



## **Notice of Annual General Meeting of Elekta AB (publ)**

### **Press Release**

Stockholm, Sweden, August 23, 2010

**Shareholders in Elekta AB (publ) are hereby invited to attend the Annual General Meeting to be held on Tuesday, September 21, 2010, at 3:00 p.m. at Polstjärnan Konferens, Sveavägen 77, Stockholm.**

### **Notification, etc.**

Shareholders who wish to participate in the Annual General Meeting must be listed in the register of shareholders maintained by Euroclear Sweden AB not later than Wednesday, September 15, 2010 and notify the Company of their intent to participate in the Annual General Meeting (including the number of any assistants) not later than Wednesday, September 15, 2010, at 4:00 p.m.

Notification of participation at the Annual General Meeting may be forwarded in writing to Elekta AB (publ), Attn: Corporate Communications, Box 7593, SE-103 93 Stockholm, by telefax: +46 8 587 255 00, or by telephone +46 8 587 254 00. Notification can also be made by e-mail to [ir@elekta.com](mailto:ir@elekta.com). Notification forms will be forwarded by mail with the Company's Annual Report. In providing notification in any other manner, shareholders must state their name/company name, national registration/corporate registration number, address and the registered number of shares held. If participation will be based on power of attorney, the related documentation should be submitted at the same time as the notification. The form to be used for power of attorney documentation can be downloaded from the company's web site [www.elekta.com](http://www.elekta.com).

Shareholders whose shares are registered in the names of nominees, through the trust department of a bank or other trustee, must temporarily re-register the shares in their own names in the shareholders' register maintained by Euroclear Sweden AB in order to participate in the Annual General Meeting. Such re-registration, so called voting right registration, must be completed not later than Wednesday, September 15, 2010, which means that shareholders in sufficient time prior to this date must instruct the nominee to carry out such action.

The financial statements, the auditor's report, the auditor's statement pursuant to Chapter 8 section 54 of the Swedish Companies Act and the Board's complete proposals for decisions in accordance with items 10 (including the Board's reasoned statement in accordance with Chapter 18 Section 4 of the Swedish Companies Act) and 16, 17 (including the Board's reasoned statement in accordance with Chapter 19 Section 22 of the Swedish Companies Act), and 18 of the agenda will be available at the Company's head office at Kungstensgatan 18 in Stockholm as of Tuesday, September 7, 2010 and will be forwarded at that time to the shareholders who so request and provide their mailing address. The complete proposal for a decision as per item 18 will automatically be sent to all shareholders who notify the Company of their intent to participate in the Annual General Meeting. The Nomination Committee's proposals and reasoned statement and details of all proposed members of the Board of Directors will be available on the Company's website from the date of issue of this notice. All of the above documentation will also be presented at the Annual General Meeting and will be available on the Company's website, [www.elekta.com](http://www.elekta.com).



The total number of shares in the company is 93,560,371 whereof 3,562,500 shares of series A and 89,997,871 shares of series B. The total number of votes in the company is 125,622,871.

### **Agenda**

1. Opening of the Meeting;
2. Election of the Chairman of the Meeting;
3. Preparation and approval of the list of shareholders entitled to vote at the Meeting;
4. Approval of the agenda;
5. Election of one or two minutes-checkers;
6. Determination of whether the Meeting has been duly convened;
7. Presentation of the Annual Report and the Auditors' Report and the consolidated accounts and the Auditors' Report for the Group;
8. Address by the President and Chief Executive Officer and report on the work of the Board of Directors and Committees of the Board of Directors by the Chairman of the Board;
9. Resolution concerning adoption of the balance sheet and income statement and the consolidated balance sheet and consolidated income statement;
10. Resolution concerning approval of the disposition of the Company's earnings as shown in the balance sheet adopted by the Meeting;
11. Resolution concerning the discharge of the members of the Board of Directors and the President and Chief Executive Officer from personal liability;
12. Report on the work of the Nomination Committee;
13. Determination of the number of members and any deputy members of the Board of Directors;
14. Determination of the fees to be paid to the members of the Board of Directors and the auditors;
15. Election of Board members and any deputy Board members;
16. Resolution regarding guidelines for remuneration to executive management;
17. Resolution regarding
  - a) authorization for the Board of Directors to decide upon acquisition of own shares
  - b) authorization for the Board of Directors to decide upon transfer of own shares
  - c) transfer of own shares in conjunction with the Performance Share Plan 2010



- d) authorization for the Board of Directors to decide transfer of own shares in conjunction with the Performance Share Plan 2009
18. Decision on an incentive program;
19. Question regarding appointment of the nomination committee;
20. Adjournment

## **PROPOSALS BY THE BOARD AND THE NOMINATION COMMITTEE**

### **Point 2 – Proposal for Chairman of the Meeting**

The nomination committee proposes lawyer Bertil Villard to be Chairman of the Meeting.

### **Point 10 – Disposition of the Company's earnings**

The Board of directors proposes that of the Company's unappropriated earnings, SEK 1,492,022,364 an amount representing SEK 3 per share should be distributed as dividend to the shareholders and that the remaining unappropriated earnings be carried forward. Record day for the dividends is proposed to be Friday, September 24, 2010.

### **Points 13 to 15 – Proposal for election of the Board of Directors and remuneration to the Board of Directors and the auditors.**

The nomination committee proposes that the Board of Directors shall consist of 8 members, without deputy members.

The nomination committee proposes that each of Akbar Seddigh, Hans Barella, Luciano Cattani, Vera Kallmeyer, Tommy H Karlsson, Laurent Leksell and Birgitta Stymne Göransson are re-elected as members of the Board and that Jan Secher is elected new member of the Board. Akbar Seddigh is proposed to be re-elected chairman of the Board. Carl G. Palmstierna has declined re-election.

Jan Secher, born 1957, is President and CEO of Ferrostaal AG. He has been Operating Partner of the US private equity fund Apollo in London 2009-2010, and has served as CEO of Clariant AG in Basel 2006-2008 and CEO of SICPA in Lausanne 2003-2005. Before this Jan Secher held various positions in the ABB Group, where he worked for over 20 years from 1982, positioned in Sweden, the USA, Canada, Japan and Switzerland, most recently serving on the Executive Committee of ABB Ltd. He is chairman of the board of Peak Management AG and a board member of Hexion Ltd. Jan Secher holds a Master of Science Degree in Industrial Engineering and Management from University of Linköping, Sweden. Jan Secher has no shareholding in Elekta.

It is proposed that remuneration shall be paid to the Board at a total of SEK 2,890,000 of which SEK 625,000 to the chairman of the Board, SEK 310,000 to each of the external members of the Board, SEK 70,000 shall be paid to the chairman of the Company's compensation committee and SEK 35,000 to any other member of said committee, SEK 120,000 shall be paid to the chairman of the Company's audit committee and SEK 60,000 to any other member of said



committee. No board fees or remuneration for committee work shall be paid to members of the Board that are employed by the Company.

Remuneration to the auditor is proposed to be paid according to an approved account.

The proposals in this point have been put together by the Company's nomination committee which as per June 30, 2010, represented shareholders holding over 39 percent of the votes in the Company.

### **Point 16 – Resolution regarding guidelines for remuneration to executive management**

The Board of Directors proposes that the meeting approves the following guidelines for remuneration and other terms of employment for the executive management of the Group. The guidelines will be valid for employment agreements entered into after the meeting and for any changes made to existing employment agreements thereafter. It is proposed that the Board is given the possibility to deviate from the below stated guidelines in individual cases where specific reasons or requirements exist.

In accordance with the revised Swedish Code of Corporate Governance (sw. Svensk kod för bolagsstyrning), the Board of Directors has considered imposing restrictions on variable remuneration of the executive management. The Board of Director's assessment is that the current structure and policy for remuneration of executive management fulfills the primary intentions of the restrictions; to ensure that variable compensation is linked to both short- and long-term target fulfillment and that performance on which compensation is based proves to be sustainable over time, and that the introduction of such restrictions is not necessary at the present time.

#### **Guidelines**

It is of fundamental importance to the Group and its shareholders that the guidelines for remuneration and other terms of employment for the executives of the Group attract, motivate and retain competent employees and managers, both in the short and long term. To achieve this goal, it is important to ensure fairness and internal equity, while maintaining market competitiveness in terms of the structure, scope and level of executive compensation within Elekta. Employment conditions for executive management should comprise a balanced mix of fixed salary, a variable salary component, annual incentive or "bonus", long-term incentives, pension and other benefits, as well as notice and severance payments, where applicable.

#### **Total Target Cash Compensation**

Total Target Cash Compensation, i.e. fixed plus variable salary components, should be competitive in the geographic market where the executive is resident. The level of total target compensation should be reviewed annually to ensure that it is in line with or slightly above the market median, preferably within the lower end of the third quartile (i.e. between 51 percent and 60 percent against the market median), for similar positions in that market. Market medians are established annually with the assistance of external compensation benchmarking.



Since compensation should be performance-driven, the target annual variable salary component should account for a relatively high portion of the total target compensation.

### **Compensation components**

The Group compensation system comprises various forms of compensation. This ensures well-balanced remuneration, thereby strengthening and underpinning short and long-term objective setting and achievement.

#### *Fixed salary*

Executive Management's fixed salary shall be individual and based on the content and responsibility of the position, the individual's competence and experience in relation to the role held, as well as the geography in which the position is based.

#### *Variable salary*

In addition to a fixed salary, Executive Management also has a variable salary component. The variable component is structured as a portion of the total cash remuneration package and is primarily related to the achievement of common Group financial performance goals. The Key Performance Indicators (KPIs) for variable salary components shall primarily be related to the outcome of specific financial objectives within the Group compensation and benefit system. The size of the variable salary component depends on the position held and may amount to between 30 percent and 60 percent of the fixed salary for on-target target performance. Performance against fixed targets and payment for results achieved are measured quarterly. According to the Group's policy, all payment against variable salary components is capped.

The goals for the variable salary component are established annually by the Board so as to sustain the business strategy and objectives. Other KPIs may be used to drive focus on non-financial objectives of particular interest.

#### *Annual incentive*

For performance related to financial goals within the variable salary plan exceeding 100 percent of the target, there is the opportunity for additional compensation called an annual "incentive" or bonus. The annual incentive entails a potential to earn a maximum of an additional 60 percent of the target variable salary component. Accordingly, the maximum payout level for the sum of the variable salary component and the annual incentive is capped at a 160 percent of the original target for variable compensation. The plan also contains a minimum performance level or threshold under which no variable salary or annual incentive will be paid out at all.

#### *Equity-based long-term incentive programs*

The Board also uses long-term incentives to ensure alignment between shareholder interests and executive management, senior managers and other key colleagues. On an annual basis, the Board of Directors evaluates whether an equity-based long-term incentive program should be proposed to the AGM. The main content of the Board's proposal to this year's Annual General Meeting can be found under point 18 in the Board's proposal for a resolution on an incentive program.



In order to strengthen long-term thinking in decision-making and ensure achievement of long-term objectives, while also covering situations where equity-based solutions may be inappropriate or precluded by law, the Board may also selectively decide on other types of non-equity-based long-term incentive programs. Monetary long-term incentives should only be used as remuneration in special circumstances and be in line with practice in each market. They must also require continued employment in the Group.

### **Retention measures**

In order to ensure long-term engagement and retention of key staff in connection with the acquisition of new business, the divestment of operations or other transitional activities, an additional annual incentive with a deferred payment of 12-24 months may or may not be applied. This deferred incentive requires continued employment until an agreed future date for any payment to be made and is applied only in special circumstances, i.e. is not part of any ordinary executive remuneration scheme. The deferred incentive should never exceed 50 percent of the normal annual variable salary component and shall in other aspects comply with the Group bonus plan.

### **Pensions**

When establishing new pension agreements, senior executives who are entitled to pension benefits should only be enrolled in defined-contribution schemes. The standard retirement age for Swedish citizens is 65 years while other executives follow the rules of their respective countries of residence. The main guideline is that the size of pension contributions be based only on the fixed salary. Certain individual adjustments may occur based on local market practice.

### **Other benefits**

Benefits such as company cars and health, medical and sickness-related insurance schemes, should be of a more limited value compared with other items of the compensation package and in line with the market practice for the respective geographic market.

### **Notice periods and severance agreements**

Periods of notice in Elekta follow local labor legislative requirements in the geographies in which they are based. Senior executives generally have notice periods of between 6 and 12 months, except for the President and CEO, whose period of notice is 24 months if notice is given by the company and 8 months, if notice is given by the President and CEO. In the event of a material change of control, the President and CEO shall have the right to terminate the employment with 6 months notice within 120 days, and shall be entitled to severance payment equal to 18 months employment including all employment benefits except for annual incentives and company car.

If employment termination is initiated by the Company, the previous President is entitled to severance pay of three years' salary, including pension benefits, other remuneration during a 3-4 year period and four times his annual bonus, calculated as the average bonus paid during the most recent three-year period. In addition, the previous President is entitled to severance pay in the event that he resigns as the result of certain more comprehensive ownership changes. This severance agreement is irrevocable.



Severance agreements entitling executives to lump sum payments will in principle not be signed. In a redundancy situation, the current practice in the geographic market where the executive is resident will apply.

**Point 17 a) – Resolution regarding authorization for the Board to decide upon acquisition of own shares**

The Board proposes that the Meeting authorize the Board during the period until the next Annual General Meeting to decide, on one or more occasions, on the acquisition of a maximum number of own shares so that, after the purchase, the Company holds not more than 10 percent of the total number of shares in the Company. Such shares shall be purchased on NASDAQ OMX Stockholm at a price that is within the registered price interval (spread) at any given time, meaning the interval between the highest bid price and the lowest ask price, and in other respects in accordance with the rules of NASDAQ OMX Stockholm at any given time. The purpose of the repurchase of own shares is firstly to align the Company's capital structure to the Company's capital requirements and, where appropriate, to enable share transfers in conjunction with the financing of company acquisitions and other types of strategic investments and acquisitions. An additional objective is to facilitate hedging of costs and delivery in relation to the Performance Share Program 2010 proposed under point 18.

The resolution of the Meeting in accordance with the Board's proposal pursuant to this point 17 a) must be supported by shareholders representing at least two-thirds of the votes cast and the shares represented at the Meeting.

**Point 17 b) – Resolution regarding authorization for the Board to decide upon the transfer of own shares**

The Board proposes that the Meeting authorize the Board during the period until the next Annual General Meeting to decide, on one or more occasions, on the transfer of shares in the Company. The shares may only be transferred in conjunction with the financing of company acquisitions and other types of strategic investments and acquisitions, and the transfers may not exceed the maximum number of treasury shares held by the Company at any given time. In conjunction with the acquisition of companies or operations, share transfers may be executed waiving the shareholders' preferential rights and at a price that is within the so-called spread (see above) at the time of the decision regarding the transfer and in accordance with the rules of NASDAQ OMX Stockholm at any given time. Payment for shares transferred in this manner may be made in cash or through a non-cash issue or offsetting of claims against the Company, or on other specific terms. The reason for the Board's authorization to waive the shareholders' preferential rights is, where appropriate, to be able to transfer shares in conjunction with the financing of any company acquisitions and other types of strategic investments and acquisitions in a cost-efficient manner.

The resolution of the Meeting in accordance with the Board's proposal pursuant to this point 17 b) must be supported by shareholders representing at least two-thirds of the votes cast and the shares represented at the Meeting.



**Point 17 c) – Resolution regarding the transfer of own shares with reference to the Performance Share Program 2010**

The Board proposes that the Meeting approve the transfer of own shares, in the maximum number of 110,700 shares, to employees in accordance with the Performance Share Program 2010 described in point 18. It is further proposed that the Meeting authorize the Board during the period until the next Annual General Meeting to decide, on one or more occasions, to transfer not more than 15,250 shares of the holding of 110,700 shares on NASDAQ OMX Stockholm to cover certain expenditures, mainly social security contributions. Transfers may be executed by waiving the shareholders' preferential rights and at a price that is within the so-called spread (see above) at the time of the decision regarding the transfer and in accordance with the rules of NASDAQ OMX Stockholm at any given time.

The resolution of the Meeting in accordance with the Board's proposal pursuant to this point 17 c) must be supported by shareholders representing at least nine-tenths of the votes cast and the shares represented at the Meeting.

**Point 17 d) – Resolution regarding authorization for the Board to decide upon the transfer of own shares with reference to the Performance Share Program 2009**

The Board proposes that the Meeting authorize the Board during the period until the next Annual General Meeting to decide, on one or more occasions, on the transfer of not more than 32,000 shares of the holding of 232,000 shares on NASDAQ OMX Stockholm, with reference to the Performance Share Program 2009, to cover certain expenditures, mainly social security contributions. Transfers may be executed at a price that is within the so-called spread (see above) at the time of the decision regarding the transfer and in accordance with the rules of NASDAQ OMX Stockholm at any given time.

The resolution of the Meeting in accordance with the Board's proposal pursuant to this point 17 d) must be supported by shareholders representing at least two-thirds of the votes cast and the shares represented at the Meeting.

**Point 18 – Resolution regarding incentive program**

Calculations of dilution are based on the number of shares issued at the time this notice was drafted.

Background

The 2009 Annual General Meeting resolved to replace the Elekta AB 2007 Share Unit Plan with a performance-based share program (Performance Share Program 2009) for key employees.

The Board proposes that the Annual General Meeting pass a resolution regarding a Performance Share Program for 2010. The terms of the proposed Performance Share Program 2010 are in all material respects the same as the terms of the Performance Share Program 2009.





### Performance Share Program 2010

It is proposed that the Performance Share Program 2010 cover approximately 100 key employees in the Elekta Group with an opportunity to be allotted class B shares in Elekta free of charge under the following principal terms and guidelines.

The participants in the Performance Share Program 2010 shall be divided into five groups: the President and CEO, other members of the Group management and three additional groups for other senior executives and key employees. For each group, the Board will determine a maximum value for the Performance Share Program 2010 per individual denominated in SEK. The maximum value for the President and CEO is SEK 900,000, for other members of Group management SEK 582,000 and for other senior executives and key employees not less than SEK 230,000 and not more than SEK 315,000. The total sum of the maximum values for all participants shall not exceed SEK 21,000,000, excluding social security contributions.

Each participant's value shall be converted into a number of shares, based on the average closing share price of the Elekta class B share on NASDAQ OMX Stockholm during a period of ten trading days prior to the date on which the participants are offered the opportunity to participate in the program.

The number of shares that can be allotted depends on the degree of fulfillment of a financial target based on the average earnings per share (EPS) growth during the period from the 2010/2011 financial year to the end of the 2012/2013 financial year. The financial target for being allotted shares under the Performance Share Program 2010 include a threshold that must be exceeded in order for any allotment to occur at all, as well as a ceiling in excess of which no additional allotment will occur. Allotments between the threshold and ceiling are linear. The value that the employee could receive upon the allotment of shares in the program is maximized at 400 percent of the share price at the time of the offer to participate in the program. The performance target may be adjusted upon the occurrence of events affecting the Elekta Group's operations or the number of outstanding shares in the Company or otherwise affecting the performance target and deemed relevant by the Board.

The allotment of shares normally requires that the persons covered by the program are employed in the Elekta Group during the entire performance period. If all conditions included in the Performance Share Program 2010 are met, the shares shall be allotted free of charge following the conclusion of the three-year performance period and upon approval of the results by the Board. Before the final number of shares to be allotted is determined, the Board shall examine whether the allotment is reasonable considering the Company's financial results and position, conditions on the stock market and other circumstances. Should the Board determine that this is not the case, it shall reduce the number of shares to be allotted to a lower number of shares deemed appropriate by the Board.

The participants shall not provide any payment for their rights under the program. At the time the shares are allotted, the participants shall receive compensation for cash dividends during the three-year performance period.

The Board is entitled to introduce an alternative incentive solution for employees in countries where participation in the Performance Share Program 2010 is not



appropriate. Such alternative incentive solutions shall, as far as practically possible, correspond to the terms of the Performance Share Program 2010.

Assuming that the maximum number of shares is allotted under the Performance Share Program 2010 and a share price of SEK 220, a maximum of 110,700 class B shares will be required to fulfill the commitments under the program (including social security contributions), corresponding to approximately 0.1 percent of the total number of outstanding shares.

To secure delivery under the Performance Share Program 2010, the Board proposes under point 17 c), that not more than 110,700 class B shares be transferred to employees in the Elekta Group and, in addition, that a portion of the shares also be transferred on NASDAQ OMX Stockholm to cover social security contributions and other expenses.

Assuming that the maximum number of shares is allotted under the Performance Share Program 2010 and a share price of SEK 220, the cost is estimated at approximately SEK 24,350,000, including social security contributions and the financing cost for repurchased own shares.

#### **Point 19 – Question regarding appointment of the nomination committee**

The nomination committee proposes that the Meeting resolves that a nomination committee should be appointed through a procedure whereby the chairman of the Board, before the end of the second quarter of the financial year, contacts three to five representatives for the, as per the last banking day in September, largest holders of voting rights of A and B shares. Those representatives shall together with the chairman of the Board constitute the nomination committee and fulfil its obligations in accordance with the Swedish Code of Corporate Governance (sw. Svensk kod för bolagsstyrning). The entitlement shall be based on Euroclear Sweden AB's list of shareholders (by group of owners) on the last banking day in September, and on other reliable information provided to the Company on such date. The names of the members of the nomination committee shall be published as soon as they have been appointed, however, not later than six months before the next Annual General Meeting. The nomination committee shall appoint a chairman of the nomination committee among its members. The term of office for the nomination committee ends when a new nomination committee has been appointed. No remuneration shall be paid for the performance of the work in the nomination committee; however, the company shall pay all such necessary costs which may arise in the performance of the assignment.

If any of the larger shareholders sell their shares in the Company before the nomination committee has fulfilled its assignment, the member that has been appointed by such a shareholder shall, if the nomination committee so decides, be replaced by a representative of the shareholder with the largest holding of voting rights after those who are already represented in the nomination committee. If a member of the nomination committee no longer represents the shareholder that appointed him/her, before the assignment of the nomination committee has been fulfilled, then he/she should be replaced, if the shareholder so wishes, by a new representative appointed by that shareholder. The nomination committee is entitled to, if deemed appropriate, to co-opt a member to the committee who are appointed by a shareholder that after the constituting of the committee, have come to be among the shareholders with the five largest shareholdings in the company



and that have not already appointed a member to the committee. Such co-opted member does not participate in the nomination committee's decisions.

Stockholm in August, 2010  
The Board of Directors of Elekta AB (publ)

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**For further information, please contact:**

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**About Elekta**

Elekta is a human care company pioneering significant innovations and clinical solutions for treating cancer and brain disorders. The company develops sophisticated, state-of-the-art tools and treatment planning systems for radiation therapy and radiosurgery, as well as workflow enhancing software systems across the spectrum of cancer care.

Stretching the boundaries of science and technology, providing intelligent and resource-efficient solutions that offer confidence to both healthcare providers and patients, Elekta aims to improve, prolong and even save patient lives, making the future possible today.

Today, Elekta solutions in oncology and neurosurgery are used in over 5,000 hospitals globally, and every day more than 100,000 patients receive diagnosis, treatment or follow-up with the help of a solution from the Elekta Group.