

## NOTIFICATION OF ANNUAL GENERAL MEETING IN HEMTEX AB (PUBL)

The shareholders of Hemtex AB (publ), corp. reg. no. 556132-7056, are hereby notified of the Annual General Meeting to be held on Monday April 12, 2010 at 4:30 p.m. at Pulsen Konferenscenter in Borås.

### Registration

Shareholders who intend to participate in the Annual General Meeting must, *in part*, be listed, in Euroclear Sweden AB's shareholder register by Tuesday April 6, 2010 and, *in part*, notify the company not later than 4:00 p.m. on Wednesday April 7, 2010 at the following address: Hemtex AB, Årsstämma, Box 495, 503 13 Borås or fax 033 - 20 69 91 or via e-mail: [ir@hemtex.se](mailto:ir@hemtex.se). The registration must include name, national identity number/corporate registration number, shareholding, address, daytime telephone number, information on any advisors and, where applicable, information on proxies or substitutes. With respect to legal entities, for example, registration should also include complete authorization papers such as registration certificates or similar identification documents. The registration certificates must not be more than one year old.

### Trustee registered shares

Shareholders who have trustee-registered shares must temporarily re-register the shares in their own names to be entitled to participate in the Annual General Meeting. Shareholders requiring such re-registration must notify their trustees in ample time prior to Tuesday April 6, 2010, when such re-registration must be completed.

### Proxies, etc.

Shareholders who wish to be represented by proxy can obtain a power of attorney form at Hemtex' home page: [www.hemtex.com](http://www.hemtex.com). If the authorization is issued by a legal entity, a signed copy of the registration certificate or similar certificate for the legal entity must be enclosed. The authorization document and registration certificate must not be more than one year old. The original of the authorization document and any registration certificate should be sent by mail to the company at the above stated address in ample time prior to the Annual General Meeting.

### Proposed agenda

1. Opening of the meeting
2. Election of Chairman for the meeting
3. Preparation and approval of voting list
4. Approval of the agenda
5. Election of two minutes checkers
6. Determination that the Meeting has been duly convened
7. Presentation of the Annual Report and Audit Report and the Consolidated Accounts and the Audit Report concerning the Consolidated Accounts for the 2008/2009 fiscal year and, in conjunction with this, the President's address and the report from the Chairman of the Board.
8. Motion concerning adoption of the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet.

9. Motion on the disposition of the company's losses in accordance with the adopted balance sheet.
10. Motion concerning the discharge of the Board of Directors and the President from personal liability.
11. Determination of the number of members of the Board of Directors and deputies, and of the number of auditors and deputy auditors to be elected by the Meeting. In conjunction with this, a report on the work of the Nomination Committee.
12. Determination of the remuneration to be paid to the Board of Directors, and members of the Remuneration Committee and Audit Committee and auditors.
13. Election of the Board of Directors and any deputies, and the Chairman of the Board
14. Determination of instructions for the Nomination Committee
15. Resolution on the instructions underlying the remuneration of senior executives.
16. Resolution on the establishment of the 2010 incentive program in the form of combined share matching and performance share program ("Share program, 2010")
17. Motion concerning authorization to purchase the Company's shares
18. Motion concerning the authorization of the transfer of the company's shares via the stock exchange as a result of Share Program 2010
19. Motion concerning the transfer of the company's shares to shareholders in Share Program 2010
20. Closing of the Meeting

## Motions of the Board of Directors and Nomination Committee

### Item 2 – Election of the Chairman of the Meeting

The Nomination Committee proposes that Chairman of the Board, Per Wiberg, be elected Chairman of the Meeting.

### Item 9 – The Board of Directors' motion concerning the disposition of the company's profits

The Board proposes that no dividend be paid for the abbreviated fiscal year of 2009 and that the company's loss of SEK 137,842,000 be carried forward to a new account.

### Items 11-13 – Motions concerning the composition of the Board of Directors, fees, etc.

In accordance with a resolution of the 2009 Annual General Meeting, a Nomination Committee was appointed during the third quarter of the fiscal year. The Nomination Committee consisted of the Chairman of the Board, Per Wiberg, and representatives of the three largest shareholders in Hemtex, who represent a minimum total of 86% of the voting rights in the company. The major shareholders elected Fredrik Hägglund, representing Hakon Invest AB; Peter Sigfrid, representing Industrivärden AB; and Nils Kloumann Selte, representing Bomax AB. Fredrik Hägglund acted as Chairman of the Nomination Committee.

Under Items 11-13 of the agenda, the Nomination Committee proposes the following:

that the number of Board Members shall remain unchanged at six, without deputies (Item 11).

that the fees paid to Board Members elected by the Annual General Meeting, through the period until the next Annual General Meeting, shall remain unchanged in a total amount

of SEK 1,190,000 and that the Chairman of the Board be paid SEK 340,000 (unchanged) and that other Board Members each be paid SEK 170,000 (unchanged) (Item 12). However, if Stein Petter Ski is elected as a Board Member, in line with the proposal of the Nomination Committee, he shall not be remunerated.

that fees paid to the members of the Company Nomination Committee for the period up until the next Annual General Meeting shall remain unchanged in a total amount of SEK 100,000, to be paid to the Chairman in the amount of SEK 50,000 (unchanged) and to each Committee member (2) in the amount of SEK 25,000 (unchanged) (Item 12). However, if Stein Petter Ski is elected as a member of the Committee, he shall not be remunerated.

that fees be paid to the auditors on a current account basis (Item 12).

that the following be re-elected Board members (Item 13):

Per Wiberg  
 Ingemar Charleson  
 Mats Holgerson  
 Meta Persdotter  
 Kia Orback Pettersson  
 Stein Petter Ski

and that Per Wiberg be elected as Chairman of the Board. More detailed information regarding the proposed members is available on the Company's home page:  
[www.hemtex.com](http://www.hemtex.com).

The Board of Directors of Hemtex has informed the Nomination Committee that it plans to establish an Audit Committee, consisting of three members, pursuant to the Swedish Companies Act and the Swedish Code of Corporate Governance. Consequently, the Nomination Committee proposes that members of the Company's Audit Committee shall receive remuneration in a total amount of SEK 100,000 up until the next Annual General Meeting, to be distributed to the Chairman of the Audit Committee in the amount of SEK 50,000 and to each member in the amount of SEK 25,000 (Item 12). However, if Stein Petter Ski is elected as a member of the Audit Committee, he shall not be remunerated.

The registered public accounting firm, Ernst & Young AB, was elected as the company's auditor at the Annual General Meeting of 2009, with Sven-Arne Gårdh as the auditor-in-charge.

#### Item 14 – Determination of the instructions governing the Nomination Committee

Pursuant to the instructions governing the Nomination Committee, as resolved by the Annual General Meeting in 2009, the Nomination Committee shall consist of the Chairman of the Board and three members representing the three largest shareholders of Hemtex in terms of voting rights. Among other points, the instructions for the Nomination Committee state the tasks of the Nomination Committee, the appointment of the Nomination Committee's Chairman and rules governing changes in the composition of the Nomination Committee.

The Nomination Committee proposes that the Annual General Meeting approves the current instructions for the Nomination Committee, with, primarily, the supplement that, in determining which shareholder is the largest in terms of voting rights, data from Euroclear

Sweden AB's as of August 31 shall provide the basis, and that the Nomination Committee shall submit proposals regarding fees for members of the Company's Remuneration and Audit committees.

#### Item 15 – Resolution concerning guidelines for remuneration of senior executives

The Board of Directors proposes that the Annual General Meeting approves the guidelines underlying the remuneration of senior executives in Hemtex, with the following primary effect:

##### *Basic principles*

The remuneration of senior executives at Hemtex is based on principles involving performance, competitiveness and reasonableness.

The remuneration of senior executives consists of a fixed salary, variable components in the form of annual variable remuneration and long-term variable remuneration, pension and other benefits. These components combine to form an integrated remuneration package

##### *The relationship between fixed and variable salary, and linkage between performance and remuneration*

The fixed salary is determined on the basis that it must be competitive. The absolute level depends on the scope and complexity of the particular position and the senior executives' annual performance. In particular, performance is reflected in the variable components, in terms of the annual and long-term variable salary portions. The variable remuneration of senior executives is related to compliance with the budget and the company's earnings targets. Normally, the variable salary of senior executives shall not exceed four months' salary for the Chief Executive and Chief Financial Officer, and no more than two months' salary for other members of the company's executive management.

##### *Primary terms and conditions underlying the long-term incentive program*

The company's incentive program shall primarily be share price-related and encompass senior managers in the company who can impact the company's earnings and financial position. An incentive program shall contribute to the long-term growth of Hemtex, and that employees and shareholders gain a joint interest in seeing a positive share trend. A resolution regarding the incentive program shall be made at the Annual General Meeting. Information regarding the combined share matching and performance program, which is aimed at the Chief Executive Office and the other eleven senior executives at Hemtex, which the Board of Directors proposes to the Annual General Meeting of 2010, is shown below in Item 16.

##### *Pension*

Pension benefits shall be competitive in each country. A supplementary pension premium is paid to executives who, in their employment agreement, have contracted pension benefits that exceed ITP (supplementary white collar pensions). This premium amounts to a certain percentage based on the fixed monthly salary, including bonus, for the Chief Executive Officer, as well as a certain percentage based on the fixed monthly salary for other senior executives, whose employment contracts includes such benefits. Variable remuneration shall not be pensionable.

##### *Other benefits*

The basic rule is that other benefits, such as company car and health care plans, shall be competitive in local markets.

*Divergence from guidelines*

The Board of Directors shall be entitled to diverge from the guidelines if there are special reasons in individual cases.

Item 16 – Motion concerning the introduction of the 2010 incentive program in the form of combined share matching and performance share program (“Share Program, 2010”)

The Board of Directors proposes that the Annual General Meeting resolve on the introduction of a long-term incentive program in the form of a combined share matching and performance-based share program (“Share Program 2010”). The program entails that participants during the period from the date after the publication of the first interim report in 2010, that is, preliminarily May 5, 2010 through May 31, 2010 (“Purchase period”) acquire shares in Hemtex (“Savings Shares”) at a market price via NASDAQ OMX Stockholm and retain them for at least a three-year period.

Twelve senior executives (including the Chief Executive Officer), employed at Hemtex as of the commencement date of the Purchase Period and its termination, are entitled to participate in the Share Program 2010. The participants are entitled to acquire Savings Shares to a varying degree, depending on their occupational position as follows: the Chief Executive Officer is entitled to acquire 10,000 Savings Shares; employees in Category 2 are entitled to acquire 5,000 Savings Shares each; and employees in Category 3 are each entitled to acquire 3,000 Savings Shares.

For each Savings Share that the participant acquires, the participant shall receive:

- (i) One right (“A Right”) to receive free of charge one share in Hemtex (“Matching Share”) on a date set by the Board of Directors, provided that employment at Hemtex continues over the three-year qualification period, which extends from the date of acquisition of the Savings Shares through the date that occurs three years later and is no earlier than the date of the publication of the Hemtex interim report for the period January-March 2013 (each such period is referred to as the “Vesting Period”) and continuing holding of all Savings Shares.
- (ii) Additional other rights (“B, C, D, E and F Rights”) providing entitlement – under the same conditions as stated for (i) and subject also to the condition that special performance requirements and supplementary conditions are fulfilled – to additionally receive a certain number of shares in Hemtex through such Rights (“Performance Rights”). For each Savings Share, the participant receives: (a) one B Right; (b) 0.5 C Rights, (c) 0.5 D Rights, (d) 0.5 E Rights and (e) 0.5 F Rights. One B Right entitles the holder to one Performance Share and 0.5 C-F Rights each entitle the holder to a half Performance Share, provided that the performance requirements and supplementary conditions are fulfilled for each Right.

The Performance Requirement for exercising all allotted B Rights is that the average annual operating margin for the 2010-2012 fiscal years is equal to or exceeds 14%. If the average operating margin is not equal to or larger than 6% (minimum level), all B rights expire. If the minimum level is attained, 20% of the allotted B Rights may be exercised for the redemption of Performance Shares. In the event of an outcome lying between the minimum level and complete compliance with the performance goal, the right to exercise the allotted B Rights shall rise proportionately between these levels.

The Performance Requirement for exercising all allotted C Rights is that the average annual increase in net revenue, excluding acquisitions, is equal to or exceeds 8% annually for the fiscal years 2010-2012. If the average annual increase in net revenue does not amount to at least 3% (minimum level), all C Rights expire. The measurement point applies to comparable stores. If the minimum level is attained, 20% of the allotted C Rights may be used for the redemption of Performance Shares.

The Performance Requirement for exercising all allotted D Rights is that average gross earnings for the 2010-2012 fiscal years are equal to exceed SEK 900 million. If the average annual gross earnings do not amount to a minimum SEK 750 million (minimum level), all D Rights expire. If the minimum level is attained, 20% of the allotted D Rights may be exercised for the redemption of Performance Shares.

The Performance Requirement for the exercise of all allotted E Rights is that the average annual return on total capital (calculated as the profit margin x capital turnover) during the 2010-2012 fiscal years is equal to or exceeds 20%. If the average annual return on total capital does not amount to at least 12% (minimum level), all E Rights expire. If the minimum level is attained, 20% of the allotted E Rights may be exercised to redeem Performance Shares.

The Performance Requirement for exercising all allotted F Rights is that the average annual inventory turnover during the 2010-2012 fiscal years is equal to or exceeds a multiple of five. If the annual inventory turnover rate does not reach a multiple of three (minimum level), all F Rights expire. If the minimum level is attained, 20% of the allotted F Rights may be exercised to redeem Performance Shares.

In the event of a result lying between the minimum level and complete compliance with each performance goal for B-F Rights, Performance Shares shall be allotted proportionately. Another condition underlying the allotment of Performance Shares backed by B-F Rights is that Hemtex' equity/assets ratio, according to the approved balances sheets for the fiscal years 2010, 2011 and 2012, is not less than 25%. If the equity/assets ratio falls short of this level, all B-F Rights expire.

Share Program 2010 shall cover a maximum total of 55,000 Savings Shares, 55,000 Matching Shares and 165,000 Performance Shares, that is, a total of 220,000 Matching and Performance Shares. In addition to the number of Matching and Performance Shares, 70,000 shares may be transferred by the company, in accordance with decisions by the Annual General Meeting or Board of Directors, as authorized by the Annual General Meeting, at any time in the future, as part of efforts to cover certain costs associated with the program, primarily social security expenses attributable to the benefit value of the shares allotted under the Share Program 2010, but not any pension expenses.

The Board of Directors is authorized to make decisions regarding the detailed terms and conditions for Share Program 2010. The Board shall also be entitled to make other adjustments, but only if major changes occur in Hemtex' operations or in the business world that would otherwise mean that the approved terms and conditions for allotment and exercise of Rights pursuant to Share Program 2010 are no longer appropriate

The participants' maximum profit is limited to SEK 300 per Right. If the value in conjunction with exercise exceeds SEK 300, the number of shares for which each full Right entitles the employee shall be reduced pro rata.

The obligation to transfer Matching Shares and Performance Shares under the program is conditional on the Annual General Meeting, during the period 2010-2013, approving the

measures required to enable to the company to acquire and transfer shares that may be allotted as Matching and Performance Shares and the shares required to cover certain costs associated with Share Program 2010. The Board of Directors is entitled to make decisions that fully or partly terminate Share Program 2010 in the event that a future Annual General Meeting does not grant the requisite approval for the implementation of Share Program 2010.

The maximum cost of Share Program 2010 is calculated to amount to some SEK 25.8 million, including SEK 20.7 million in social security expenses.

In the event of full participation in Share Program 2010, Hemtex' annual payroll expenses are expected to rise by some SEK 1.5 million. On a pro forma basis for the 2009 calendar year, these expenses correspond to an negative effect of some 0.11% on Hemtex' operating margin and a decrease in earnings per share of about SEK 0.03.

The Meeting's resolution regarding the introduction of Share Program 2010 is conditional on the Annual General Meeting passing resolutions concerning (i) the authorization of the Board of Directors to make decisions regarding the acquisition of the Company's shares in accordance with Item 17 on the agenda; (ii) authorization of the Board of Directors concerning a transfer of treasury shares pursuant to Item 18 and (iii) a transfer of treasury shares pursuant to Item 19 on the agenda.

#### Item 17 – Resolution concerning authorization to conduct purchases of the Company's shares

The Board of Directors proposes, provided that the Annual General Meeting approves the Board of Directors' motion pursuant to Item 16 in the agenda, that the Annual General Meeting authorize the Board of Directors, during the period up until the next Annual General Meeting, to make decisions concerning the acquisition of the Company's shares in order to ensure the Company's undertakings pursuant to Share Program 2010. The maximum acquisition shall be such that the company, following each acquisition, holds no more than 290,000 treasury shares. The shares may be acquired on NASDAQ OMX Stockholm, and share acquisitions on the exchange may be undertaken only at a share price within the prevailing price interval at any time. Payment for shares shall be made in cash.

#### Item 18 – Resolution concerning the authorization of the transfer of treasury shares via the stock exchange as a result of Share Program 2010

The Board of Directors proposes, provided that the Annual General Meeting approves the Board of Directors' motions pursuant to Items 16 and 17 on the agenda, that the Annual General Meeting authorize the Board of Directors, during the period up until the next Annual General Meeting, to transfer a maximum of 70,000 treasury shares to cover costs, including social security expenses, attributable to the beneficial value of the allotted Matching and Performance Shares, but not any pension expenses that may arise as a result of Share Program 2010.

The transfer shall be undertaken on NASDAQ OMX Stockholm at a share price within the prevailing price interval at any time.

#### Item 19 – Resolution concerning the transfer of treasury shares to shareholders in Share Program 2010

The Board of Directors proposes, provided that the Annual General Meeting approves the Board of Directors' motions for resolutions pursuant to Items 16-18 on the agenda, that the Annual General Meeting resolve to transfer treasury shares.

A maximum of 220,000 treasury shares may be transferred. The right to acquire shares shall accrue to the participants who, pursuant to Share Program 2010, are entitled to receive shares, with the entitlement of each individual participant to receive a maximum of the number of shares that ensue from the terms and conditions underlying Share Program 2010.

The right of participants to receive shares may be exercised when allotment is made pursuant to Share Program 2010, that is, during 2013. The transfer shall be made free of charge and be undertaken at times and on the basis of the other conditions that participants in Share Program 2010 are entitled to receive Matching and Performance Shares. Disapplying the preferential rights of shareholders, the transfer shall be made directly to such participants.

### Documentation

The Nomination Committee's complete motions for resolution in accordance with Items 2 and 11-13 and Board of Directors' motions pursuant to Item 9 are presented above. The Company's Annual Report and Auditors' Report for the abbreviated 2009 fiscal year, the complete motions pursuant to Items 14-19, the Board of Directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act regarding authorization for the acquisition of treasury shares and the auditors' statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act shall, effective Monday March 29, be made available on the company's website ([www.hemtex.com/ir/](http://www.hemtex.com/ir/)) and at the company at the address stated above, and, at no charge, shall be dispatched to shareholders who request so and who state their mailing address. The documentation will also be available at the Annual General Meeting.

### Special majority requirements

To be valid, resolutions under Items 16 and 19 require that the Annual General Meeting's resolutions be supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the Annual General Meeting. Resolutions under Items 17-18 require the support of shareholders representing at least two thirds of both the votes cast and the shares represented at the Meeting.

### Number of shares and voting rights

At the record date for participation in the Annual General Meeting, Tuesday April 6, 2010, the total number of shares and voting rights in the company was 41,072,360.

Borås, March 2010

Hemtex AB (publ)

*Board of Directors*