

## Notice of Annual General Meeting in Sectra AB (publ)

The shareholders of Sectra AB (publ) are hereby invited to the Annual General Meeting (AGM) held on Wednesday, June 25, 2008 at 4.00 p.m. (CET) at Collegium, Teknikringen 7, Linköping, Sweden.

### Notification etc

Shareholders wishing to attend the AGM shall be entered in the share register at VPC AB at the latest on Wednesday, June 18, 2008, and give notice of their attendance to the Company not later than on Monday, June 23, 2008 at 4.00 p.m. (CET).

Shareholders with nominee-registered shares must temporarily register the shares in his or her own name well in advance of June 18, by notifying the nominee in order to participate at the AGM.

Notice of attendance at the General Meeting shall be made in writing to Sectra AB (publ), Teknikringen 20, SE-583 30 Linköping, Sweden, by phone: +46 (0) 13 23 52 00, by fax +46 (0)13 21 21 85, or by e-mail to [info@sectra.se](mailto:info@sectra.se). When giving notice of participation, the shareholder should state name, personal identity number/corporate registration number, address, telephone number, shareholdings and, if applicable, the name of any representative or advisor. Shareholders shall also, when relevant, submit power of attorneys, certificates of registration and other documents indicating authorization together with the notice of participation.

Power of attorney forms will be available on the company's website [www.sectra.se](http://www.sectra.se), and sent to those shareholders who so request and provide their postal address. Forms can be ordered by phone, +46 (0)13-23 52 00, or by e-mail at [info@sectra.se](mailto:info@sectra.se).

### Proposed Agenda

1. Opening of the AGM.
2. Election of Chairman of the AGM.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of two persons to certify the minutes.
6. Determination of whether the AGM has been duly convened.
7. Presentation of the Annual Report and the Auditor's Report and the Consolidated Annual Report and Consolidated Auditor's Report.
8. Resolutions regarding
  - (a) Adoption of the Profit and Loss Statement and the Balance Sheet and the Consolidated Profit and Loss Statement and Consolidated Balance Sheet.
  - (b) Allocation of the Company's profit according to the adopted Balance Sheet.
  - (c) Discharge from liability towards the company for the members of the Board of Directors and the Managing Director.
9. Resolution regarding the number of members of the Board of Directors and deputies.
10. Resolution regarding the fees for the Board of Directors and the auditors.
11. Election of the members of the Board of Directors and the Chairman of the Board.
12. Resolution regarding Nomination Committee.

13. Resolution concerning the principles for remuneration and other terms of employment for senior executives of the company.
14. Resolution regarding authorization for the Board of Directors to issue shares.
15. Resolution regarding authorization for the Board of Directors to acquire and dispose of the Company's own shares.
16. Resolution regarding the issue of convertibles to employees.
17. Resolution regarding the issue of convertibles to external members of the Board of Directors.
18. Resolution regarding the grant of further stock options to employees in the US in accordance with the Company's Global Share Option Plan and resolution regarding authorization for the Board of Directors to issue warrants.
19. Other matters.
20. Closing of the AGM.

#### *Election of Chairman of the AGM, item 2*

The Nomination Committee, consisting of the Chairman of the Board of Directors Carl-Erik Ridderstråle, Jan-Olof Brüer representing several of the company's major shareholders and Annika Andersson representing Fjärde AP-Fonden, proposes that attorney Per Nyberg of Linklaters Advokatbyrå, is elected Chairman of the AGM.

#### *Dividend, item 8 b*

The Board of Directors and the Managing Director propose that a dividend of SEK 0.50 per share shall be distributed. The proposed record date is Monday, 30 June 2008. Provided that the Meeting resolves in accordance with the proposal, the dividend is expected to be paid through VPC AB on Thursday, 3 July 2008.

#### *Board of Directors, items 9-11*

The Nomination Committee consisting of Carl-Erik Ridderstråle, Jan-Olof Brüer and Annika Andersson proposes that the Board of Directors shall comprise of five members without any deputy directors. Torbjörn Kronander, Anders Persson, Erika Johnson and Carl-Erik Ridderstråle are proposed to be re-elected members of the Board of Directors, and that Christer Nilsson be elected as new member of the Board. It is proposed that Carl-Erik Ridderstråle is re-elected Chairman of the Board of Directors. Information regarding the proposed members of the Board of Directors is available at [www.sectra.se](http://www.sectra.se).

It is proposed that director fees amount to SEK 150,000 for each of the external members of the Board and SEK 250,000 for the Chairman of the Board, and that no separate fees are paid for committee work. Furthermore, the Nomination Committee proposes that the audit fee shall be paid pursuant to approved account.

The Nomination Committee's proposal is supported by shareholders representing more than 60% of the votes in the Company.

#### *Resolution regarding Nomination Committee, item 12*

The Nomination Committee proposes that the AGM decide on the composition of the Nomination Committee in accordance with the following principles. The Board Chairman shall, not later than October 31, 2008, contact the three largest shareholders in the company, each of which is then entitled to appoint a member to the Nomination Committee. Should any of the three largest

shareholders waive its right to appoint a member to the Nomination Committee, the next shareholder in terms of size is offered the opportunity to appoint a member to the Nomination Committee. In addition, the Board Chairman is a member of the Nomination committee. With the exception of the President, other persons in company management may not be a member of the Nomination Committee. The Board Chairman convenes the Nomination Committee to the first meeting. The owner member that represents the largest shareholder in the company based on voting rights is appointed Chairman of the Nomination Committee. The Nomination Committee's mandate period is until a new Nomination Committee is appointed.

The composition of the Nomination Committee shall be disclosed publicly not later than six months prior to the AGM. As a result, all shareholders gain knowledge of which persons to contact with regard to nomination issues.

The Nomination Committee is composed based on the known share ownership in the company not later than October 31, 2008. If significant changes occur in ownership after the Nomination Committee is formed, the composition of the Nomination Committee can also be changes in accordance with the principles above. Changes in the Nomination Committee shall be disclosed immediately..

The Nomination Committee shall prepare and to the AGM propose:

- Election of the Board Chairman and other members to the company's Board,
- Board fees distributed between the Chairman and other members as well as possible remuneration for committee work,
- Election of and fees to the auditors and deputy auditors (in appropriate cases),
- Resolution regarding principles for composition of the Nomination Committee, and
- Chairman of the AGM.

No fees are paid to members of the Nomination Committee.

*Resolution concerning the principles for remuneration and other terms of employment for senior executives of the company, item 13*

The Board proposes that the guidelines adopted at the 2007 AGM shall in all significant respects continue to apply unchanged.

*Resolution regarding authorization for the Board of Directors to issue new shares, item 14*

The Board of Directors proposes that the AGM resolves to authorize the Board of Directors to issue, on one or several occasions during the period until the next AGM, not more than 3,600,000 Class B shares for payment in cash, payment by set-off of claims or payment in kind and to thereby disregard the shareholders' preferential rights. The issue price of the new shares shall be determined on the basis of the prevailing market price of the Class B shares at the time of the issue. The purpose of the authorization is to facilitate the use of newly issued shares in connection with the implementation of or for the financing of acquisitions of companies or businesses or parts thereof and in connection with market investments.

*Resolution regarding authorization for the Board of Directors to acquire and dispose of the company's own shares, item 15*

The Board of Directors proposes that the AGM resolves to authorize the Board of Directors, on one or several occasions during the period until the next AGM, to resolve on the acquisition of Class B shares of the company. Such shares may be acquired up to a maximum amount not exceeding at any time 10% of the total number of shares issued in the company. Acquisitions of shares shall be made on OMX Nordic Exchange Stockholm at a purchase price within the range of share prices registered

at any given time, meaning the spread between the maximum buying rate and the minimum selling rate, or by way of an offer to all holders of Class B shares, whereby the purchase shall be at price which at the time of the decision corresponds at a minimum to the prevailing market price and at a maximum to 150% of the prevailing market price.

The Board of Directors also proposes that the Board of Directors shall be authorized to resolve, on one or several occasions during the period until the next AGM, to dispose all Class B shares held by the company, via OMX Nordic Exchange Stockholm or otherwise than via a marketplace. A disposal of shares via OMX Nordic Exchange Stockholm may only be made at a price within the range of share prices registered at any given time. The authorization includes a right to disregard the preferential rights of the shareholders to acquire shares and that payment may be made in a form other than in cash.

The purpose of the authorizations is to facilitate the use of re-purchased shares in connection with the acquisition of companies or businesses or parts thereof, in connection with market investments, for hedging costs that may arise relating to the company's incentive programs and for a continuous adaptation of the company's capital structure and thereby contributing to increased shareholders' value.

#### *Proposal regarding the issue of convertibles to employees, item 16*

The Board of Directors proposes that the AGM resolves to issue convertibles with a nominal value not exceeding SEK 35,000,000. With waiver of the shareholders' preferential rights, the employees of the Group shall subscribe for the convertibles.

The issue price of the convertibles shall correspond to the par value. Subscription for the convertibles shall take place during the period September 29 – October 10, 2008. The convertibles shall carry an annual interest of 4.00% and shall mature for payment on June 15, 2011. The convertibles entitle the holder to conversion to Class B shares. The conversion rate shall correspond to 135% of the volume-weighted average of the price paid for the company's shares on the OMX Nordic Exchange Stockholm during the period August 26, 2008 – September 9, 2008. Conversion to Class B shares shall take place during the period May 23 – 27, 2011. Allotment may not be made to the extent that the dilution, at full conversion, would exceed 1% of the share capital.

#### *Proposal regarding the issue of convertibles to members of the Board of Directors, item 17*

Further, shareholders representing more than 60% of the votes in the Company, propose that the AGM resolves to issue convertibles with a nominal value not exceeding SEK 3,500,000. With waiver of the shareholders' preferential rights, external members of the Board of Directors in Sectra AB (publ) may subscribe for the convertibles. In other respects, the terms and conditions shall correspond to the terms stated in item 6 above

#### *Resolution regarding the grant of further stock options according the company's Global Share Option Plan and resolution regarding authorization for the Board of Directors to issue warrants, item 18*

The Board of Directors proposes that the AGM approves the grant of up to 100,000 additional call options to the Group's employees in the US according the previously adopted Global Share Option Plan, whereby the President may be granted up to 40,000 options and other employees up to 10,000 options each. According to the Global Share Option Plan, call options ("stock options") may be issued by the company or any of its subsidiaries and each of the stock options shall entitle the holder to acquire one Class B share in Sectra AB (publ). No premium is payable on allotment of a stock option. The exercise price for the stock options shall substantially correspond to 135% of the volume-weighted average of the price paid for the company's shares on the OMX Nordic Exchange Stockholm at time of allotment. The stock options may be exercised after three years from the date of allotment and under the condition that the employee is still employed within the Group. The stock options shall lapse three years and two months from the date of allotment. If all stock options are

exercised, employees in the Group will acquire shares corresponding to approximately 0.3% of the share capital and approximately 0.2% of the votes of the company. Considering previously granted stock options, the aggregate dilution effect corresponds to approximately 0.8% of the share capital and approximately 0.5% of the votes in the company.

Moreover, the Board of Directors proposes that the AGM resolves to authorize the Board of Directors to issue not more than 100,000 warrants, which shall entitle to subscription of not more than 100,000 Class B shares in the company at one or several occasions during the period until the next AGM.

With waiver of the shareholders' preferential rights, wholly owned subsidiaries in the Group shall be entitled to subscribe for the warrants. The purpose of the waiving the shareholders' preferential rights is to hedge the option undertakings according to the incentive program described above. If the authorization is fully used and if all 100,000 warrants are exercised, the company's share capital will increase by SEK 100,000.

### **Miscellaneous**

The resolutions in items 14 and 15 shall be supported by shareholders representing at least 2/3 of the shares and number of votes cast and represented at the AGM and the resolutions in items 16, 17 and 18 above shall be supported by shareholders representing at least 90% of the shares and number of votes cast and represented at the AGM.

The Board of Directors' and the shareholders' complete proposals will be available at the company's offices in Linköping and on the company's website as of June 11, 2008. Shareholders wishing to take part of these documents may notify the company, whereupon the documents will be sent by mail to the address provided.

At May 28, 2008, the company's share capital amounted to SEK 36,842,088 distributed among a total of 36,842,088 shares, of which 2,620,692 Class A shares with ten votes each and 34,221,396 Class B shares with one vote each, that is, a total 60,428,316 votes.

The printed Annual Report will be sent to new shareholders and shareholders who have given notice that they wish to receive financial information, and it can also be ordered from the company at the address above.

Linköping, May 2007

Sectra AB (publ)  
The Board of Directors