

Notice of Annual General Meeting in Micronic

The shareholders in Micronic Laser Systems AB (publ) are hereby given notice to attend the Annual General Meeting (AGM), to be held on Thursday, March 29, 2007, at 5.00 pm at Näsby Slott (Room: Galleriet), Djursholmsvägen 30, Täby, Sweden.

Participation, etc.

Shareholders, who wish to participate in the AGM, must **be listed in the share register kept by VPC AB** (the Swedish Central Securities Depository) **by March 23, 2007**, and must **notify the Company of their intention to participate in the AGM not later than 12.00 pm on March 23, 2007**, in writing to Micronic Laser Systems AB (publ), P.O. Box 3141, SE-183 03 Täby, Sweden. Such notification can also be made by telephone +46 (0) 8 638 54 64, or by e-mail: ankie.jorgne@micronic.se. In the notification, the name, address, telephone number, personal ID or registration number and the number of shares held shall be stated.

Shareholders who are represented by a proxy shall include a written proxy when they notify the Company. Representatives of legal entities shall enclose a copy of the registration certificate or an equivalent document which shows who are authorized to sign for the legal entity. Shareholders who wish to bring advisors to the AGM must notify the Company of the number of advisors (not more than two) in the manner stated above.

To be entitled to participate in the AGM, shareholders whose shares are registered in the name of a nominee through the trust department of a bank or in the name of another nominee, must request temporary registration of the shares in their own name with VPC. Shareholders must notify their nominee hereof **well before March 23, 2007** as the temporary registration must be effected by this date.

Agenda for the AGM

1. Election of Chairman of the meeting (see below).
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons who shall approve the minutes of the meeting.
5. Consideration of whether the meeting has been duly convened.
6. Speech by the Chief Executive Officer.
7. Presentation of annual report and auditor's report as well as of the consolidated financial statements and the auditor's report for the group.
8. Resolutions regarding the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet.
9. Resolutions regarding the allocation of the Company's result pursuant to the adopted balance sheet (see below).
10. Resolutions regarding discharge from liability of the members of the Board of Directors and the Chief Executive Officer.
11. Election of the members and Chairman of the Board of Directors (see below).
12. Determination of fees for the members of the Board of Directors and the auditors (see below).
13. The Board of Directors' proposal regarding the adoption of a stock option plan 2007/2012, and to issue warrants to subscribe for new shares, and approval of disposal of the warrants issued under the plan (see below).
14. The Board of Directors' proposal regarding guidelines for remuneration for the management, and amendment to the Articles of Association (see below).

Item 1: Chairman of the AGM

The nomination committee, which is composed of Anders Ljungqvist (AMF), Annika Andersson (Fjärde AP-fonden), Britt Reigo (Robur Fonder AB), Henrik Söderberg (Livförsäkrings AB Skandia) and Lars Nyberg (Chairman of the Board), proposes that Advokat Bertil Villard is elected Chairman of the AGM.

Item 9: Appropriation of profits

The Board of Directors proposes that the Parent Company's non-restricted equity, SEK 93,322,798, shall be carried forward.



Item 11: Election of members and Chairman of the Board of Directors

The nomination committee proposes that the Board of Directors for the period running until the end of the next AGM shall be composed of eight members with no deputy members. The nomination committee proposes re-election of the Board Members Jörgen Centerman, Sven Löfquist, Göran Malm, Lars Nyberg, Lena Treschow Thorell, and Christer Zetterberg, and new election of Sigrun Hjelmquist and Magnus Lindquist, for the period running until the end of the next AGM. It is proposed that Lars Nyberg is elected Chairman of the Board and that Christer Zetterberg is elected Vice Chairman of the Board. Lars Öjefors has declined re-election.

Item 12: Determination of fees for the members of the Board of Directors and the auditors

The nomination committee proposes that the total remuneration to the Board of Directors amount to SEK 1,775,000 for the period running until the end of the next AGM, of which SEK 500,000 concern remuneration to the Chairman of the Board, SEK 275,000 concern remuneration to the Vice Chairman of the Board, and SEK 200,000 concern remuneration to each of the other Board Members who are not employed by the Company. In addition, the nomination committee proposes remuneration to Board Members with an assignment in the audit committee and remuneration committee amounting to not more than in aggregate SEK 350,000, to be distributed with SEK 50,000 per Member and assignment, for the period running until the end of the next AGM. The Chairman of the Board, Lars Nyberg, will for the period running until the end of the next AGM, in addition to the ordinary board work, work with strategic matters for the Company. Therefore, the nomination committee proposes that an additional remuneration amounting to not more than SEK 60,000 per month is allocated for this work.

The nomination committee also proposes that the auditors' fee for the period running until the end of the next AGM is taken on current account.

Item 13: The Board of Directors' proposal regarding the adoption of a stock option plan, and to issue warrants to subscribe for new shares, and approval of disposal of the warrants issued under the plan

A. Stock option plan 2007/2012

The Board of Directors proposes that the AGM resolve to adopt Micronic's stock option plan 2007/2012. Employee stock options (call options), with the right to acquire not more than 1,155,000 shares in the Company, may be issued under the plan. Each stock option may be exercised to acquire one share in the Company for payment of an exercise price amounting to 115 per cent of the market value, which shall correspond to the volume weighted average final price of Micronic's shares during the ten trading days immediately before the allocation according to the official price list of the Stockholm Stock Exchange (as regards time of allocation, see below). In event of a split, consolidation, issue of shares, etc, the exercise price and the number of shares which each option entitles to shall be recalculated in accordance with market practice.

The stock options can be allocated to persons, in Sweden or other countries, who at the time of allocation are employed on a permanent basis by a company within the Micronic group, and who at such time have not given or been given notice of termination of employment. Allocation can also be made to employees who commence such employment after the initial allocation. The Board of Directors shall resolve upon the allocation of stock options and the allocation shall be made within four categories. Category 1 includes the Chief Executive Officer of Micronic, with an allocation of not more than 75,000 stock options. Category 2 includes persons in the management team of Micronic and heads of subsidiaries, with an allocation of not more than 35,000 stock options per person. Category 3 includes other managers and specialists, with an allocation of not more than 20,000 stock options per person. Category 4 includes other employees, with an allocation of not more than 1,000 stock options per person.

The allocation of stock options shall be made with forty (40), thirty (30), and thirty (30) per cent, respectively, of all stock options within each category, on the dates falling ten trading days (on the Stockholm Stock Exchange) after the announcement of the second, third and fourth quarterly reports 2007, respectively, provided that the person in question is still employed in the Micronic group at the relevant point in time. As regards employees who are placed in categories for participating in the plan when one or more allocation occasions have already passed, the allocation shall be made with equal distribution on the remaining allocation occasion(s).



Allocation shall, among other things, be determined with regard to the employee's performance, position within and contribution to the Micronic group. Moreover, the Board of Directors shall have the possibility to allocate not more than 35,000 additional stock options per person to new recruits and other employees who have made exceptional contributions. Board Members elected by the AGM shall not receive any stock options. The stock options shall not be transferable.

The right to acquire new shares under the stock options shall for each holder be exercisable with forty (40) per cent of the stock options allocated to such holder as from the date falling one year from the date of the AMG ("the anniversary date"), and in additional thirty (30) per cent portions as from each of the two subsequent anniversary dates, provided that the holder is still employed in the Micronic group at the relevant point in time. Moreover, the possibility to exercise stock options shall be subject to fulfilment of certain performance-related conditions. The performance-related conditions shall concern operating result, inflow of orders as well as technological goals, and shall be established discretionary on an annual basis by the Board of Directors.

The stock options shall be issued free of charge. As a consequence, the holders will be taxed, as income, for the difference between the market value of Micronic's share at the time of exercise and the strike price of the stock option. The Micronic group will be responsible to pay social security charges (*Sw. arbetsgivaravgifter*) in relation thereto.

To secure that the Company can meet its obligations to stock option holders and to cover costs, primarily for social security charges (*Sw. arbetsgivaravgifter*) for the plan, it is proposed that the AGM also resolve to issue 1,540,000 warrants to subscribe for new shares to the wholly-owned subsidiary Micronic Treasury AB, of which 385,000 warrants are intended to be used to cover costs for social security charges (*Sw. arbetsgivaravgifter*) on exercise of the stock options.

B. Issue of warrants to subscribe for new shares

The Board of Directors proposes that the Company issue 1,540,000 warrants to subscribe for new shares, whereby the Company's share capital may increase with not more than SEK 1,540,000, corresponding to about 3.8 per cent of the share capital and votes in Micronic on a fully diluted basis.

Only the wholly-owned subsidiary Micronic Treasury AB, which shall have the right and obligation to dispose of the warrants as set forth below, shall have the right to subscribe for the warrants. The warrants shall be issued free of charge. Subscription for new shares, in accordance with the terms and conditions of the warrants, can be made as from the time of the registration of the warrants with the Swedish Companies Registration Office (*Sw: Bolagsverket*) up to and including March 29, 2012. The strike price (i.e., the amount payable when exercising the warrants) shall be SEK 5.

C. Approval of disposal of the warrants

The Board of Directors proposes that the AGM approve that Micronic Treasury AB disposes of the warrants to meet the obligations associated with the stock options issued under the plan.

The reasons for adopting Micronic's stock option plan 2007/2012, and the reasons for the deviation from the shareholders' preferential rights, are that the Board of Directors considers it important to be able to keep and recruit qualified employees to the group and that current and future employees of the group are given the opportunity to become owners of the Company. The Board of Directors is of the opinion that such ownership will strengthen the interest in the Company's business and also stimulate company loyalty in the future. As the stock option plan is intended to be an incentive for employees of the Micronic group, it is expected to positively influence the future development of the Company and thereby be of value to the shareholders. The Board of Directors does not intend to return with additional proposals regarding incentive plans in the following three years.

Chapter 16 of the Swedish Companies Act applies to the resolution in accordance with the proposal and the resolution requires support of shareholders with not less than nine tenths of the submitted votes as well as of the shares represented at the AGM.



Item 14: The Board of Directors' proposal regarding guidelines for remuneration for the management, and amendment to the Articles of Association

The Board of Directors proposes guidelines, which basically provide that the management shall be offered remuneration and other terms of employment in line with market practice. When deciding the actual level of remuneration, elements such as competence, experience as well as performance are to be taken into account. The total remuneration shall consist of the following components: (i) fixed remuneration; (ii) variable remuneration; (iii) stock options to be allocated in accordance with the stock option plan 2007/2012 resolved on by the AGM; (iv) pension benefits; (v) other benefits; and (vi) terms and conditions for resignation. The variable remuneration shall be paid in relation to the performance goals achieved by the Company as a whole as well as the results achieved by the individual or unit in question. The variable remuneration shall amount to not more than 75 per cent of the fixed remuneration.

As a consequence of the new statutory provisions regarding guidelines as set out above, a new matter, 13 ("Resolution on guidelines regarding remuneration for the management"), is proposed to be added to the list of matters which shall be addressed at an AGM, as set out in the Articles of Association (11 §).

The annual report and the auditor's report as well as other documents relating to the above proposals are available at the Company at Nytorpsvägen 9 in Täby (Sweden) and will be sent to those shareholders who so request and who inform the Company of their mailing addresses. Documents relating to the proposal under item 13 above will be sent automatically to shareholders registering for the AGM.

Täby, Sweden, February, 2007

Micronic Laser Systems AB (publ)

The Board of Directors

About Micronic Laser Systems AB

Micronic Laser Systems AB is a Swedish high-tech company engaged in the development, manufacture and marketing of a series of extremely accurate laser pattern generators for the production of photomasks. The technology involved is known as microlithography. Micronic's product offering also includes metrology systems for display photomasks. Micronic's systems are used by the world's leading electronics companies in the manufacture of television and computer displays, semiconductor circuits and semiconductor packaging components. Micronic is located in Täby, north of Stockholm and at present has subsidiaries in the United States, Japan, South Korea and Taiwan. Micronic maintains a web site at: <http://www.micronic.se>