



Meda AB (publ): notification of annual general meeting (AGM)

Shareholders of Meda AB (publ), corporate ID 556427-2812 are invited to attend the AGM at 6 PM on Thursday, 4 May 2006 in the company's offices at Pipers väg 2 in Solna, Sweden. Registration starts at 5 PM.

Right to participate

Shareholders who wish to participate in the AGM must:

- Be registered in the VPC AB shareholders database by Thursday, 27 April 2006
- Have sent notification of attendance to Meda by 12 noon on Thursday, 27 April 2006.

To be entitled to vote at the AGM, shareholders, whose shares are registered in the names of nominees, must temporarily register their shares in their own names so they are officially registered as shareholders with VPC AB by 27 April 2006. Consequently, shareholders should notify nominees in sufficient time before this registration date.

Notification of attendance

Notification of AGM attendance may be submitted to Meda via:

- Regular mail: Meda AB (publ), AGM, Box 906, SE-170 09 Solna, Sweden, or
- Phone or fax: +46 8-630 19 00 or fax +46 8-630 19 50 (write Meda's AGM on the fax), or
- E-mail to hanna.bjellquist@meda.se

When submitting notification, specify the shareholder's name, Swedish civil registration number or corporate ID, number of shares, phone number (daytime), and information about any assistants accompanying you. If participating by proxy, please submit the original document to Meda before the AGM.

Personnel data from notifications, proxy documents, and VPC database information will be used for the required registration and preparation of the AGM electoral roll.

Proposed agenda

1. Opening of the meeting.
2. Election of meeting chairman.
3. Preparation and approval of the electoral roll.
4. Approval of the agenda.
5. Election of one or two persons to verify the minutes.
6. Confirmation of whether the meeting was duly convened.
7. Presentation of the annual report, auditor's report, consolidated accounts, and Group auditor's report.

8. CEO's statement.
9. Questions.
10. Decisions regarding:
 - a. Adoption of income statement and balance sheet and consolidated income statement and balance sheet.
 - b. Appropriation of company earnings as per the adopted balance sheet.
 - c. Discharge of the board members and CEO from liability.
11. Determination of the number of board members and board deputies.
12. Determination of remuneration for the board and auditors.
13. Election of board members.
14. Election of board chairman.
15. Proposal for nomination committee composition.
16. The board's proposal for changes to the articles of association.
17. Board authorisation for deciding on share issues.
18. Adoption of compensation policies for company executives.
19. Adoption of policies for employee warrant programmes.
20. Other issues.
21. Closing of the meeting.

Proposals that require decisions

Item 10b: Appropriation of company earnings and record day

Based on 2005 profit, the board proposes adoption of a dividend of fifty öre (0.50) per share and that the record day shall be Tuesday, 9 May 2006. If AGM participants vote in favour of the proposal, then the dividend should be distributed under the direction of VPC AB on Friday, 12 May 2006. The last day for Meda share trading, which includes the right to dividend, is Thursday, 4 May 2006.

Item 2 and items 11-14: Proposed AGM chairman, board members, remuneration, and such

In compliance with a 2005 AGM decision, the four major shareholders (most votes), in consultation with the board chairman, appointed a nomination committee before the 2006 AGM. The nomination committee consists of:

Karl-Magnus Sjölin, Stena Sessan AB, (chairman);

Petter Odhnoff, Andra AP-Fonden;

Olof Neiglick, Nordea Fonder;

Bengt Julander, Kaprik Invest; and

Peter Sjöstrand, Meda's board chairman

Shareholders, which together represent more than 50% of the votes (of the total number of shares in Meda), stated that they would vote for all nomination committee proposals.

For agenda items: **The nomination committee will propose that:**

2

Peter Sjöstrand, board chairman, is appointed as AGM chairman.

The board shall consist of six (6) members (5 last year) and that no board deputy is appointed (0 last year).

Total board remuneration is set to SEK 1,400,000 (SEK 950 000 last year). Of this amount, the chairman shall receive SEK 600,000 and each of the other board members, who are not employed by the Group, shall receive SEK 200,000. And the board chairman shall receive SEK 400,000 for work outside the scope of regular board activities.

Auditors' remuneration shall cover review of accounts, administration, and the Group audit.

These board members shall be re-elected:

- Anders Lönner
- Peter Sjöstrand
- Bert-Åke Eriksson
- Anders Waldenström

These persons shall be newly elected to the board:

- Marianne Hamilton, senior vice president Organizational Development & Management Resources and on the Atlas Copco Group's executive team. She is an Alecta board member.
- Tuve Johannesson, board chairman of the Hans Rausing Family Foundation for industrial investments; he holds many board positions in Swedish and international enterprises.

Peter Sjöstrand is elected as Meda board chairman.

AGM minutes stated that at the 2004 AGM, Öhrlings PriceWaterhouseCoopers AB was elected as the auditor until the end of the 2008 AGM.

Item 15: Nomination committee composition

The board proposes that the AGM resolves to follow these guidelines regarding composition of the nomination committee.

Meda's nomination committee shall consist of the board chairman and one appointed member from each of the four largest shareholders. When the committee is appointed (6 months before the AGM at the latest), then Meda must publicly announce the names of the four owner representatives and the shareholders whom they represent. Based on information in the VPC AB shareholders database on 31 August, the four largest shareholders will be contacted. If any of the four largest shareholders waive their right to appoint a nomination committee member, then the next-largest shareholder shall receive an opportunity to appoint a member. The nomination committee's term of office extends until a new committee is appointed. The nomination committee chairman shall be the committee member who represents the largest shareholder unless committee members decide otherwise. Nomination committee members receive no remuneration.

If significant change occurs in the ownership structure after the nomination committee is appointed, then composition of the nomination committee shall change as per the above-stated principles.

The nomination committee must prepare and submit to the AGM proposals for:

- An AGM chairman

- Board chairman and board members
- Board remuneration plus remuneration for possible committee work.
- An auditor and auditors' fees
- Nomination and remuneration committees for the 2007 AGM

The nomination committee may charge the company for costs that enable the committee to fulfil its obligations, for example, costs for recruitment consultants and other consultants.

In conjunction with its assignments, the nomination committee shall comply with the Corporate Governance Code, concerning nomination committee responsibilities.

Item 16: Proposed changes to the articles of association

The board proposes that Meda's articles of association are changed to be aligned with the new Companies Act that went into effect on 1 January 2006. Essentially, the proposed changes mean that:

- The provision governing the share's nominal amount is replaced with a provision on the lowest (50,000) and highest (200,000) number of shares in the company (section 5, paragraph 1).
- Shareholders' preferential rights during share issues are extended so that both cash issue and offset issue regulate preferential rights. In addition, a new paragraph regulates shareholders' preferential rights during cash or offset issue of subscription warrants or convertibles (section 5, paragraphs 3, 5, and 6).
- The regulation regarding auditors' four-year term of office is removed. Section 7 specifies that the number of auditors is one or two, and that the company can appoint a registered public accounting firm as an auditor.
- AGM notification is changed so that if Svenska Dagbladet is discontinued, then notification may occur via Post- and Inrikes Tidningar and Dagens Nyheter (section 8).
- To items that must be listed on the AGM agenda, these items, with the following numbering, are added:
 - 11. Election of board chairman
 - 12. Nomination committee composition
 - 13. Adoption of compensation policies for company executives
- The phrase "the company's profit or loss" is replaced with "the company's result" (section 9, item 7b).
- The date that shareholders must be in the shareholders database – to hold the right to participate in the AGM – is changed from 10 days before the AGM to 5 days before the AGM (section 12).
- The record day provision is changed so that it agrees with the definition of a VPC company as per chapter 1, section 10 in the new Companies Act (section 13).
- The Swedish text changed from *ordinarie bolagsstämma* to *årsstämma*; it did not change in English and is still annual general meeting (AGM).

For a resolution to be made regarding the board's proposal in item 16, the AGM resolution is passed by not less than two-thirds of the votes cast as well as of the share capital represented at the meeting by those entitled to vote.

Item 17: Board authorisation for deciding on share issues

The board proposes that it should be authorised to decide on new share issues – on one or more occasions to increase the company's share capital – during the period until the next AGM. Authorisation shall cover a maximum of 10,447,935 shares; with full exercise, the dilution effect is about 10% of the share capital and votes. With authorisation, the board would decide on:

- Payment in kind, offset, or other terms as specified in chapter 13, section 5, paragraph 1, item 6 in the Companies Act.
- Deviation from shareholders' preferential rights.
- Any other terms and conditions for the issues.

The reason for deviation from preferential rights and authorisation to decide on issues – with or without provision specified in chapter 13, section 5 paragraph 1, item 6 in the Companies Act – are that Meda would be able to issue shares as purchase-price payments linked to:

- Acquisitions of other companies
- Parts of companies
- Product rights or
- Other assets that the board deems to be of value for the company's operation.

Prevailing market conditions determine the issue rate.

For a resolution to be made regarding the board's proposal in item 17, the AGM resolution is passed by not less than two-thirds of the votes cast as well as of the share capital represented at the meeting by those entitled to vote.

Item 18: Adoption of compensation policies for company executives

The board's proposed compensation policies and other employment terms for Meda's management mean that the company must strive to offer its executives market-based compensation and that criteria for doing so must be based on business-critical factors related to the job, expertise requirements, experience, and performance. Compensation consists of these components:

- Fixed base salary
- Short-term variable pay
- Long-term variable pay
- Pension benefits, and
- Other benefits and severance terms and conditions.

The board's proposed policies are aligned with previous year's compensation policies and are based on existing contracts between the company and its executives. Distribution between base salary and variable pay must be in proportion to the executive's responsibilities and authorities. Note 8 in the annual report specifies the CEO's employment terms. Variable pay (total of short-term and long-term) for other executives is based on (1) Group profit/loss and (2) individual qualitative parameters; variable pay falls into the 25-30% interval of the executive's base salary.

Besides the CEO, executives consist of the five persons, who together with the CEO make up Group management; the executive team consists of:

- Chief executive officer (CEO).
- Chief operating officer (COO).
- Chief financial officer (CFO).
- Vice president of Business Development and Investor Relations.
- Vice president of Group Services.
- Vice president of Scientific Affairs.

Company cars constitute another benefit. Pension premiums are based on an amount that is based on the ITP plan or comparable schemes for employees outside Sweden. Base salaries and variable pay determine pensions. Severance pay is equivalent to annual salaries of between one and two years, when the company terminates employment. The board must prepare for and decide on Meda's management compensation issues.

Item 19: Adoption of policies for employee warrant programmes

The board proposes that the AGM approves the scope of and policies for an employee warrant programme. The programme will be a crucial complement to salaries, bonuses, and other benefits for key persons. The purpose is to facilitate motivation and continuity – not least in the increasing international organisation. Essentially, the proposal covers these items:

- (i) A maximum of one million (1,000,000) synthetic warrants will be distributed. No premium shall be paid for the warrants;
- (ii) As per board-determined instructions, distribution of warrants will occur successively to many key persons on various levels within the Meda Group and will be based on performance;
- (iii) Exercise price per warrant shall be equivalent to 120% of the Meda share's average price paid during ten (10) stock-exchange days before the warrants are issued;
- (iv) The redemption period shall be from 31 May 2009 to 31 May 2011. With exercise of the warrant, the company shall issue cash payment to the warrant holder equivalent to the difference between the share's market value at the time that the warrant was exercised and at the exercise price;
- (v) Right to exercise warrants is conditional upon whether or not the warrant holder is still employed in the Meda Group or has left the Group with a pension at the time that the warrant is exercised;
- (vi) Payment issued per warrant shall be maximised so that the total cost, including social security fees, for the employee warrant programme can, at most, reach about SEK 100 million.

The board's complete proposal (including articles of association, in the proposed wording) will be available at the company's head office at Pipers väg 2, Solna, Sweden on 18 April 2006. The same day, it will be sent to shareholders who request it and submit their mailing addresses.

The annual report (AR) is available at the company's head office on 18 April 2006. This AR will be displayed at www.meda.se, and the printed AR will be available at the AGM.

Solna. Sweden, April 2006

The board

MEDA AB (publ.)