



## **MEDA AB (publ) NOTICE OF ANNUAL GENERAL MEETING 2012**

Notice is hereby given that the Annual General Meeting (AGM) of Meda AB, corporate ID 556427-2812, will be held at 5.00 PM on Wednesday, May 9, 2012, at Meda's headquarters at Pipers väg 2A, Solna, Sweden. Registration starts at 4.00 PM.

### **Right to participate**

Shareholders who wish to participate in the AGM must:

1. Be registered in the share database held by Euroclear Sweden AB by Thursday, May 3, 2012.
2. Have sent notification of attendance to Meda by Thursday, May 3, 2012.

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 Euroclear Sweden AB by Thursday, May 3, 2012. Consequently, shareholders should notify nominees well in advance of this registration date.

### **Notification of AGM attendance**

Notification of AGM participation shall be made via mail to Meda AB, Annual General Meeting, Box 7835, 103 98 Stockholm, Sweden, via phone at +46-8-402 90 49, or company's website [www.meda.se](http://www.meda.se). In the notification, specify the shareholder's name, Swedish civil registration number or corporate ID, address, number of shares, phone number (daytime), and information about assistants (at most two) accompanying you.

If participating by proxy, please submit the original proxy document to Meda before the AGM. The expiry date of the proxy document may be no more than five years from its issue. If the proxy is issued by a legal entity, a notarized copy of the registration certificate for the legal entity must also be submitted. The proxy form is available at [www.meda.se](http://www.meda.se), and will be sent upon request to shareholders who request the form and specify an address.

## **Admission cards**

Admission cards that entitle shareholders to participate in the AGM will be sent out in advance. Admission cards should be received by shareholders no later than Monday, May 7, 2012. If a shareholder has not received an admission card before the AGM, a new admission card can be requested at the information desk outside the AGM upon presentation of proper identification.

Bus transportation to and from the AGM will be arranged from Stockholm's Östra station and Stockholm's Central Station. Buses will be available at 3:45 PM and depart shortly thereafter. Preregistration is required. When registering for the AGM, indicate if bus transportation is desired.

## **Proposed agenda**

1. Opening of the AGM.
2. Election of AGM chairperson.
3. Establishment and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to verify the minutes.
6. Consideration whether the AGM was duly convened.
7. Presentation of the annual accounts, the consolidated annual accounts and the auditors' report.
8. CEO statement.
9. Questions from shareholders.
10. Decisions regarding:
  - Adoption of the income statement and balance sheet, and the consolidated income statement and consolidated balance sheet.
  - Disposition of company earnings as per the adopted balance sheet.
  - Discharge of the board members and CEO from liability.
11. Determination of the number of board members and deputy board members to be appointed by the AGM.
12. Determination of board remuneration and auditors fees.
13. Election of board members and auditors.
14. Election of board chairman.
15. Resolution concerning principles for appointment of the nomination committee.
16. Resolution concerning remuneration principles for the group management.
17. Resolution concerning authorization of the board to decide on issuing new shares.

18. Resolution concerning authorization of the board to decide on issuing convertible debentures.
19. Resolution concerning authorization of the board to decide on purchase and sale of the company's own shares.
20. Amendment of the articles of association.
21. Any other business.
22. Closing of the AGM.

### **Proposed resolutions**

#### *Item 10: Proposed dividend and record date for the dividend.*

The board proposes a dividend of two (2) krona and 25 öre per share (SEK 2.25), and that the record date for the dividend shall be May 14, 2012. If AGM participants approve this proposal, the dividend is expected to be distributed under the direction of Euroclear Sweden AB on May 18, 2012. The last day for trading Meda shares that include dividend rights is therefore May 9, 2012.

#### *Item 2 and items 11-14: proposed AGM chairman, board members, remuneration and more*

As per the 2011 AGM resolution, the four largest shareholders appointed a nomination committee in preparation for the 2012 AGM. The nomination committee consists of Evert Carlsson, Swedbank Robur Funds; Bengt Belfrage, Nordeas Funds; Marcus Lüttgen, Alecta; Bert-Åke Eriksson (chairman of Meda), Stena Sessan Rederi AB; and Karl-Magnus Sjölin, nomination committee chairman, Stena Sessan Rederi AB.

For item 2 in the agenda, the nomination committee will propose that:

- Bert-Åke Eriksson is appointed as AGM chairman.

For agenda items 11-14, the nomination committee will propose that:

- The board shall consist of eight (8) members (8 last year) and that no deputy members be appointed (0 last year).
- The board remuneration be fixed at SEK 2,700,000 (last year SEK 2,500,000). Of this amount, the chairman shall receive SEK 750,000 (last year SEK 700,000), and each of the other board members who are not employed by the Group shall receive SEK 325,000 (last year SEK 300,000).
- For work in the audit committee, remuneration be set to SEK 100,000 (last year SEK 50,000) for the committee chairman and SEK 50,000 kronor (last year SEK 25,000) to each of the other members.

- For work in the remuneration committee remuneration be set to SEK 50,000 (unchanged) for the committee chairman and SEK 25,000 (unchanged) to each of the other members.
- Remuneration may be payable to a board member's company under the condition that such payment does not involve any additional costs for the company.
- Remuneration to the auditing firm be paid as per invoice for review of accounts, company administration, and the Group audit.
- These board members be re-elected:

Maria Carell  
 Peter Claesson  
 Peter von Ehrenheim  
 Bert-Åke Eriksson  
 Marianne Hamilton  
 Tuve Johannesson  
 Anders Lönner

Anders Waldenström has declined re-election.

This board member to be elected:

Lars Westerberg

Lars Westerberg is born in 1948, and holds a Masters in Science and a BBA. He was previously CEO of Autoliv Inc, he is currently Board chairman of Husqvarna AB, and board member of Volvo AB, Sandvik AB, SSAB, and Stena AB.

- Bert-Åke Eriksson be appointed as Chairman of the Board.
- PricewaterhouseCoopers AB be appointed as auditing firm until the end of the 2013 AGM.

Shareholders, who together represent about 36% of all votes in the company, have stated that they intend to vote in favour of these proposals.

*Item 15: Establishment of principles for appointment of the Nomination committee*

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

Meda's nomination committee shall consist of the board chairman and one representative of each of the four largest shareholders.

When the committee is appointed (no later than 6 months before the AGM), then Meda must publicly announce the names of the four owner representatives and the shareholders whom they represent. The board chairman of Meda will contact the four largest shareholders, based on information in the Euroclear Sweden AB shareholders database as of the last working day in August.

If any of the four largest shareholders declines to exercise the right to appoint a member to the nomination committee, then the next largest shareholder shall be given the 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 agree otherwise. The nomination committee's first meeting will be opened by the board chairman. If a member leaves the committee before his/her work is completed, then the owner that appointed the member has the right to appoint a new committee member. Nomination committee members will receive no remuneration.

If a significant change occurs in Meda's ownership structure and a shareholder which after this significant ownership change becomes one of the four largest shareholder expresses the desire to be a nomination committee member, then the committee shall offer the shareholder a place on the committee by either deciding to replace the smallest shareholder (with the least number of votes) on the committee by this shareholder or to increase the committee's size by yet another member – but not to more than six members.

Changes in the nomination committee's composition must be announced as soon they occur.

The committee's task is to prepare and submit proposals to the AGM for:

- An AGM chairman
- Board chairman and board members
- Board remuneration with specifications for board chairman and other members plus remuneration for possible committee work
- An auditor, deputy auditor (as needed), and auditors' fees
- Principles for appointment of the nomination committee

The nomination committee may charge the company for costs that are necessary for enabling the committee to fulfill its obligations, such as costs for recruitment consultants and other consultants.

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

*Item 16: Establishment of remuneration principles for the group management*

The board proposes that the AGM approves these guidelines for senior executives. The proposal reflects Meda's need to be able to recruit and motivate qualified employees via compensation that is competitive in various countries. The Group's executive management team consists of:

Chief executive officer (CEO)

Chief operating officer (COO)

Chief financial officer (CFO)

The board's proposal regarding policies for remuneration and other employment terms for Meda's Group executives imply that Meda shall strive to offer its executives market-based remuneration/compensation, that the criteria shall be based on the significance of responsibilities, competence requirements, experience and performance, and that *the* remuneration will consist of:

Fixed basic salary

Short-term variable pay

Long-term variable pay

Pension benefits

Other benefits and severance terms and conditions

The board's proposal is consistent with previous years' remuneration guidelines and is based on contracts previously entered into between Meda and its senior executives.

Distribution between basic salary and variable pay must be in proportion to the executive's responsibility and authority levels. Principles for the CEO's employment terms are detailed in note 8 of the annual report.

Short-term variable pay is performance-based – partly on Group profit and partly on individual qualitative parameters. Variable pay may not exceed 45% of an executive's total annual remuneration.

Long-term variable pay may include a share-related incentive program. Other benefits primarily consist of leasing cars. Pension premiums are paid at an amount based on the ITP supplementary pension plan or equivalent schemes for employees abroad. Pension basing salary consists of basic salary and variable salary. Fixed salary during the period of notice for termination and severance pay shall together not exceed an amount equivalent to two years' fixed salary.

The remuneration committee shall prepare matters concerning remuneration to Group executives for resolution by the board. If there are justifiable reasons, the board may deviate from the above remuneration principles for executives.

*Item 17: Authorization of the board to decide on issuing new shares*

The board proposes to be authorized to decide on the increase of the company's share capital by share issues at on one or more occasions during the period until the next AGM. Authorization shall cover a maximum of 30,224,306 shares (corresponding to a dilution effect of a maximum of about 10% of share capital and votes), after a deduction

for any share increase due to a conversion of convertible bonds issued by the board under the authorization referred to in item 18.

The proposal would authorize the board to decide on payment in kind, offset, or other terms as specified in chapter 13, section 5, paragraph 1, item 6 in the Companies Act, *on* deviation from shareholders' preferential rights and *on* any other terms and conditions for the issues. The authorization does not extend to decisions regarding cash issues. Prevailing market conditions will determine the issue rate.

The reason for the authorization to deviate from preferential rights and to decide on issues with or without provisions specified in chapter 13, section 5, paragraph 1, item 6 in the Companies Act is that Meda would be able to issue shares as purchase price payments in connection with 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.

For a resolution according to the boards' proposal in this item 17, the AGM resolution must be supported by shareholders representing at least two-thirds of the votes and of the shares represented at the meeting.

*Item 18: Authorization of the board to decide on issuing convertible debenture.*

The board proposes to be authorized to decide at on one or more occasions during the period until the next AGM, on the issue of convertible debentures with conversion rights to a maximum of 30,224,306 shares (at full conversion the dilution effect will be about 10% of share capital and votes) less the number of shares issued by the board under the authorization referred to in item 17 on the agenda.

The proposal would authorize the board to decide to deviate from shareholders' preferential rights and to determine any other terms and conditions for the issues. The reasons for the authorization to deviate from preferential rights are the following: The board believes that authorization as per the proposal would strengthen Meda's ability to maintain and act in order to create shareholder value by taking advantage of the opportunity to raise capital from an established market with a clear, strong demand for convertible instruments. It further believes that a directed issue in this context may be the most appropriate alternative to raise capital.

The authorization only extends to issue in conjunction with the acquisition of other companies, parts of companies, product rights, or other assets that the board deems to be of value to the company's operation.

Prevailing market conditions will determine the conversion price and other terms for the debentures.

For a resolution according to the board's proposal in this item 18, the AGM resolution must be supported by shareholders representing at least two-thirds of the votes and of the shares represented at the meeting.

*Item 19: Repurchase of the Company's own shares*

The board proposes that the AGM authorizes the Board to, at one or more occasions, decide on the purchase or sale of class A shares substantially according to the following: Shares may only be purchased at NASDAQ OMX Stockholm at a price within the current share price interval. Shares may be purchased so that the company holds no more than ten percent of the total shares and votes in the company. Own shares may be sold at NASDAQ OMX Stockholm at a price within the current share price interval. Shares totaling the number of own shares currently held by the company at the time may be sold. This authorization is valid until the 2013 AGM. The purpose of the proposal is to facilitate adjustment of the company's capital structure and thus contribute to increased shareholder value.

For a resolution according to the board's proposal in this item 19, the AGM resolution must be supported by shareholders representing at least two-thirds of the votes and of the shares represented at the meeting.

*Item 20: Amendment to Meda's Articles of Association*

The Board proposes an amendment to Meda's Articles of Association as follows:

Section 9, paragraph 9 to be amended from "determination of remuneration to the board and - as applicable - the audit company" to read "determination of remuneration to the board and the auditors".

For a resolution according to the board's proposal in this item 20, the AGM resolution must be supported by shareholders representing at least two-thirds of the votes and of the shares represented at the meeting.

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**Additional information**

The number of shares and votes in Meda total 302,243,065. Only class A shares have been issued. The company holds no own shares.

On or before 18 April 2012, the board's complete proposal, its 2011 annual accounts, documentation as per Chapter 18, section 4 and auditor statement as per Chapter 8 section 54 of the Swedish Companies act and the nomination committee's reasoned opinion on the proposed board will be made available at company headquarters at Pipers väg 2, Solna, Sweden and on its site ([www.medase](http://www.medase)). The documentation will be sent by mail to shareholders who request it and submit their mailing addresses; it will also be available at the AGM.

On the request of a shareholder the board and the CEO shall provide information at the AGM concerning conditions that could influence the assessment of an item on the agenda, the company's financial situation, or a subsidiary's financial situation or its

relations to another Group company, provided that the board deems that disclosure its possible without causing material damage to the company.

Solna, Sweden, April 2012

The Board of Directors

Meda Aktiebolag (publ)