

# Höganäs

## NOTICE CONVENING THE ANNUAL GENERAL MEETING

Shareholders of **Höganäs AB (publ)** are hereby convened to the AGM (Annual General Meeting) at 3 p.m. on Tuesday 25 April 2006 at *HB-Hallen*, Bruksgatan, Höganäs, Sweden.  
The premises open for registration at 1:30 p.m.

### Notification

Shareholders that wish to participate at the AGM should *first* be recorded on the share register maintained by VPC AB by no later than Wednesday, 19 April 2006  
*second* notify the company of their intention to participate at the AGM by no later than 4 p.m. on 19 April 2006.

Notification can be by post to Höganäs AB, 263 83 Höganäs, Sweden, by telephone +46 (0) 42 33 80 59, by fax +46 (0) 42 33 80 80 or by e-mail: [bolagsstamma@hoganas.com](mailto:bolagsstamma@hoganas.com). Notifications should state name, address, telephone number, personal or corporate identification number and registered shareholdings. Shareholders intending to bring an assistant should notify the company simultaneously with their own applications. Representatives of legal entities should submit the necessary authorization documentation before the Meeting.

For entitlement to participate at the AGM, shareholders that have registered their shares with bank trust departments or independent nominees must temporarily re-register their shares in their own name with VPC. Such registration should be complete by no later than 19 April 2006. Accordingly, shareholders should request re-registration of shares with their nominee in good time before this date.

### Proposed agenda:

1. Opening the Meeting and election of the Chairman of the Meeting;
2. Preparing and approving the Voting List;
3. Approving the agenda;
4. Appointing two people to take the minutes;
5. Consideration of whether the Meeting has been duly convened
6. Submission of the Annual Report and Audit Report, and the Consolidated Financial Statements and Consolidated Audit Report, including statements from the Chief Executive Officer and a statement on the Board's activities and the activities and functions of the Committees appointed by the Board;
7. Resolutions on:
  - a) adopting the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet;
  - b) appropriation of the company's profits pursuant to the adopted Balance Sheet and the record date, if the Meeting approves dividends;
  - c) discharging the Board members and Chief Executive Officer from liability;
8. Approval of the number of Board members and Deputies;
9. Approval of Directors' and auditors' fees ;
10. Election of the Board, Chairman and Deputies;
11. Proposal regarding an Election Committee;
12. Proposal regarding amendment of the Articles of Association;
13. Closing the Meeting

### Proposal from the Election Committee (items 1 and 8-10)

The Election Committee for this year's AGM has comprised Chairman of the Board Ulf G Lindén (Lindéngruppen), Carl-Olof By (Industrivärden), Mikael Garton (SEB Fonder) and Henrik Didner (Didner & Gerge Fonder). The Election Committee, which represents approximately 51% of the number of votes for all shares of the company, has proposed that:

- Attorney Ragnar Lindqvist is appointed Chairman of the Meeting;
- The number of ordinary Board members will be nine, with no Deputies;
- Directors' fees will be SEK 2,050,000, with the Chairman of the Board receiving SEK 400,000 and other members elected by the AGM but not employed by the group each receiving SEK 200,000, and the remaining SEK 250,000 payable as remuneration for committee activities, divided SEK 50,000 each to the two external Board members in the company's

Currency Committee and SEK 50,000 each to the three external Board members of the company's Audit Committee;

- Fees payable to auditors according to account;
- Re-election of the following Board members Alrik Danielson, Per Molin, Bernt Magnusson, Jenny Lindén Urnes, Magnus Lindstam and Agnete Raaschou-Nielsen and election of Bengt Kjell, Oystein Krogen and Hans-Olov Olsson;
- Per Molin is appointed Chairman of the Board.

Bengt Kjell is Chief Operating Officer of AB Industrivärden, and is responsible for its investment operations, Chairman of Kungsleden AB, Indutrade AB and Isaberg Rapid AB. His Board positions include Pandox AB, Munters AB and Helsingborgs Dagblad.

Oystein Krogen is Vice President, Development of Electrical Motors in the Danaher group; his previous positions include Research Engineer for Höganäs AB.

Hans-Olov Olsson is SVP and Chief Marketing Officer of the Ford Motor Co, Chairman of corporations including Volvo Cars. His Board positions include Ford VHC, Lindab, Premier Automotive Group, Vattenfall and the Swedish-American Chamber of Commerce, New York.

### Dividends (item 7b)

The Board of Directors is proposing dividends of SEK 5.75 per share for the financial year 2005, with the record date of Friday 28 April 2006. If the AGM resolves pursuant to this proposal, dividends will be scheduled for disbursement from VPC on Thursday, 4 May 2006.

### Proposed Election Committee (item 11)

The current Election Committee proposes that the company will have an Election Committee comprising representatives of its four largest shareholders and the Chairman of the Board, also convenor. The Board member representing the largest shareholders should be appointed as Chairman of the Election Committee. If a member leaves the Election Committee before its activities are complete, if considered necessary, his/her replacement should be appointed from the same shareholder, or if the shareholder is no longer one of the largest shareholders, from the next-largest shareholder. The composition of the Election Committee for the AGM 2007 will be published no later than six months before the AGM. There will be no remuneration to members of the Election Committee. The company will be liable for potential overheads for Election Committee activities. The Election Committee's mandate period will run until the composition of the next Election Committee is published.

### Proposal regarding amendment of the Articles of Association (item 12)

The Board of Directors' proposal implies the Articles of Association being adapted to the new Swedish Companies Act, which came into force on 1 January 2006. Primarily, the Board of Directors' proposal has the following main implications:

- that the nominal amount of shares is removed from the Articles of Association (§ 7) and is replaced by the number of shares being a minimum of 25,500,000 and a maximum of 102,000,000 (§ 4);
- that shareholders' preferential rights coincident with set-off issues is stated (§ 6);
- that a regulation regarding shareholders' preferential rights coincident with cash and set-off issues of warrants and convertibles is included (§ 6);
- that the resolution on the mandate period of Board members is modified to the new Act's formulation (§ 8, pursuant to the proposed new §7);
- that the stipulation on auditors' mandate periods is removed (§ 9, pursuant to the proposed new § 8);

- that the stipulation regarding convening AGMs is specified through an announcement in the Swedish Official Gazette and *Svenska Dagbladet* (§ 12, pursuant to the proposed new § 11);
- that shareholders' intending to participate in Meetings should be stated in a print-out or other summary of the share register regarding the circumstances five days before such Meeting (§ 13, pursuant to the proposed new § 12);
- that the record day provision is modified to the definition of VPC companies pursuant to Chap. 1 § 10 of the Swedish Companies Act (§ 14, pursuant to the proposed new § 13).

Additionally, the proposal is that the capability of appointing Board deputies is removed (§ 8, pursuant to the proposed new § 7) and certain simplifications implying that superfluous stipulations are removed, and minor linguistic adjustments are made to the new Act's formulations.

For validity, resolutions on the above required the support of shareholders with at least two-thirds of the votes made and shares represented at the Meeting.

**Documentation, etc.**

The Annual Report and Audit Report and the Board of Directors' complete proposals for resolution according to item 12, and the Board's justified statement for resolution for item 7 b) will be available at the company and from its Website [www.hoganas.com](http://www.hoganas.com) from 11 April 2006 onwards. These documents will be provided to those shareholders that specifically request them, and will be distributed at the AGM. Information on all members proposed to the company's Board and statements on the Election Committee's activities are available at the company's Website.

*The Board*  
Höganäs, Sweden, March 2006