



## **Notice of the Extraordinary General Meeting of the Shareholders in D. Carnegie & Co AB (publ) on Wednesday 21 November 2007**

### **Notice**

The Shareholders of D. Carnegie & Co AB (publ), company number 556498-9449, (the "Company"), are hereby given notice to attend the Extraordinary General Meeting of the Shareholders on Wednesday 21 November 2007, at 1 pm, at Hilton Stockholm Slussen hotel, Guldgränd 8, Stockholm, Sweden.

### **Notification, etc**

A Shareholder who wishes to participate in the Extraordinary General Meeting of the Shareholders must

- be registered in the share register maintained by VPC AB on Thursday 15 November 2007; and
- have notified its intention to participate in the Extraordinary General Meeting of the Shareholders no later than 4 pm on Thursday 15 November 2007 by mail D. Carnegie & Co AB (publ), Box 47022, 100 74 STOCKHOLM, Sweden, by telephone +46-8-775 80 24 weekdays between 10 am and 4 pm, by fax +46-8-775 01 95, or by e-mail [anieri@carnegie.se](mailto:anieri@carnegie.se).

### **Nominee-Registered Shares**

In order to be entitled to participate in the Extraordinary General Meeting of the Shareholders, a Shareholder whose shares are nominee-registered must, in ample time prior to Thursday 15 November 2007, ensure that the nominee temporarily registers the shares in the share register in the Shareholder's own name.

### **Proxy, etc**

A Shareholder's rights at the Extraordinary General Meeting of the Shareholders may be exercised by an authorized proxy. A proxy must be in writing, dated and signed, and may not be more than twelve months old. The Company will provide a proxy form for this purpose, which may be obtained from the Company at its offices on Västra Trädgårdsgatan 15, Stockholm Sweden or be requested by telephone +46-8-676 87 03. A proxy should be submitted in the original to the Company at the above address in ample time prior to the Extraordinary General Meeting of the Shareholders. Representatives of legal entities must also submit an attested copy of the certificate of registration of such entity or equivalent authorisation documents.

A separate notification concerning a Shareholder's participation in the Extraordinary General Meeting of the Shareholders must be given also where a Shareholder is to be represented by a proxy. Submission of a proxy is not deemed as a valid notification of participation in the Extraordinary General Meeting of the Shareholders.

### **Advisors**

A Shareholder or a proxy may be accompanied by not more than two advisors at the Extraordinary General Meeting of the Shareholders. A Shareholder may be accompanied by advisors only where the Shareholder has given the Company notice of the number of advisors in the same manner as stated above in respect of notification of a Shareholder's participation.

### **Confirmation**

Notifications received in due time will be confirmed through the dispatch of an entrance card which must be produced at the entrance to the premises at which the Extraordinary General Meeting of the Shareholders is held. Entrance cards will be dispatched commencing on Friday 16 November 2007.

### **Information on Shares and Votes**

The total amount of shares and votes in the Company as of Thursday 15 November 2007 are 78,478,956.



## **Matters and Proposed Agenda for the Extraordinary General Meeting**

1. Opening of the meeting
2. Election of a Chairman for the meeting
3. Preparation and approval of the voting register
4. Approval of the agenda
5. Election of one or two persons to attest the minutes
6. Determination whether the meeting has been duly convened
7. Determination of remuneration for the new Board of Directors
8. Election of the Board of Directors and the Chairman of the Board
9. Reconsideration of the resolution passed by the 2007 Annual General Meeting of the Shareholders in D. Carnegie & Co Aktiebolag, regarding the establishment of a long-term, performance-based, incentive programme for 2008 ("Share Programme 2008") (the matter has been included on the agenda by request from the Shareholder Folksam)
10. Reconsideration of the approval of the decision regarding allocation in Carnegie's profit-sharing system (the matter has been included on the agenda by request from the Shareholder Arne Svahn)
11. Amendment to the instruction for the Nomination Committee
12. Closing of the meeting

## **Proposed Resolutions**

### Item 2

The Nomination Committee proposes advokat Claes Beyer to be appointed Chairman of the meeting.

### Item 7

The Nomination Committee proposes that remuneration to the Directors of the Board shall be paid according to the resolution of the Annual General Meeting, subject to pro rata adjustment based on the remaining period of service.

### Item 8

The Nomination Committee proposes that the number of Board Members to be elected shall be seven.

The Nomination Committee proposes that Director of the Board Mai-Lill Ibsen is re-elected and that Anders Fällman, Jan Kvarnström, Björn C Andersson, Catharina Lagerstam, Magnus Lindquist and Patrik Tigerschiöld are elected Directors of the Board.

The Nomination Committee proposes that Anders Fällman is elected Chairman of the Board and that Jan Kvarnström is elected Deputy Chairman of the Board.

Shareholders representing more than 25 per cent of the total number of votes and shares in the Company, including Catella, SEB Fonder, Danske Capital, Invik and a group of Shareholders employed within Carnegie, have expressed their support of the proposal.

All appointments are made for the period until the end of the next Annual General Meeting. Detailed presentations of the persons proposed as Directors by the Nomination Committee are available at the Company's website on the Internet, [www.carnegie.se/ir](http://www.carnegie.se/ir), and will be presented to the Extraordinary General Meeting.



#### Item 9

The Shareholder Folksam has requested that the Extraordinary General Meeting of the Shareholders shall reconsider the resolution passed by the Annual General Meeting of the Shareholders held on 29 March 2007 regarding the establishment of a long-term, performance-based, incentive programme for 2008 ("Share Programme 2008").

#### *Background*

The Annual General Meeting of the Shareholders held on 29 March 2007 resolved to establish a long-term, performance-based, incentive programme 2008 (Share Programme 2008) comprising approximately one hundred employees, whose efforts are considered to be of particular importance for the Carnegie group's future development. Programme participants will during February 2008 be able to allocate part of the profit share relating to the financial year 2007 to Share Programme 2008. The amounts to be allocated will be determined in December 2007. The allocated amounts will be distributed by the Carnegie group to a profit sharing pool, in which each participant will receive a specific number of so called profit sharing units. A profit sharing unit corresponds to the fair market value of an ordinary share in the Company at the time for allocation to the profit sharing pool.

If a programme participant remains employed within the Carnegie group for three years after the allocation has been made to the profit sharing pool, the programme participants will receive free of charge for each profit sharing unit one ordinary share (profit sharing share), one half additional ordinary share (matching share) and furthermore up to 1.75-3.5 ordinary shares, if the financial targets established by the Board are reached (performance shares). These targets, adjusted for the expense of the programme, imply that if the increase in Carnegie's earnings per share during the financial year 2008 will be less than 10 per cent, no performance shares will be received. If the increase in earnings per share will be within the interval 10-25 per cent, up to 1.75-3.5 performance shares will be received, with a linear distribution within the interval, whereby participants in the category "base-level" may receive between 0 and 1.75 performance shares, participants in the category "mid-level" may receive between 0 and 2.25 performance shares and participants in the category "top level" may receive between 0 and 3.5 performance shares. If the increase in earnings per share exceeds 25 per cent, the maximum number of performance shares for each category will be received. The number of shares that an employee is entitled to receive under the programme shall be rounded-off to the nearest lower whole number of shares. The number of profit-sharing shares is dependent upon the size of the allocation made to the programme.

In order to facilitate the programme, the resolution on A. Share Programme 2008 also included B. amendments to the Articles of Association, C. a directed share issue of 935,000 preference shares, D. authorization for the Board of Directors to decide on a directed purchase offer for own preference shares, and E. decision on transfer of own ordinary shares to the participants in Share Programme 2008.

All of the above decisions, except the decision on transfer of ordinary shares to the participants in Share Programme 2008, have been effectuated.

#### *Folksam:*

"Folksam is of the opinion that the resolution passed by the 2007 Annual General Meeting of the Shareholders in D. Carnegie & Co Aktiebolag regarding the establishment of a long-term, performance-based, incentive programme for 2008 ("Share Programme 2008") shall be reconsidered by the Extraordinary General Meeting which is to be held in 2007. The reason for this is that the resolution was passed before the events which led to the write-off of the deficit and the consequences of the revaluation of the so called "trading profit" were known. Folksam is of the opinion that, considering the circumstances at hand, it is necessary that the shareholders should consider if this programme is designed in the best possible way in relation to the Company's needs and the interests of the Shareholders. The targets of the programme are related to the Company's profit per share in 2008. Thus, the write-off of the deficit for 2007 will make the point of reference for the target inadequate."

#### *The Board of Directors*

The Board of Directors proposes that the new Board of Directors shall be commissioned to further analyze how Share Programme 2008 should be adjusted in relation to the circumstances described by Folksam.



#### Item 10

The Shareholder Arne Svahn has requested that the resolution passed by the Extraordinary General Meeting of the Shareholders held on 23 August 2007 regarding the approval of the decision regarding allocation in Carnegie's profit-sharing system shall be reconsidered.

#### *Background*

On 11 June 2007, a decision by the Company was announced regarding write-off of the deficit of SEK 175 million in the opening balance at 1 January 2007 relating to profit shares paid for the years 2005 and 2006 and the deficit of SEK 140 million arising during 2007 in the profit-sharing system ("the write-offs"). These deficits and the write-offs were the result of the revaluation of trading positions that were announced on 8 May and 24 May 2007. On 11 June 2007, it was also announced that certain senior executives in the Company had decided to forego profit share relating to the year 2007. Furthermore, it was announced that the Company's Board of Directors had decided that the allocation to the employees' (excluding the aforementioned senior executives) share in Carnegie's profit-sharing system (described in the 2006 Annual Report and including the 50-per cent principle adopted by the Board of Directors) will take place for the year 2007 without taking the write-offs into account, but with consideration taken to the profit share from which the senior executives have abstained ("the Allocation Decision"), meaning that other employees' share in the profit-sharing system will be higher with respect to the year of 2007 than would follow from the 50-per cent principle. The resolution of the Extraordinary General Meeting of the Shareholders on 23 August 2007 to approve the Allocation Decision was supported by more than 92 per cent of the shares and votes represented at the meeting. Furthermore, the Allocation Decision has been communicated to the employees of Carnegie.

#### *Arne Svahn:*

"At the Extraordinary General Meeting of the Shareholders held on 23 August 2007 the matter of '...approval of decision regarding allocation in Carnegie's profit-sharing system' (Section 7 of the minutes from the meeting and referred to as background). Whereas extensive new information has been presented (not available on 23 August 2007), the resolution should be reconsidered at this extraordinary meeting. Proposal for wording of the item: 'Reconsideration of the approval of the decision regarding allocation in Carnegie's profit-sharing system'."

#### *The Board of Directors*

The Company is in a serious situation due to the circumstances occurred and discovered during 2007. The Board of Directors deem it to be business critical for the Company to attract and retain the best employees and to each year be able to offer a competitive compensation system.

Cancelling the resolution from the Extraordinary General Meeting of the Shareholders to approve the Allocation Decision would jeopardize the Company's ability to offer a competitive compensation system to key employees and such persons may consequently choose to leave the Company, which would further aggravate the situation of the Company. The Board of Directors is of the opinion that the resolution today is as crucial to the Company and its Shareholders as it was when approved in August 2007. The Board of Directors proposes that the Extraordinary General Meeting should resolve that the previous resolution of the Extraordinary General Meeting of the Shareholders held on 23 August 2007 on approval of the decision regarding allocation in the Company's profit-sharing system remain unchanged.

#### Item 11

The Nomination Committee proposes that the Extraordinary General Meeting, amending the resolution made by the Annual General Meeting on 29 March 2007, adopts the following procedure for appointment of the Nomination Committee.

The Extraordinary General Meeting commissions the Chairman of the Board to contact the largest Shareholders of the Company, in order to appoint a Nomination Committee. The Nomination Committee shall make nominations to the Annual General Meeting 2008 for a Chairman of the Annual General Meeting, Board Members and Chairman of the Board and shall also propose remuneration of the Board. The Nomination Committee shall comprise not less than three and not more than five representatives of Larger Shareholders, who together with the Chairman of the Board are to form the Nomination Committee. Larger Shareholders shall also include a by agreement lasting group of shareholders having a common position by coordinated exercise of voting power.



The Chairman of the Board shall not be Chairman of the Nomination Committee. Until the Nomination Committee has elected a Chairman among themselves the Chairman of the Board shall be the convener of the Nomination Committee. The Members of the Nomination Committee shall be presented immediately following the appointment of the Nomination Committee or, where applicable, following a change in the composition of the Nomination Committee.

Up to and including January 2008 a new larger Shareholders shall be offered to join the Nominations Committee and other changes to the composition of the Nomination Committee shall be made as a result thereof. Changes in the composition of the Nomination Committee shall be decided by the Chairman of the Board.

The Nomination Committee shall make nominations to the Annual General Meeting 2008, or where applicable to any foregoing Extraordinary General Meeting, for Chairman of the General Meeting, Board Members, Chairman of the Board and propose remuneration of the Board.

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Complete proposals for resolutions regarding items 7 and 8 from the Nomination Committee are available to the Shareholders at the Company's offices and on the Company's website [www.carnegie.se/ir](http://www.carnegie.se/ir). The Board of Directors' complete proposals for resolutions regarding items 9 and 10, as well as the Nomination Committee's complete proposal for item 11, are presented above in this notice and are also available to the Shareholders at the Company's offices and on the Company's website [www.carnegie.se/ir](http://www.carnegie.se/ir). A copy of the proposals will also be sent, free of charge to the recipient, to Shareholders who so request and who provide their postal addresses.

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Stockholm, October 2007  
**D. Carnegie & Co AB (publ)**  
*The Board of Directors*

### **Translation for English-speaking Shareholders**

For the convenience of non-Swedish speaking Shareholders the proceedings of the Extraordinary General Meeting may be simultaneously translated into English, if so requested when attendance to the Extraordinary General Meeting is notified.