

## **ANNUAL GENERAL MEETING IN HEXAGON AB (publ)**

**The shareholders of Hexagon AB are hereby invited to attend the Annual General Meeting to be held at 5 p.m., Wednesday 5 May 2010, at Kungl. Ingenjörsvetenskapsakademien (IVA), Grev Turegatan 16, Stockholm.**

### **A. NOTICE OF ATTENDANCE**

Shareholders who wish to attend the Annual General Meeting must:

- (i) be recorded in the share register maintained by Euroclear Sweden AB on Wednesday 28 April 2010, and
- (ii) notify the company of their intention to attend the Annual General Meeting by filling out a form at Hexagon's website, [www.hexagon.se](http://www.hexagon.se) or by post to: Hexagon AB, "Annual General Meeting", P.O. Box 3692, SE-103 59 Stockholm, Sweden or by e-mail to [bolagsstamma@hexagon.se](mailto:bolagsstamma@hexagon.se), at 12.00 hrs, Thursday 29 April 2010 at the latest.

When giving notice of attendance, the shareholder shall state name, personal identity number/corporate identity number, address, telephone number (daytime) and shareholding. Original proxy to act on behalf of a shareholder shall be attached to the notice of attendance. A proxy form will be held available on the company's website [www.hexagon.se](http://www.hexagon.se) and will be sent by mail to shareholders that contact the company and state their address. Representative of a legal entity shall also send a copy of registration certificate or similar papers of authorisation.

In order to participate in the proceedings at the Annual General Meeting, shareholders with nominee-registered shares should request their bank or broker to have the shares temporarily owner-registered with Euroclear Sweden AB. Such re-registration must be made by Wednesday 28 April 2010, which entails that the nominee should be notified of this in due time before the said date.

### **B. AGENDA**

#### **Proposal for agenda**

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to check the minutes.
6. Determination of compliance with the rules of convocation.
7. The Managing Director's report.
8. Presentation of
  - a) the Annual Report, the Auditor's Report and the Consolidated Financial Statements and the Group Auditor's Report for the financial year 2009,
  - b) statement by the auditor regarding whether the guidelines for remuneration to senior executives, which have been in effect since the last annual general meeting, have been observed, and
  - c) the proposal of the Board of Directors for dividend and statement thereto.

9. Resolutions regarding
  - a) adoption of the Statement of Income and the Balance Sheet and the Consolidated Statement of Income and the Consolidated Balance Sheet, as per 31 December 2009,
  - b) appropriation of the company's profit according to the adopted Balance Sheet and resolution regarding record day, and
  - c) discharge from liability of the Board of Directors and the Managing Director.
10. Establishment of the number of members and deputy members of the Board of Directors.
11. Establishment of fee to the board members and auditors.
12. Election of board members.
13. Election of members of the Nomination Committee.
14. Guidelines for remuneration to senior executives.
15. Issue in kind.
16. Transfer of own shares
17. Authorisation for the Board of Directors to resolve on the acquisition and transfer of the company's own shares.
18. Closing of the Meeting.

### **Proposals for decisions**

#### **Election of Chairman of the Meeting (item 2)**

The Nomination Committee for the Annual General Meeting 2010, consisting of Mikael Ekdahl (Melker Schörling AB), Anders Algotsson (AFA Försäkring), Jan Andersson (Swedbank Robur fonder), Fredrik Nordström (AMF Pension) och Ulrika Danielson (Andra AP Fonden), has proposed that Melker Schörling, Chairman of the Board, shall be elected Chairman of the Annual General Meeting 2010.

#### **Proposal for dividend (item 9 b)**

The Board of Directors proposes that a dividend of SEK 1.20 per share be declared for the financial year 2009. As record day for right to cash dividend, the Board of Directors proposes Monday 10 May 2010. If the Annual General Meeting resolves in accordance with the proposal, the dividend is expected to be distributed by Euroclear Sweden AB starting on Friday 14 May 2010.

#### **Proposal for election of the Board of Directors and resolution regarding fees (items 10-12)**

The Nomination Committee has proposed the following:

- The number of board members shall be seven, without any deputy members.
- Fees to the board members shall unchanged be distributed as follows: SEK 650,000 to the Chairman of the Board and SEK 350,000 to each of the other members elected at a general meeting and not employed by the company. Remuneration for committee work shall unchanged be distributed with SEK 75,000 to the Chairman of the Remuneration Committee and SEK 50,000 to member of the Remuneration Committee and with SEK 150,000 to the Chairman of the Audit Committee and SEK 100,000 to member of the Audit Committee.
- Re-election of the board members Melker Schörling, Ola Rollén, Mario Fontana, Ulf Henriksson and Gun Nilsson and new election of Ulrik Svensson and Ulrika Francke as ordinary members of the board.
- Election of Melker Schörling as Chairman of the Board.
- The auditor shall be remunerated according to agreement.

Ulrik Svensson (born 1961), B.Sc. (Econ.), is the CEO of Melker Schörling AB. He is also a board member in Assa Abloy AB, AAK AB, Loomis AB, Niscayah Group AB, Hexpol AB and Flughafen Zürich AG.

Ulrika Francke (born 1956), is the CEO of Tyréns AB. She is also the Chairman of the Board of Stockholms Stadsteater AB as well as a board member in Stockholms Stads Brandförsäkringskontor and Swedbank AB.

At the Annual General Meeting 2008, the accounting firm Ernst & Young AB was re-elected auditor, with the authorised public accountant Hamish Mabon as chief auditor, for a term of office of four years.

**Proposal for election of members in the Nomination Committee (item 13)**

Shareholders that together represent approximately 61 per cent of the number of votes in the company recommend that the Annual General Meeting as regards the Nomination Committee in respect of the Annual General Meeting 2011 resolves as follows.

- The Nomination Committee shall have five members.
- Re-election of Mikael Ekdahl (Melker Schörling AB), Anders Algotsson (AFA Försäkring), Fredrik Nordström (AMF Pension) and Jan Andersson (Swedbank Robur fonder) and new election of Henrik Didner (Didner & Gerge Aktiefond), as members of the Nomination Committee in respect of the Annual General Meeting 2011.
- Election of Mikael Ekdahl as Chairman of the Nomination Committee.
- In case a shareholder, whom a member of the Nomination Committee represents, is no longer one of the major shareholders of Hexagon, or if a member of the Nomination Committee is no longer employed by such shareholder, or for any other reason leaves the Committee before the Annual General Meeting 2011, the Committee shall be entitled to appoint another representative among the major shareholders to replace such member.

**Proposal for guidelines for remuneration to senior executives (item 14)**

The Board of Directors proposes that the Annual General Meeting resolves on guidelines for remuneration to the managing director and other senior executives in the main meaning as follows: The remuneration shall consist of a basic remuneration, a variable remuneration, other benefits and pension. By other senior executives is meant members of the group management. The total remuneration shall be in accordance with the market practice and competitive. The variable part of the salary shall be maximised in relation to the basic remuneration, related to the earnings trend on which the individual may have an impact and based on the outcome in proportion to targets set up individually. The variable remuneration shall not qualify for pension. Each year the Board of Directors shall consider to recommend the Annual General Meeting to resolve on a share or share rate related incentive program. The notice period shall normally be six months on the part of the employee. At notice of termination by the company, the notice period and the period during which severance payment is paid, all in all, shall not exceed 24 months. Pension benefits shall either be benefit or fee based, or a combination of both, with an individual pension age, however, not lower than 60 years. The guidelines shall apply to employment agreements entered into after the resolution of the Annual General Meeting, and to any amendments of existing agreements. The Board of Directors shall have the right to deviate from the guidelines if, in an individual case, there are particular reasons for this.

**Proposal for an issue in kind (item 15)**

When Hexagon acquired Leica Geosystems Holding AG ("Leica") in October 2005 there were approx. 90,000 outstanding options awarded employees within the former Leica Group due to incentive programs. Each option entitled the holder to subscribe for the equal number of new shares in Leica at a pre-determined subscription price. After Hexagons acquisition of Leica the incentive

programs have been modified so that one option entitles to the same consideration as applied in the bid for Leica. Thereafter, Leica was merged with its previously wholly-owned subsidiary Leica Geosystems AG, whereupon the option terms were again modified in a way that one option entitled to the same consideration as in the bid for Leica, i.e. CHF 440 plus five (5) B shares in Hexagon, against a transfer to Hexagon of one share in Leica Geosystems AG issued due to the option, and a cash consideration as compensation for the dilution arising as a consequence of the during spring 2006 accomplished new share issue in Hexagon. After the execution of the bonus issue and split 3:1 of the company's shares, resolved at the Annual General Meeting 2007 and last year's distribution of shares in Hexpol AB, an option now entitles to an adjusted cash payment of CHF 473.80 plus fifteen (15) shares of series B in Hexagon. Hexagon has reserved the right to pay a cash consideration corresponding to the established value of fifteen (15) B shares in Hexagon at the respective time of the exercise of the options. At present there are 3,340 outstanding options.

The essence of the Board's proposal is:

- that the share capital of the company shall be increased by maximum SEK 100,200 by a new issue of not more than 50,100 shares of series B;
- that the right to subscribe for the new shares shall be granted to holders of options in Leica Geosystems AG or a bank engaged by Leica Geosystems AG in order to secure an appropriate handling and transfer of B shares in Hexagon to the option holders;
- that subscription for the new shares shall take place no later than 19 May 2010, or such later date as decided by the Board of Directors;
- that payment for the new shares shall be made no later than 19 May 2010, or such later date as decided by the Board of Directors, by transfer of shares in Leica Geosystems AG issued on the basis of outstanding options (contribution in kind); and
- that the new shares shall entitle to dividend decided from the financial year 2011, i.e. also for the financial year 2010.

Considering that the entitled option holders according to the above are employed in the Hexagon Group, the proposal of the Board of Directors is subject to the resolution of the Annual General Meeting being supported by shareholders representing at least nine-tenths of the votes cast as well as the number of shares represented at the Meeting in accordance with the provisions in Chapter 16, Section 8 of the Companies Act (2005:551).

#### **Proposal for transfer of own shares (item 16)**

The Board of Directors proposes that the Annual General Meeting resolves on the transfer of the company's own shares of series B, in order to, as a supplementary alternative to the issue in kind pursuant to item 15, enable the providing of shares to the option holders in Leica Geosystems AG as referred to above. The transfer shall take place pursuant to the following principal conditions. The option holders in Leica Geosystems AG, as referred to above, shall have the preferential right to acquire shares, with the entitlement for each of them to acquire a maximum of fifteen (15) shares of series B per owned option. As a consequence hereof, the maximum number of shares that are allowed to be transferred is 50,100 shares of series B. The option holders shall be entitled to acquire shares until 19 May 2010 at the latest. Payment shall be made not later than by 19 May 2010 through transfer of shares in Leica Geosystems AG issued on the basis of outstanding options.

Considering that the entitled option holders according to the above are employed in the Hexagon Group, the proposal of the Board of Directors is subject to the resolution of the Annual General Meeting being supported by shareholders representing at least nine-tenths of the votes cast as well as the number of shares represented at the Meeting in accordance with the provisions in Chapter 16, Section 8 of the Companies Act (2005:551).

**Proposal for authorisation of the Board of Directors to resolve on the acquisition and transfer of the company's own shares (item 17)**

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, until the next annual general meeting, on one or several occasions, to resolve on the acquisition and transfer of the company's own shares. Acquisition shall be made of a maximum of so many shares that the shareholding of the company from time to time does not exceed ten (10) per cent of all the shares in the company. Acquisitions may be made on the NASDAQ OMX Stockholm at the stock-exchange quotation applicable at the time of acquisition. Transfer may be made of a maximum of so many shares which from time to time correspond to ten (10) per cent of all the shares in the company. Transfer may take place with deviation from the shareholders' preferential rights at the NASDAQ OMX Stockholm as well as to a third party in connection with the acquisition of a company or business. Payment for shares transferred shall be made in cash, by contribution in kind or by set-off. Transfer in connection with the acquisition of a company may take place at a market value appraised by the Board of Directors. The purpose of the authorisation is to give the Board of Directors the opportunity to adjust the company's capital structure and to finance acquisitions by utilisation of the company's own shares.

The authorisation for repurchase also aims at making it possible for the company to utilise repurchased own shares in order to cover the company's future undertakings to deliver shares in accordance with the warrants programme resolved upon by the Extraordinary General Meeting held on 14 December 2007, whereby the Extraordinary General Meeting also resolved that the company, in connection with a possible demand for redemption of the warrants, with deviation from the shareholders' preferential rights, may transfer a total maximum of 2,500,000 repurchased own shares in the company for a price corresponding to the exercise price for new shares determined in connection with the allotment of the warrants or according to applicable terms and conditions for re-calculation.

Resolution according to this item shall be supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the Meeting in order to be valid.

**C. AVAILABLE DOCUMENTS**

The accounts, the auditor's report, including the proposal of the Board of Directors regarding guidelines for remuneration to senior executives, as well as the statement by the auditor regarding whether the guidelines for remuneration to senior executives have been observed, the complete proposals for decisions of the Board of Directors with respect to items 14-17 together with relevant documents as well as the statement of the Board of Directors for resolution on dividend according to item 9 b) will be available to the shareholders at the company's headquarters in Stockholm as from Wednesday 21 April 2010. Copies of the documents will be sent on request to shareholders who state their address, and will also be available on the company's website [www.hexagon.se](http://www.hexagon.se) and at the Annual General Meeting. The annual report is expected to be available on the company's website from Friday 9 April 2010. The distribution of the Annual Report to all shareholders, who have not expressly disclaimed this service, will commence on Wednesday 14 April 2010.

**D. NUMBER OF SHARES AND VOTES IN THE COMPANY**

The total number of shares in the company amounts to 265,519,770, whereby 11,812,500 shares are of series A (with 10 votes per share), and 253,707,270 shares are of series B (with 1 vote per share). The total number of votes in the company amounts to 371,832,270. At the time of this notice, the company owns 1,172,617 of its own shares of series B representing 1,172,617 votes.

Stockholm in April 2010  
*The Board of Directors*  
**Hexagon AB (publ)**