



Annual General Meeting in Haldex AB (publ)

The shareholders of Haldex AB are hereby invited to attend the Annual General Meeting to be held at 4.00 p.m. CET on Thursday 12 April 2007, in IVA's Conference Centre, Grev Turegatan 6, Stockholm.

A. NOTICE OF ATTENDANCE

Shareholders who wish to attend the General Meeting must

(i) be recorded in the share register maintained by the Swedish Central Securities Depository ("VPC"), as of Wednesday 4 April 2007,

(ii) notify Haldex of their intention to participate in the General Meeting at the address: Haldex AB, P.O. Box 7200, SE-103 88 Stockholm, Sweden, by telephone +46 8 545 049 50 or by e-mail to info@haldex.com, by 12.00 Thursday 5 April 2007 at the latest. On giving notice of attendance, the shareholder shall state name, address, telephone number, personal registration number or equivalent (corporate identity number) and shareholdings. Proxy and representative of a legal person shall submit papers of authorization prior to the General Meeting.

In order to participate in the proceedings of the Annual General Meeting, owners with nominee registered shares must request their bank or broker to have their shares temporarily owner-registered with VPC. Such registration must be made as of Wednesday 4 April 2007, and the bank or broker should therefore be notified in due time before the said date.

B. AGENDA

Proposal for agenda

1. Opening of the Meeting and election of Chairman of the Meeting.
2. Drawing up and approval of the voting list.
3. Election of two persons to approve the minutes.
4. Determination of compliance with the rules of convocation.
5. Approval of the agenda.
6. The Managing Director's report.
7. Presentation of the Annual Report and the Auditor's Report and the Consolidated Financial Statements and the group Auditor's Report.
8. Resolutions on
 - a) adoption of the Statement of Income and the Balance Sheet and the Consolidated Statement of Income and the Consolidated Balance Sheet;
 - b) discharge of the Board of Directors and the Managing Director from personal liability for the financial year 2006;

- c) appropriation of the company's profit according to the adopted Balance Sheet and determination of record date for dividend;
- 9. Determination of the number of Directors and deputy Directors.
- 10. Determination of fees to the Directors (and where applicable deputy Directors).
- 11. Determination of fees to the Auditors.
- 12. Election of Chairman and Directors of the Board (and where applicable deputy Directors).
- 13. Election of Auditors and deputy Auditors.
- 14. Resolution on the composition of the Nomination Committee, etc.
- 15. Resolution on approval of guidelines for remuneration to senior executives.
- 16. Resolution on implementation of a long-term incentive program (LTI 2007).
- 17. Resolution on:
 - (a) authorization for the Board of Directors to resolve on acquisition of own shares;
 - (b) authorization for the Board of Directors to resolve on transfer of own shares in connection to corporate acquisitions; and
 - (c) authorization for the Board of Directors to resolve on transfer of own shares in connection to LTI 2007.
- 18. Closing of the Meeting.

Proposal for Election of Chairman of the Meeting (paragraph 1 on the agenda)

The Nomination Committee, which has been appointed in accordance with the resolution of the Annual General Meeting 2006, proposes that Sune Karlsson, Chairman of the Board of Directors, shall be elected Chairman of the Annual General Meeting 2007.

Proposal for Dividend (paragraph 8 (c) on the agenda)

The Board of Directors proposes that a dividend of SEK 4.50 per share be declared. As record date for the dividend, the Board of Directors proposes 17 April 2007. If the General Meeting so resolves, payment of the dividend is expected to be made by VPC starting 20 April 2007.

Proposal for Election of the Board of Directors and Auditors and Resolution on Fees (paragraphs 9-13 on the agenda)

In accordance with the resolution of the Annual General Meeting 2006, Sarah McPhee (AMF Pension), Carl Rosén (Second Swedish National Pension Fund), Bengt Stillström (Traction) and Nils Petter Hollekim (Odin Funds) were in September 2006 appointed members of the Nomination Committee in respect of the Annual General Meeting 2007. The Nomination Committee, which by the end of February 2007 represented approximately 18.96 per cent of the shares and votes in the company, proposes that the General Meeting resolves in accordance with the following:

The number of Directors is proposed to be seven, with no deputy Directors. The committee proposes re-election of the Directors Sune Karlsson, Arne Karlsson, Caroline Sundewall and Cecilia Vieweg and new election of Lars-Göran Moberg, Anders Thelin and Anders Böös. The committee further proposes re-election of Sune Karlsson as Chairman of the Board of Directors.

Bengt Stillström, Kurt Palmgren and Lars Westerberg have declined re-election.

Lars-Göran Moberg (born 1943) is President and CEO of Volvo Powertrain Corporation and a member of the Volvo Executive Group. He is the Chairman of the Board of Volvo Technology AB and a Board member of a number of other companies within the Volvo group.

Anders Thelin (born 1950) is the President of Sandvik Tooling AB and member of the Executive Management of the Sandvik Group. He is the Chairman of the Board of AB Sandvik International and of a number of other companies within the Sandvik group.

Anders Böös (born 1964) has formerly been President of Hagströmer & Qviberg AB and Drott AB. He is the Chairman of the Board of Observer AB and Industrial and Financial Systems IFS Aktiebolag and a Board member of Investmentaktiebolaget Latour and Explorer Property Fund Baltic States AB.

Fees to the Directors for the period up to and including the Annual General Meeting 2008 shall amount to SEK 1,650,000 in total (including fees for committee work) to be distributed between the Directors as follows: The Chairman of the Board of Directors shall receive SEK 450,000 and each of the other Directors shall receive SEK 150,000. Consideration for committee work shall be allocated as follows: Chairman of the Audit Committee SEK 100,000, member of the Audit Committee SEK 50,000, Chairman of the Compensation Committee SEK 50,000 and member of the Compensation Committee SEK 25,000. Fees to the Auditors are proposed to be paid in accordance with their submitted offer, in respect of the audit, and for other services on approved account.

Authorised public accountants Richard Roth and Liselott Stenudd, both from PricewaterhouseCoopers AB, are elected Auditors and authorised public accountants Christine Rankin Johansson and Olof Herolf, both from PricewaterhouseCoopers AB, are elected deputy Auditors, all for the period up to and including the Annual General Meeting 2007. The Nomination Committee proposes, for the period up to and including the Annual General Meeting 2010, re-election of Liselott Stenudd and new election of Mikael Bengtsson as Auditors and re-election of Christine Rankin Johansson and new election of Ronnie Ekman as deputy Auditors, all from PricewaterhouseCoopers AB.

Proposal for the Composition of the Nomination Committee, etc. (paragraph 14 on the agenda)

The Nomination Committee proposes that the General Meeting resolves in accordance with the following:

1. The Nomination Committee before the Annual General Meeting 2008 shall have four members and consist of one representative each of the four largest shareholders by votes. The names of these four representatives and the names of the shareholders they represent, shall be announced no later than six months before the Annual General Meeting 2008 and be based on the shareholdings immediately prior to such announcement. The members' term of office shall end when a new Nomination Committee has been appointed. Provided that the members of the Nomination Committee do not agree otherwise, the member representing the largest shareholder by votes shall be appointed Chairman of the Nomination Committee.
2. Should a shareholder that has appointed a member of the Nomination Committee, during the term of office of the Nomination Committee, no longer be one of the four largest shareholders by votes, the member that has been appointed by said shareholder shall resign from its assignment and the shareholder that at such time has become one of the four largest shareholders shall appoint its representative for the Nomination Committee. However, the composition of the Nomination Committee shall not be changed should the change in ownership only be marginal or should the change in ownership occur later than two months prior to the Annual General Meeting 2008. A shareholder that has appointed a member of the Nomination Committee shall during the term of office be entitled to replace such representative by a new member of the Nomination Committee.

3. The task of the Nomination Committee shall include, before the next Annual General Meeting, the preparation and establishment of proposals for election of the Chairman and other Directors of the Board, election of the Chairman of the Annual General Meeting, election of Auditors (where applicable) and resolution on fees to the Board of Directors and the Auditors (where applicable) and other matters in connection thereto.

Proposal for resolution on approval of guidelines for remuneration to senior executives (paragraph 15 on the agenda)

The remuneration to the Managing Director and other senior executives shall consist of a balanced combination of fixed remuneration, annual bonus, long-term incentive program, pension and other benefits and conditions of termination of employment/severance payment. The total remuneration shall be competitive and in accordance with market practice and shall be related to performance. The fixed remuneration shall be individually determined and be based on each individual's responsibility, role, competence and position. The annual bonus shall be based on outcomes of predetermined financial and individual objectives and amount to a maximum of between 30–50 per cent of the fixed annual salary. The Board of Directors may propose the General Meeting to resolve on long-term incentive programs (the Board's proposal on a long-term incentive program is described below under paragraph 16 of the agenda). Pension benefits shall be based on defined contribution plans and shall (for Swedish citizens) entitle to pension by the age of 65. Upon termination by the company, the notice period for the Managing Director is 12 months and for other senior executives 6 months. In addition hereto, when entering into new employment contracts, agreement may be made on severance pay up to a maximum amount corresponding to 12 months' fixed salary.

Proposal for resolution on implementation of a long-term incentive program (LTI 2007) (paragraph 16 on the agenda)

The Board of Directors believes that an incentive program that is connected to the company's profits and at the same time its increase in value will award and foster the long-term growth of the company. Further, a program will contribute to the ability of Haldex to retain and recruit key employees within the group. The Board of Directors therefore proposes a long-term performance based incentive program ("Long-Term Incentive Program") ("LTI 2007") under which senior executives and key employees will be allocated employee stock options as set out below.

In order to ensure and maximize the management's engagement in Haldex, allocation of employee stock options under the incentive program will be made on condition that the participants become shareholders in Haldex by own investment in Haldex shares on the stock market. The participants undertake not to dispose of these shares during a three-year period. Each share that is acquired on the stock market entitles to allocation of ten employee stock options. Each employee stock option entitles to acquisition of one share in Haldex. The employee stock options are issued in three series and are allocated during 2008, 2009 and 2010 by resolution of the Board. Allocation shall be made at no consideration and in total no more than 510,000 employee stock options can be allocated under the program. The term of the options are three years and the exercise price shall be based on the Haldex share price during the periods set forth below.

Allocation of options is based on the criteria that Haldex' profit before tax must have increased by more than 7 per cent compared to the previous financial year. Maximum allocation will occur provided that the profit before tax has increased by 20 per cent or more compared to the previous financial year.

LTI 2007 entails certain financial risks for Haldex related to potential changes in the Haldex share price during the term of the program. To be able to implement LTI 2007 in a cost-efficient and flexible manner, the Board of Directors has considered various methods for transferring Haldex shares under the program, such as a share swap agreement with a third party, repurchase and transfer of own shares and the issue of warrants entitling to subscription of new shares. The Board of Directors has also considered that delivery of shares under the program will be made no earlier than 2009. Based on these considerations, it is the Board's intention to hedge the financial risk and the obligation to deliver shares to participants in the program by such means that, during the term of the program, turns out to be most appropriate and cost-efficient. One possible alternative to hedge the financial risk is for the Board of Directors to be authorized to repurchase and transfer own shares in accordance with paragraphs 17 (a) and 17 (c) on the agenda. However, the Board of Directors does not before this Annual General Meeting propose any measures for securing delivery of shares, but intends to revert to this matter before the next Annual General Meeting.

In light of the above description the Board of Directors proposes that the Annual General Meeting resolves on implementation of a long-term incentive program, LTI 2007, principally based on the following conditions and principles.

1. LTI 2007 shall comprise 25 senior executives and key employees within the Haldex group.
2. Three series of employee stock options shall be allocated at no consideration by resolution of the Board of Directors in connection to the announcement of the year-end reports for the financial years 2007, 2008 and 2009.
3. Allocation of employee stock options of a certain series requires that the participant has acquired on the market such number of Haldex shares that corresponds to 1/10 of the maximum number of employee stock options that the participant may be allocated of such series, and that the participant, at the time of allocation, has not violated the undertaking not to dispose of these shares during a three-year period.
4. Allocation of employee stock options shall be based on the company's growth in profit before tax during the financial years 2007, 2008, and 2009.
5. In all a maximum of 510,000 employee stock options may be allocated under the program. The Managing Director shall be allocated a maximum of 60,000 employee stock options, senior executives a total maximum of 180,000 employee stock options, and other key employees a total maximum of 270,000 employee stock options during the term of the program. The Board of Directors shall be authorized to reallocate the number of options between the various employee categories (with exception for the Managing Director).
6. Employee stock options can be exercised to acquire shares during a time period that begins 12 months after the time of allocation and expires 36 months after the time of allocation. To be entitled to exercise an employee stock option it is required that the participant (with certain exceptions), at the time of exercise, is an employee of the Haldex group and has not violated the undertaking not to, during a three-year period, dispose of the shares that entitled to allocation of the options to be exercised.
7. Each employee stock option entitles to acquisition of one Haldex share at an exercise price corresponding to 110 per cent of the average volume weighted price for Haldex shares paid on the Stockholm Stock Exchange during a period corresponding to 10 trading days. This period occurs after the announcement of Haldex' interim report for the first quarter 2007, after the announcement of Haldex' year-end report for the financial

year 2007 and after the announcement of Haldex' year-end report for the financial year 2008, respectively.

8. The Board of Directors shall be authorized to resolve on a premature exercise of the employee stock options (i) if a person, alone or together with related parties, acquires such number of shares in Haldex that, in accordance with applicable rules, gives rise to an obligation to announce a mandatory offer to acquire all outstanding shares of the company or (ii) for individual participants based on individual circumstances, or (iii) it is otherwise deemed to be suitable or appropriate with premature exercise.
9. The Board of Directors shall decide on the detailed terms of LTI 2007. The Board shall be entitled to deviate from or adjust the terms as a result of local regulations and practice.

For valid resolution on the Board's proposal on implementation of LTI 2007, shareholders representing more than 50 per cent of the votes cast at the Annual General Meeting must be in favour of the proposal.

Proposal for resolution on: (a) authorization for the Board of Directors to resolve on acquisition of own shares; (b) authorization for the Board of Directors to resolve on transfer of own shares in connection to corporate acquisitions; and (c) authorization for the Board of Directors to resolve on transfer of own shares in connection to LTI 2007 (paragraph 17 on the agenda)

Haldex holds 231,470 own shares as per 1 March 2007, corresponding to approximately 1 per cent of all outstanding shares.

(a) Authorization for the Board of Directors to resolve on acquisition of own shares

The Board of Directors proposes that the Annual General Meeting 2007 authorizes the Board to resolve on repurchase of own shares on one or several occasions during the period up to the Annual General Meeting 2008 in accordance with the following:

- acquisition of own shares shall be made on the Stockholm Stock Exchange;
- own shares may be acquired to the extent the company's holdings of own shares in total amounts to no more than one tenth of all shares in the company;
- acquisition of own shares shall be made in cash and at a price within the registered share price range at the time of the acquisition.

The reasons for the proposed authorization to repurchase own shares is to enable share transfers in accordance with the Board's proposals under (b) and (c) below and, hence, to increase the flexibility of the Board in connection to potential future corporate acquisitions, as well as to cover costs related to LTI 2007.

(b) Authorization for the Board of Directors to resolve on transfer of own shares in connection to company acquisitions

The Board of Directors proposes that the Annual General Meeting 2007 authorizes the Board to resolve on transfer of own shares on one or several occasions during the period up to the Annual General Meeting 2008 in accordance with the following:

- transfer of own shares shall be made either on the Stockholm Stock Exchange or in another manner;
- transfer of own shares may be made with deviation from the shareholders' preferential rights;
- the maximum number of shares that may be transferred shall be the total number of own shares held by the company at the time of the Board's resolution to transfer the shares;

- transfer of shares shall be made at a price that shall be determined in close connection with the shares' quoted price at the time of the Board's resolution to transfer the shares;
- payment for the transferred shares may be made in cash, by contribution in kind or by set-off.

The reasons for the proposed transfer and for a potential deviation from the shareholders' preferential rights is to increase the flexibility of the Board in connection to potential future corporate acquisitions, by facilitating a fast and cost efficient financing thereof.

(c) Authorization for the Board of Directors to resolve on transfer of own shares in connection to LTI 2007

The Board of Directors proposes that the Annual General Meeting 2007 authorizes the Board to resolve on transfer of own shares on one or several occasions during the period up to the Annual General Meeting 2008 in accordance with the following:

- transfer of own shares may be made on the Stockholm Stock Exchange;
- a maximum of 60,000 shares may be transferred;
- transfer of own shares shall be made in cash at a price that shall be determined in close connection with the shares' quoted price at the time of the Board's resolution to transfer the shares.

The reason for the proposed transfer is to cover costs that may occur in relation to LTI 2007, mainly consisting of social security contributions. The authorization to transfer own shares for this reason is proposed to include own shares held by the company on 1 March 2007, as well as shares that may be acquired following the Annual General Meeting's resolution under (a) above. The basis for the determination of the transfer price is set forth in the proposal by the Board set out above.

In order for the resolutions by the Annual General Meeting in accordance with Board's proposals under paragraphs (a) – (c) above to be valid, no less than two thirds of the votes cast as well as the shares represented at the Annual General Meeting must be in favour of the proposals.

C. AVAILABLE DOCUMENTS

The Accounts and the Auditor's Report will be available at the company and on the company's website www.haldex.com as from Thursday 29 March 2007 and will be sent to all shareholders. The complete proposals by the Board of Directors with respect to paragraphs 8 c) and 15 on the agenda will be available at the company as from Thursday 29 March 2007 and a copy thereof will be sent to the shareholders who so request. Copies of the complete proposals of the Board of Directors with respect to paragraphs 16 and 17 will be available at the company and on the company's website www.haldex.com as from Thursday 29 March 2007 and will be sent to all shareholders who have notified the company of their intention to participate in the General Meeting. The Accounts and the Auditor's Report, as well as the Board's complete proposals, will also be available at the General Meeting.

Stockholm in March 2007
The Board of Directors
HALDEX AB (publ)