More than 200 world class customers run mission critical video services over Net Insight products in over 60 countries. Net Insight is quoted on the NASDAQ OMX, Stockholm.

For more information, please visit www.netinsight.net