

*This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.*

## **ANNUAL GENERAL MEETING IN HEXAGON AB (publ)**

**The shareholders of Hexagon AB are hereby invited to attend the Annual General Meeting to be held at 5 p.m., Tuesday 10 May 2011, at Oscarsteatern, Kungsgatan 63, Stockholm.**

### **A. NOTICE OF ATTENDANCE**

Shareholders who wish to attend the Annual General Meeting must:

- (i) be recorded in the share register maintained by Euroclear Sweden AB on Wednesday 4 May 2011, and
- (ii) notify the company of their intention to attend the Annual General Meeting by filling out a form at Hexagon's website, [www.hexagon.se](http://www.hexagon.se) or by post to: Hexagon AB, "Annual General Meeting", P.O. Box 3692, SE-103 59 Stockholm, Sweden or by e-mail to [bolagsstamma@hexagon.se](mailto:bolagsstamma@hexagon.se), on Thursday 5 May 2011 at the latest.

When giving notice of attendance, the shareholder shall state name, personal identity number/corporate identity number, address, telephone number (daytime) and shareholding. Original proxy to act on behalf of a shareholder shall be attached to the notice of attendance. A proxy form will be held available on the company's website [www.hexagon.se](http://www.hexagon.se) and will be sent by mail to shareholders that contact the company and state their address. Representative of a legal entity shall also send a copy of registration certificate or similar papers of authorisation.

In order to participate in the proceedings at the Annual General Meeting, shareholders with nominee-registered shares should request their bank or broker to have the shares temporarily owner-registered with Euroclear Sweden AB. Such re-registration must be made by Wednesday 4 May 2011, which entails that the nominee should be notified of this in due time before the said date.

### **B. AGENDA**

#### **Proposal for agenda**

- 1. Opening of the Meeting.
- 2. Election of Chairman of the Meeting.
- 3. Preparation and approval of the voting list.
- 4. Approval of the agenda.
- 5. Election of one or two persons to check the minutes.
- 6. Determination of compliance with the rules of convocation.
- 7. The Managing Director's report.
- 8. Presentation of
  - a) the Annual Report, the Auditor's Report and the Consolidated Financial Statements and the Group Auditor's Report for the financial year 2010,
  - b) statement by the auditor regarding whether the guidelines for remuneration to senior executives, which have been in effect since the last annual general meeting, have been observed, and
  - c) the proposal of the Board of Directors for dividend and statement thereto.

9. Resolutions regarding
  - a) adoption of the Statement of Income and the Balance Sheet and the Consolidated Statement of Income and the Consolidated Balance Sheet, as per 31 December 2010,
  - b) appropriation of the company's profit according to the adopted Balance Sheet and resolution regarding record day, and
  - c) discharge from liability of the Board of Directors and the Managing Director.
10. Establishment of the number of members and deputy members of the Board of Directors.
11. Establishment of fee to the board members and auditors.
12. Election of board members.
13. Election of members of the Nomination Committee.
14. Guidelines for remuneration to senior executives.
15. Amendment of the articles of association regarding the limits of the share capital.
16. Authorisation for the Board of Directors to resolve on the acquisition and transfer of the company's own shares.
17. Approval of repurchase of incentive program and thereto related repurchase of subscription warrants.
18. Approval according to Chapter 16 of the Swedish Companies Act of transfer of shares in Nordic Brass Gusum AB.
19. Closing of the Meeting.

### **Proposals for decisions**

#### **Election of Chairman of the Meeting (item 2)**

The Nomination Committee for the Annual General Meeting 2011, consisting of Mikael Ekdahl (Melker Schörling AB), Anders Algotsson (AFA Försäkring), Jan Andersson (Swedbank Robur fonder), Fredrik Nordström (AMF Pension) and Henrik Didner (Didner & Gerge Aktiefond), has proposed that Melker Schörling, Chairman of the Board, shall be elected Chairman of the Annual General Meeting 2011.

#### **Proposal for dividend (item 9 b)**

The Board of Directors proposes that a dividend of 1.40 SEK per share be declared for the financial year 2010. As record day for right to cash dividend, the Board of Directors proposes Friday 13 May 2011. If the Annual General Meeting resolves in accordance with the proposal, the dividend is expected to be distributed by Euroclear Sweden AB starting on Wednesday 18 May 2011.

#### **Proposal for election of the Board of Directors and resolution regarding fees (items 10-12)**

The Nomination Committee has proposed the following:

- The number of board members shall be seven, without any deputy members.
- Fees to the board members shall be distributed as follows: 750 000 SEK to the Chairman of the Board and 400 000 SEK to each of the other members elected at a general meeting and not employed by the company. Remuneration for committee work shall be distributed with 85 000 SEK to the Chairman of the Remuneration Committee and 60 000 SEK to member of the Remuneration Committee and with 175 000 SEK to the Chairman of the Audit Committee and 125 000 SEK to member of the Audit Committee.
- Re-election of the board members Melker Schörling, Ola Rollén, Mario Fontana, Ulf Henriksson, Gun Nilsson, Ulrik Svensson and Ulrika Francke as ordinary members of the board.
- Election of Melker Schörling as Chairman of the Board.
- The auditor shall be remunerated according to agreement.

At the Annual General Meeting 2008, the accounting firm Ernst & Young AB was re-elected auditor, with the authorised public accountant Hamish Mabon as chief auditor, for a term of office of four years.

**Proposal for election of members in the Nomination Committee (item 13)**

Shareholders that together represent approximately 58 per cent of the number of votes in the company recommend that the Annual General Meeting as regards the Nomination Committee in respect of the Annual General Meeting 2012 resolves as follows.

- The Nomination Committee shall have five members.
- Re-election of Mikael Ekdahl (Melker Schörling AB), Anders Algotsson (AFA Försäkring), Fredrik Nordström (AMF Pension), Jan Andersson (Swedbank Robur fonder) and Henrik Didner (Didner & Gerge Aktiefond), as members of the Nomination Committee in respect of the Annual General Meeting 2012.
- Election of Mikael Ekdahl as Chairman of the Nomination Committee.
- In case a shareholder, whom a member of the Nomination Committee represents, is no longer one of the major shareholders of Hexagon, or if a member of the Nomination Committee is no longer employed by such shareholder, or for any other reason leaves the Committee before the Annual General Meeting 2012, the Committee shall be entitled to appoint another representative among the major shareholders to replace such member.

**Proposal for guidelines for remuneration to senior executives (item 14)**

The Board of Directors proposes that the Annual General Meeting resolves on guidelines for remuneration to the managing director and other senior executives in the main meaning as follows: The remuneration shall consist of a basic remuneration, a variable remuneration, other benefits and pension. By other senior executives is meant members of the group management. The total remuneration shall be in accordance with the market practice and competitive. The variable part of the salary shall be maximised in relation to the basic remuneration, related to the earnings trend on which the individual may have an impact and based on the outcome in proportion to targets set up individually. The variable remuneration shall not qualify for pension. Each year the Board of Directors shall consider to recommend the Annual General Meeting to resolve on a share or share rate related incentive program. The notice period shall normally be six months on the part of the employee. At notice of termination by the company, the notice period and the period during which severance payment is paid, all in all, shall not exceed 24 months. Pension benefits shall either be benefit or fee based, or a combination of both, with an individual pension age, however, not lower than 60 years. The guidelines shall apply to employment agreements entered into after the resolution of the Annual General Meeting, and to any amendments of existing agreements. The Board of Directors shall have the right to deviate from the guidelines if, in an individual case, there are particular reasons for this.

**Proposal for amendment of the articles of association regarding the limits of the share capital (item 15)**

At the Extraordinary General Meeting in the company on 24 November 2010, it was resolved that the company shall have euro as its accounting currency and that the share capital shall be nominated in euro, and that corresponding amendments in the articles of association be made. Since the Swedish Companies Registration Office has registered the amended articles of association and recalculated the registered share capital into euro, the Board of Directors now proposes that the Annual General Meeting shall resolve on necessary subsequent amendments of the provisions in the articles of association regarding the minimum and the maximum share capital in § 4, in accordance with the following:

**Current wording****§ 4**

The share capital of the company shall be not less than SEK four hundred million (400 000 000) and not more than SEK one billion six hundred million (1 600 000 000).

**Proposed wording****§ 4**

The share capital of the company shall be not less than EUR fifty million (50 000 000) and not more than EUR two hundred million (200 000 000).

Resolution according to this item shall be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting in order to be valid.

**Proposal for authorisation of the Board of Directors to resolve on the acquisition and transfer of the company's own shares (item 16)**

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, until the next annual general meeting, on one or several occasions, to resolve on the acquisition and transfer of the company's own shares. Acquisition shall be made of a maximum of so many shares that the shareholding of the company from time to time does not exceed ten (10) per cent of all the shares in the company. Acquisitions may be made on the NASDAQ OMX Stockholm at the stock-exchange quotation applicable at the time of acquisition. Transfer may be made of a maximum of so many shares which from time to time correspond to ten (10) per cent of all the shares in the company. Transfer may take place with deviation from the shareholders' preferential rights at the NASDAQ OMX Stockholm as well as to a third party in connection with the acquisition of a company or business. Payment for shares transferred shall be made in cash, by contribution in kind or by set-off. Transfer in connection with the acquisition of a company may take place at a market value appraised by the Board of Directors. The purpose of the authorisation is to give the Board of Directors the opportunity to adjust the company's capital structure and to finance acquisitions by utilisation of the company's own shares.

Resolution according to this item shall be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting in order to be valid.

**Proposal for approval of repurchase of incentive program and thereto related repurchase of subscription warrants (item 17)**

*Summary of the proposal by the Board of Directors*

The Board of Directors proposes that the General Meeting shall approve the Board of Directors' resolution (i) that Hexagon AB makes an offer to all participants in Incentive Programme 2007/2012 to repurchase their subscription warrants which have been acquired within the scope of the incentive programme, however, that persons in countries where the offer is subject to prospectus requirements shall not be comprised by the offer; and (ii) that for each subscription warrant payment shall be made in cash corresponding to the market value determined by an independent valuation institute in accordance with the Black & Scholes model.

*Background*

At an Extraordinary General Meeting in December 2007, it was resolved to implement an incentive programme through a directed issue of 2 500 ,000 subscription warrants to the wholly-owned subsidiary Hexagon Förvaltning AB, for further transfer to the participants in the programme. The issue price was 20 SEK per warrant. Each subscription warrant entitled the holder to subscribe for one series B share in Hexagon during the period from 2 July 2011 up to and including 2 January 2012. Under the terms and conditions of the warrants, the price to be paid upon subscription for new shares by exercising the warrants (the exercise price) is based on a market valuation upon allotment, considering the issue price and the exercise period using the Black & Scholes model. In April 2008, 1 391 000 warrants, with the exercise price established to 177.00 SEK per share, were transferred to 80 senior executives and other key employees in the Group. Remaining subscription warrants are held by Hexagon Förvaltning AB and will cease to be in force at the end of the exercise period. Following the distribution of the shares in Hexpol AB in 2008 and the rights issue with preferential right for the shareholders carried out around the turn of the year 2010/2011, the number of series B shares that each warrant entitles to subscription of has been recalculated to 1.20 and the exercise price per share to 147.90 SEK.

The purpose of Incentive Programme 2007/2012 has been to offer the participants a possibility to benefit from a potential value increase in the Hexagon share. Through subscription for shares by

exercising the subscription warrants during the exercise period, the participants could benefit from such potential value increase. At the time of the proposal of the Board of Directors, the stock exchange rate is approximately 148 SEK. In the light of the foregoing, it is the opinion of the Board of Directors that the programme may no longer be considered to fulfil its purpose as an incentive programme as originally intended. Moreover, it should be taken into consideration that the Board of Directors, due to among other things the acquisition of Intergraph during 2010, is currently evaluating the prerequisites for introducing a new long term incentive programme. In that context, the current incentive programme will have a significant lock-up effect in the sense that participants who have invested in the programme, thereby having tied up capital during the term of the programme, may be presumed to have reduced possibility and interest to invest in a new incentive programme. The Board therefore wishes to offer the participants an opportunity to divest their subscription warrants at a price corresponding to the market value determined by an independent valuation institute according to the Black & Scholes model. Participants who decline the offer shall be able to keep their subscription warrants on unchanged conditions.

*Other information*

Considering the terms of the offer, as well as other relevant circumstances, the Board of Directors regards the offer reasonable. At full accession, the costs of the offer are estimated not to exceed 31 MSEK, which is in line with what the warrant holders paid when acquiring the subscription warrants. The cost will not charge the statement of income of the Group but will be booked directly against the equity capital.

**Proposal for approval of transfer according to Chapter 16 of the Swedish Companies Act (item 18)**

It is proposed that the Meeting approves that Hexagon transfers 50 per cent of the shares in Nordic Brass Gusum AB, equivalent to all shares held by Hexagon, to the company's present Managing Director and other persons in the company's management, thereby making Chapter 16 of the Swedish Companies Act applicable. Remaining shares in the company are owned by Outokumpu. Nordic Brass Gusum AB had a turnover of 1 026 MSEK during the business year 2010 and for the same period, the profit after tax amounted to 0.8 MSEK. The purchase price for the shares held by Hexagon in the company shall correspond to the market value, which is assessed to be in line with the consolidated Group book value. Considering that Nordic Brass Gusum AB is not part of the core business of the Group, and taking into account the estimated impact on transfer at market value as set forth above, the Board of Directors considers a transfer of the company to be desirable.

Resolution according to this item shall be supported by shareholders representing at least nine-tenths of the votes cast as well as the number of shares represented at the Meeting in order to be valid.

**C. AVAILABLE DOCUMENTS**

The accounts, the auditor's report, including the proposal of the Board of Directors regarding guidelines for remuneration to senior executives, as well as the statement by the auditor regarding whether the guidelines for remuneration to senior executives have been observed, the complete proposals for decisions of the Board of Directors with respect to items 14-18 together with relevant documents as well as the statement of the Board of Directors for resolution on dividend according to item 9 b) will be available to the shareholders at the company's headquarters in Stockholm as from Tuesday 19 April 2011. Copies of the documents will be sent on request to shareholders who state their address, and will also be available on the company's website [www.hexagon.se](http://www.hexagon.se) and at the Annual General Meeting. The annual report is available on the company's website from Tuesday 5 April 2011. The distribution of the Annual Report to all shareholders, who have not expressly disclaimed this service, was commenced on Monday 11 April 2011.

**D. INFORMATION AT THE ANNUAL GENERAL MEETING**

The Board of Directors and the CEO shall at the Annual General Meeting, if any shareholder so requests and the Board of Directors believes that it can be done without significant harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or any of its subsidiaries' financial position, and the company's relation to other Group companies.

**E. NUMBER OF SHARES AND VOTES IN THE COMPANY**

The total number of shares in the company amounts to 353 642 177, of which 15,750,000 shares are of series A (with 10 votes per share), and 337 892 177 shares are of series B (with 1 vote per share). The total number of votes in the company amounts to 495 392 177. At the time of this notice, the company owns 1 152 547 of its own shares of series B representing 1 152 547 votes, for which the company cannot exercise voting rights.

Stockholm in April 2011  
*The Board of Directors*  
**Hexagon AB (publ)**