

Report on the work of the Election Committee in preparation of the Annual General Meeting of Höganäs AB in 2006

According to a resolution passed at the annual general meeting 2005, the Chairman of the Board, Ulf G. Lindén, summoned the four largest shareholders according to the number of votes held as per 31 August to the Election Committee. The Election Committee consists of Ulf G. Lindén, representing Lindéngruppen, Carl-Olof By representing Industrivärden, Mikael Garton representing SEB Fonder and Henrik Didner representing Didner & Gerge Fonder AB. Representing the largest shareholder according to the number of votes held, Ulf G. Lindén was appointed Chairman of the Election Committee. The constitution of the Election Committee was made public in a press release by the company on 25 October 2005.

The Election Committee has held two meetings. Minutes have been kept of the meetings.

The Election Committee has been informed that Ulf G. Lindén and Hans Mivér have declined re-election.

The Election Committee has evaluated the composition of the Board in the light of the present situation of the company and its future direction. The Board has reviewed an evaluation of the Board and its work initiated by the Chairman of the Board. The evaluation has been made in co-operation with the consulting firm Egon Zehnder.

Furthermore, the Election Committee has established criteria for the new board members that the Board has considered necessary to recruit and systematically looked for candidates to the Board. This process has resulted in the recruitment of the board members now proposed for election.

The proposals of the Election Committee which are described in the notice convening the Annual General Meeting 2006 and on the company's home page, are, according to the assessment of the Election Committee, supported by shareholders representing approximately 51 % of the total number of votes in the company.

Höganäs in March 2006
The Election Committee