Höganäs

NOTICE TO ATTEND THE ANNUAL GENERAL MEETING

Shareholders of Höganäs AB (publ) are hereby invited to attend the Annual General Meeting (AGM) to be held at 3 p.m. on Monday 29 April 2013 in HB-Hallen, Bruksgatan, Höganäs, Sweden.

The premises open for registration at 1:30 p.m.

Notification

Shareholders that wish to participate at the AGM should first be recorded on the share register maintained by Euroclear Sweden AB on Tuesday 23 April 2013, second notify the company of their intention to participate at the AGM not later than Tuesday 23 April 2013, preferably before 4 p.m.

Notification can be made by post to Höganäs AB, SE-263 83 Höganäs, Sweden, by phone +46 (0) 42 33 80 80, on the company’s website www.hoganas.com, or by e-mail: stamma@hoganas.com. Notifications should state name, address, telephone number, personal or corporate identity number and registered shareholdings. Shareholders intending to bring assistants should notify the company simultaneously with their own applications. Representatives of legal entities should submit the necessary authorization documentation prior to the AGM. Power of attorney forms will be available on the company’s website www.hoganas.com, and can be sent by mail to those shareholders that contact the company stating their address.

Shareholders that have registered their shares with nominees must, in order to be entitled to participate in the AGM, register the shares in their own name with Euroclear Sweden AB. Such registration must be completed no later than 23 April 2013. Accordingly, shareholders should request re-registration of shares with their nominee in good time before this date.

Proposed agenda:
1. Opening the AGM and election of the Chairman of the AGM
2. Preparing and approving the Voting List
3. Approval of the agenda
4. Appointment of two people to verify the minutes
5. Consideration of whether the AGM has been duly convened
6. Submission of the Annual Report and Audit Report, and the Consolidated Financial Statements and Consolidated Audit Report, including statements from the Chief Executive Officer and a statement on the activities of the Board and the Board’s Remuneration Committee
7. Resolutions on
   a) adoption of the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet
   b) appropriation of the company’s profits pursuant to the adopted Balance Sheet and the record date for dividend distribution
   c) discharge of the Board members and Chief Executive Officer from liability
8. Establishment of the number of Board members
9. Establishment of Directors’ fees
10. Election of the Board of Directors and Chairman of the Board
11. Establishment of the number of auditors
12. Establishment of auditors’ fees
13. Election of auditors
14. Proposal regarding the Election Committee
15. Proposal regarding the guidelines for remunerating the corporate management
16. Proposal regarding transfer of class B treasury shares due to the employee stock option plan 2009.
17. Closing of the AGM

Proposal from the Election Committee (items 1 and 8-13)
The Election Committee for this year’s AGM has comprised Jenny Lindén Umes (Lindengruppen AB), Chairman, Henrik Didner (Didner & Gerge Fonder AB), Birger Gezelius (Swedbank Robur Fonder) and Chairman of the Board Anders G Carlberg.

The Election Committee has proposed that:

- Attorney Ragnar Lindqvist is appointed Chairman of the AGM;
- The number of Board members will be seven, with no deputies;
- Directors’ fees will be SEK 2,100,000, with the Chairman of the Board receiving SEK 300,000 and other members elected by the AGM but not employed by the group each receiving SEK 250,000, and the remaining SEK 350,000 payable as remuneration for committee activities, at SEK 50,000 each to the three external Board members in the company’s Remuneration Committee and SEK 100,000 to the chairman of the company’s Audit Committee and SEK 50,000 each to two external Board members of the Audit Committee;
- Re-election of the following Board members Anders G Carlberg, Alfrick Danielson, Peter Gossas, Urban Jansson, Jenny Lindén Umes, Björn Rosengren and Erik Umes;
- Re-election of Anders G Carlberg as Chairman of the Board;
- Fees payable to auditors according to account;
- Re-election of the registered auditing company KPMG AB as auditors for the period until the end of the Annual General Meeting 2014.

Bengt Kjell has declined re-election.

Dividends (item 7b)
The Board of Directors proposes a dividend of SEK 10 per share for the financial year 2012, with Friday 3 May 2013 as the record date. If the AGM resolves pursuant to the proposal, dividends will be scheduled for disbursement from Euroclear Sweden AB on Wednesday 8 May 2013.

Proposal regarding Election Committee (item 14)
The Election Committee shall comprise representatives of the four, in terms of the number of votes pursuant to Euroclear Sweden AB’s register as of the last trading day in August, largest shareholders and the Chairman of the Board, also convener. The member representing the largest shareholder will be appointed Chairman of the Election Committee. If a member leaves the Election Committee before its activities are complete, if considered necessary, his/her replacement should be appointed from the same shareholder, or if the shareholder is no longer one of the largest shareholders, from the next largest shareholder. If the ownership structure essentially changes in some other manner before the task of the Election Committee is complete, then, if the Election Committee so decides, the composition of the Election Committee will be changed in the manner the Election Committee considers appropriate. The composition of the Election Committee for the next AGM shall be published no later than six months prior to that AGM. There will be no remuneration to the members of the Election Committee. The company will carry any possible external costs related to the work of the Election Committee. The mandate period of the Election Committee will run until the composition of the next Election Committee is published. The duty of the Election Committee is to prepare proposals in accordance with the Swedish Code of Corporate Governance. This instruction for the appointment of Election Committee shall be valid until amended by resolution by a future general meeting.

Proposal regarding guidelines for remunerating the corporate management (item 15)
Remuneration shall comprise a fixed and a performance-related part. Performance-related remuneration shall be subject to a cap. The fixed salary shall be on market terms and based on skills, responsibility and performance. Performance-related remuneration shall not exceed fixed salary, and in normal circumstances, not exceed 50 per cent of the fixed annual salary. It will relate to the satisfaction of pre-determined objectives. The Board of Directors shall annually consider whether to present a proposal to the general meeting.
regarding a share-price related incentive plan. The Board of Directors is authorised to resolve on incentive plans regarding long term performance related remuneration. The outcome of such plan shall relate to the satisfaction of pre-determined objectives. Remuneration under such plan may, in addition to other performance related remuneration, annually amount to a maximum of 50 per cent of the fixed annual salary. Non-monetary benefits and pensions will correspond to what can be considered reasonable in relation to market practice where the respective management team member is active. Pension benefits should be based on defined-contribution pension schemes or national pension schemes such as Sweden’s ITP scheme (Supplementary Pensions for Salaried Employees). Dismissal and severance pay should not exceed a total of 24 months’ salary. Normally, a six-months’ notice period shall apply. The Board of Directors shall be entitled to deviate from the aforementioned guidelines for remunerating the corporate management in special circumstances in individual cases.

Proposal regarding transfer of class B treasury shares due to the employee stock option plan 2009 (item 16)

To hedge against potential cash flow effects of social security costs and cash redemption due to the employee stock option plan 2009, the Board of Directors propose, as it has done at prior AGMs since the introduction of the plan, that the Board of Directors is authorised to resolve on transfers of shares in the company. Due to the company’s employee stock option plan 2009, the company shall have the right to, in the period before the next AGM, transfer on the stock exchange the requisite number of shares if participants demand cash redemption, and a maximum of 60,000 class B shares for the purpose of covering costs, mainly social security costs.

The resolution is subject to the support of shareholders representing at least two-thirds of both the number of votes cast and the shares represented at the Meeting in order to be valid.

Documentation, etc.
The Annual Report and Audit Report and the Board of Directors’ complete proposals for resolutions according to items 15-16, and the Board’s statement under item 7 b) and the auditor’s statement pursuant to chapter 8 § 54 of the Swedish Companies Act will be available at the company and on its website www.hoganas.com no later than on 8 April 2013 onwards. These documents will be sent to those shareholders that specifically request them, and will be distributed at the AGM.

Information at the AGM
The shareholders are reminded of their right under the Swedish Companies Act to have information at the AGM. A shareholder who so requests may send questions in advance by post to Höganäs AB, SE-263 83 Höganäs, Sweden or by email to stamma@hoganas.com.

Number of shares and votes
The total number of shares in the company is 35,098,932, of which 981,000 are class A shares and 34,117,932 are class B shares. The total number of votes in the company is 43,927,932. At the time of the Notice convening the AGM, the company has 293,800 own class B shares representing 293,800 votes.

Höganäs, March 2013

The Board of Directors