

*Internal translation only*

## Annual General Meeting, Nobia AB

**The shareholders in Nobia AB are hereby summoned to the annual general meeting on Wednesday 23 April 2003 at 5 p.m. in World Trade Center (room New York), Klarabergsviadukten 70 in Stockholm**

### **Notification etc**

Shareholders who wish to participate in the general meeting must

- first* be included in the shareholders register maintained by VPC AB as of Friday 11 April 2003, and
- second* notify the company of their participation by mail at Nobia AB, Klarabergsviadukten 70 C 8, P.O. box 703 76, SE-107 24, Stockholm, Sweden, or by telephone at +46 8 440 16 00 or fax at +46 8 440 16 20 or e-mail [caroline.almgren@nobias.se](mailto:caroline.almgren@nobias.se), no later than 4 p.m. on Tuesday 15 April 2003. This notification shall state the shareholder's name, personal/corporate identity number, shareholding, address, daytime telephone number and information about any assistants and, when applicable, information on representatives. When applicable, complete authorisation documents, such as registration certificates, shall be appended.

### **Nominee shares**

Shareholders whose shares have been registered in the name of a bank trust department or with a private securities broker must temporarily re-register their shares in their own names with VPC AB in order to be entitled to participate in the meeting. Shareholders wishing such re-registration must inform their nominee of this well before Friday 11 April 2003, when such re-registration must have been completed.

### **Proxy etc**

Shareholders represented by proxy shall issue a dated and signed power of attorney for the representative. If the power of attorney is issued on behalf of a legal person or entity, a certified copy of a registration certificate or similar ("certificate") shall be appended. The power of attorney and the certificate may not be older than one year. The power of attorney in original and, where applicable, the certificate, should be submitted to the company by mail at the above-mentioned address well in advance of the general meeting.

### **Proposed agenda**

1. Opening of the meeting
2. Election of chairman at the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to verify the minutes
6. Determination as to whether the meeting has been duly convened
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. Speech by the managing director and account by the chairman of the board of directors
9. Decision regarding adoption of the profit and loss statement and the balance sheet, and of the consolidated profit and loss statement and the consolidated balance sheet
10. Decision regarding appropriation of the company's profit according to the adopted balance sheet (see below)
11. Decision regarding discharge from liability for the members of the board of directors and the managing director
12. Determination of the number of members and deputy members of the board of directors (see below)
13. Determination of the fees for the board of directors and the auditors (see below)

14. Election of members of the board of directors and of auditors (see below)
15. Proposal regarding the establishment of a nomination committee (see below)
16. The board of directors' proposal to issue a debenture with warrants carrying rights to subscribe for new shares in the company (see below)
17. Closing of the meeting

### **The board of directors' proposal regarding appropriation of the company's profit according to the adopted balance sheet (item 10)**

The board of directors and the managing director propose that the profit for the year of approximately SEK 33 million and the profit brought forward of approximately SEK 186 million, in aggregate approximately SEK 219 million, be appropriated so that a dividend to the shareholders of SEK 2.25 per share, in aggregate approximately SEK 130 million is declared, and that the remaining amount is brought forward. The proposed record date for the dividend is 28 April 2003. If the general meeting passes a resolution in accordance with the proposal, the dividend is expected to be paid through the agency of VPC AB on Friday 2 May 2003.

### **Determination of the number of members and deputy members of the board of directors (item 12), determination of the fees for the board of directors (item 13), and election of members of the board of directors (item 14)**

At the prospect of the general meeting 2003, shareholders representing approximately 65 per cent of the capital stock and votes in the company appointed a nomination committee to prepare and submit proposals to the general meeting. The nomination committee has submitted the following proposals:

- The number of members of the board of directors shall be eight (8), with no deputy members (item 12).
- The fee to each member of the board of directors who is not salaried by the company shall consist of a fixed amount of SEK 100,000 and, in addition, an amount corresponding to the volume-weighted average price of the Nobia share during the five (5) trading days immediately following the day of the announcement of the year-end report for the financial year 2003 multiplied by a factor of 2,000. However, the fee to the chairman of the board of directors shall consist of a fixed amount of SEK 250,000 and, in addition, an amount calculated in accordance with the above, with the exception that the factor 2,000 shall be replaced by 5,000. (item 13).
- Re-election of the board members Fredrik Cappelen, Karsten Bomann Jonsen, Hans Larsson, Wilhelm Laurén, Harald Mix, Thomas Nilsson and Gerhard de Geer, and election of Bodil Eriksson (item 14). By way of information, it is informed that Flemming Østergaard and Staffan Schéle (regular) and Erik Larsson (deputy) have declined re-election.

### **Proposal regarding the establishment of a nomination committee (item 15)**

Shareholders representing approximately 65 per cent of the capital stock and votes in the company have proposed that the general meeting resolve that there shall be a nomination committee for the preparation and submission of proposals to the shareholders in the company with regard to election of

board members and, when applicable, auditors, as well as with regard to fees to the board members and auditors. According to the proposal, once a year during the third quarter, the chairman of the board of directors shall summon the five largest shareholders in the company, who shall be entitled to appoint the members of the nomination committee. The chairman of the board may be elected member of the committee and shall also be eligible for the position as chairman of the committee. The chairman of the board of directors shall be responsible for the announcement of the composition of the nomination committee in the company's interim report for the third quarter and shall also, as part of the work of the nomination committee, give an account to the committee for circumstances relating to the work of the board of directors, the need for certain skills etc, as may be of interest for the nomination work. Shareholder shall be entitled to make proposals to the nomination committee for further evaluation within the scope of the committee's work.

The Swedish Minority Shareholders' Association (the "Association") has also proposed that a nomination committee be established. The Association proposes that the committee be appointed by the general meeting. According to the proposal, the members of the committee shall be independent of the company and shall represent the shareholders at the general meeting. One representative of the minority shareholders is proposed to be appointed member of the committee.

***The board of directors' proposal to issue a debenture with warrants carrying rights to subscribe for new shares in the company (item 16)***

The board of directors proposes that the general meeting resolve to issue a debenture with warrants carrying rights to subscribe for new shares in the company and to approve the transfer of warrants to employees on, in substance, the following terms.

The board of directors proposes that the general meeting resolve to issue a debenture with a nominal value of no more than SEK 11,750 at a price equal to the nominal value of the debenture. With the debenture shall follow no more than 1,175,000 detachable warrants entitling to subscription of no more than 1,175,000 new shares during the period from and including 22 May 2005 up to and including 22 May 2008. The subscription price shall be determined as an amount corresponding to approximately 125 per cent of the average of the mean values of the quoted highest and lowest price paid according to the Stockholm Stock Exchange's quotation list for the shares in the company during each trading day during the period from and including 5 May 2003 up to and including 9 May 2003. The right to subscribe for the debenture shall, with deviation from the shareholders' pre-emption rights, fall upon a wholly owned subsidiary of Nobia AB ("Nobia NBI AB"). The debenture shall bear no interest and shall mature on 30 June 2003.

Nobia NBI AB shall be entitled to transfer the warrants to senior executives in the Nobia group in Sweden and abroad. The managing director shall be entitled to purchase no more than 40,000 warrants. Other senior executives and key employees (no more than 198 persons) shall be entitled to purchase between 3,000 and 27,000 warrants each depending on employee category.

Persons entitled to purchase warrants shall apply for such purchase during the period from and including 5 May 2003 up to and including 14 May 2003. A premium determined by Handelsbanken Capital Markets based on the average price paid for the Nobia share on the Stockholm Stock Exchange during the period 5 May – 9 May 2003 will be paid for the warrants.

Handelsbanken Capital Markets has, by application of the recognised Black & Scholes valuation formula, calculated that

the value of each warrant, based on a Nobia share price of SEK 59 and on other prevailing market conditions as of 20 March 2003, amounts to approximately SEK 11.10, implying an aggregate value of the warrants of approximately SEK 13.0 million.

If the warrants are exercised in full, the share capital will increase by SEK 1,175,000, implying a dilution of approximately 2.0 per cent of the capital stock and votes in the company. Had the proposed warrants been outstanding during 2002, the profit per share – calculated in accordance with Swedish Financial Accounting Standards Council's recommendation RR18 – would have decreased by SEK 0.02 to SEK 7.51.

In order to ensure that persons currently lacking exposure in the Nobia share participate in the programme and to ensure a high rate of participation among employees in countries important to Nobia where market practice is for employees to receive warrants at no cost, there are reasons to subsidise the programme to a certain degree. Warrant purchases are to be subsidised through the purchaser receiving a cash bonus payment corresponding to no more than 40 per cent of the premium paid for the warrants. The bonus shall be paid on 22 May 2005 provided that the employee in question is still active within the Nobia group.

Nobia's costs for subsidising the warrant premium is estimated to approximately SEK 6.2 million. Assuming an annual share price development of the Nobia share of 10 per cent, implying a share price of approximately SEK 95 on the last day for exercise of the warrants, 22 May 2008, and assuming full exercise of the warrants at that time, costs in the form of social security contributions abroad of approximately SEK 1.2 million are expected to be incurred.

The reason for the above proposal by the board of directors is the wish to spread shareholding/exposure to categories of senior executives that, today, have no exposure in the Nobia share, and to increase such exposure for senior executives who today have some exposure in the Nobia share. A personal long-term ownership engagement for key employees is viewed as important by the board of directors as it can be expected to enhance profits and improve motivation and the sense of solidarity with the company. Incentive plans facilitate the retaining and recruiting of skilled key employees. It is therefore estimated that the warrant programme will be beneficial to the company and its shareholders. The proposed warrants programme is the first step in an incentive plan, which is planned to comprise allotments of warrants over a three-year period, implying a maximum dilution of approximately 4 per cent of the capital stock and votes in the company.

A resolution in accordance with the board of directors' proposal under this item 16 requires support by at least 90 per cent of votes cast and shares represented at the meeting.

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The company's annual report and the audit report for the financial year 2002, as well as the full proposal by the board of directors under item 16 above, will be held available at the company's offices at the above-mentioned address and on the company's homepage ([www.nobia.se](http://www.nobia.se)) from 9 April 2003. Said documents will be sent to shareholders that so request and inform the company of their postal address. In addition, the full proposal by the board of directors under item 16 will automatically be sent to shareholders who notify the company of their participation at the general meeting and state their postal address.

Stockholm in March 2003

**Nobia AB**  
The board of directors