

HMS Networks: Notice of the Annual General Meeting

The shareholders of HMS Networks AB (publ) are hereby invited to the Annual General Meeting, which will be held on Thursday 2 April 2009 at 10:30 a.m. at Stationsgatan 37, Halmstad. Registration for the Annual General Meeting will begin at 9:30 a.m.

Right of participation in the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting shall be registered in the share register kept by Euroclear Sweden (the former VPC AB - the Swedish Central Securities Depository) on Friday 27 March 2009, and give notice of their intention to participate at the Meeting to the Company no later than 5 p.m. on Tuesday 31 March 2009.

Notification of participation should be made by telephone on +46 35-17 29 00 or in writing to HMS Networks AB (publ), Box 4126, 300 04 Halmstad, by fax on +46 35-17 29 09 or by e-mail to ir@hms.se. The notification should state the name, social security or corporate registration number, shareholding, address, daytime telephone number and information, if necessary, on representation, and if so, the relevant details on deputies. In this case, a certified copy of the registration certificate, power of attorney or other document demonstrating the signatory's authority to sign must be included in the notification of participation.

Proxies

If a shareholder is represented by a proxy, the proxy should be issued with a power of attorney dated for this day. If the power of attorney is issued by a legal entity, a certified copy of the registration certificate, or other document demonstrating the signatory's authority to sign for the legal entity, must be included. The power of attorney and any registration certificate may not be more than one year old. The power of attorney (original), and registration certificate must be sent to the Company in good time prior to the Meeting at the above stated address. The form is available on the Company's website: <http://investors.hms.se> and at the Company's head office.

Nominee registered shares

Shareholders whose shares are registered in the name of a nominee through a bank or Securities Register Centre must temporarily re-register the shares in their own name to be able to participate at the Meeting. Such registration must be done at Euroclear Sweden no later than Friday 27 March 2009, which means that shareholders must notify their intentions on this matter to the nominee well in advance of the stated date.

The number of shares and votes

The total number of shares and votes in HMS Networks AB amounts to 10,571,650.

Proposed agenda

1. Opening of the Meeting
2. Election of the Chairman of the Meeting
3. Drawing up and approval of the voting list
4. Approval of the Agenda
5. Election of one or two persons to approve the minutes
6. Determination as to whether the Meeting has been duly convened
7. Presentation of the Annual Report, Auditors' Report and the Consolidated Accounts and Consolidated Auditors' Report
8. Report by the CEO
9. Resolution concerning the adoption of the Income Statement and Balance Sheet, and of the Consolidated Income Statement and Consolidated Balance Sheet
10. Resolution concerning the allocation of the Company's profit as set forth in the adopted Balance Sheet
11. Resolution concerning the discharge of liability for Board Members and CEO
12. Presentation of the work of the Nomination Committee
13. Determination of the number of Board Members and Deputies
14. Determination of fees payable to Board Members and Auditors
15. Election of Board Members and Chairman, as well as Auditors
16. Principles for appointing members of the Nomination Committee
17. Proposal regarding guidelines for salaries and other remuneration to the CEO and other members of executive management
18. Incentive programmes
19. Close of Meeting

Nomination Committee's proposals

Item 2 and 13-15

The Nomination Committee for 2008, comprising of chairman Johan Lannebo (Lannebo Fonder), Urban Jansson (Chairman of the Board), Jan Svensson (Investment AB Latour), Per Trygg (SEB Fonder) and Nicolas Hassbjer proposes:

- that Urban Jansson shall be appointed Chairman of the Annual General Meeting. (Item 2)
- that the Board of Directors shall consist of five Board Members without Deputies (Item 13)
- that directors' fees totalling SEK 625,000 shall be paid, of which SEK 225,000 shall be paid to the Chairman, and SEK 100,000 to each Board Member who is not an employee of the company. The fees to the Auditor shall be paid according to approved invoices. (Item 14)
- that Urban Jansson, Ray Mauritsson and Göran Sigfridsson are re-elected as Board Members and that Urban Jansson is re-elected as Chairman of the Board. (Item 15). The Board Members Sebastian Ehrnroth and Staffan Dahlström have declined re-election.
- new election of Henrik Johansson, Business Area Manager, Engineering Technology at Latour and Nicolas Hassbjer, founder and retiring CEO of HMS.
- that Öhrlings PriceWaterhouseCoopers with Senior Auditor Olof Enerbäck are selected as auditors for the period 2009-2012.

Item 16

The Nomination Committee proposes that the Annual General Meeting shall determine principles regarding the appointment of members of the Nomination Committee before the Annual General Meeting 2010, mainly in accordance with the following:

HMS shall have a Nomination Committee consisting of one representative from each of the three largest shareholders or owner groups (by number of votes) and the Chairman of the Board. The names of the three Committee members and the shareholders they represent shall be made public at the presentation of the Q3 report of the Company, and the contact names for questions regarding the Nomination Committee shall also be made public at that time. The Nomination Committee will be appointed on the basis of known shareholders in the Company on 30 September of the calendar year of question. The mandate period of the Nomination Committee extends until such time as a new Nomination Committee is appointed.

Proposals from the Board of Directors

Item 10

The Board proposes that the Parent Company's result of SEK 0 kronor and profit brought forward of SEK 83,663,260, a total of SEK 83,663 260, is allocated so that SEK 1.50 per share, corresponding to a total of SEK 15,857,475 is paid to the shareholders and that the remaining amount is brought forward. The proposed record date for the dividend is Tuesday 7 April 2009. If the Annual General Meeting approves the Board's proposal, it is estimated that the dividend will be paid out through Euroclear Sweden on Tuesday 14 April 2009.

Item 17

For the CEO and other members of executive management, the principles for determining remuneration are based on salary, short and long-term incentive programmes and pension benefits. The Board proposes that corresponding principles shall be approved by the Annual General Meeting 2009 for the period up to the end of the Annual General Meeting 2010.

Item 18

The Board of HMS Networks AB (publ) ("the Company") proposes that the Annual General meeting makes a decision on the issue of a total of 250,000 subscription options with accompanying right to subscribe for new shares, and approval for selling on of the subscription options according to the conditions stated below.

The issue of the subscription options shall, in a divergence from shareholders' preferential right, be directed at the wholly-owned subsidiary HMS Industrial Networks AB ("the Subsidiary"), with the right and obligation for the Subsidiary to offer key people in the HMS Group a chance to acquire subscription options strictly according to market conditions.

Subscription for new shares using the subscription options can take place in the period 1 May-31 May 2012.

A subscription option carries entitlement to subscription for one share in the Company.

The price at which new subscription for shares can be set shall correspond to an amount equivalent to 150 per cent of the volume-balanced average value of the price paid for the Company's share as listed on the Stockholm Stock Exchange during the period 27 April-11 May 2009, however the subscription price shall at least correspond to the share's quota value.

The Company's management and key people, approx. 25 people, shall be offered the chance to acquire the issued subscription options from the Subsidiary. The CEO and other members of Group Management (4 people) will be offered the chance to acquire a maximum of 20,000 subscription options. Leading executives and other key people will be offered the chance to acquire a maximum of 10,000 subscription options or a maximum of 5,000, depending on their position. The subscription options will be offered strictly according to market conditions at a price established on the basis of an estimated market value for subscription options obtained by applying the Black & Scholes valuation model.

Any warrants that are not acquired by employees in accordance with the above shall be retained by the Subsidiary, so that, in accordance with the Company's Board' instructions, they can be offered to future key people according to the corresponding distribution principles.

The Board's grounds for the above proposal, and for the divergence from shareholders' preferential right, is that a personal long-term owner commitment gives leading executives and key people further incentive to create long-term value for the Company's customers, employees and investors. The proposal is in accordance with the guidelines for remuneration to leading executives that was adopted at the Annual General Meeting.

The Board therefore deems that the offer is advantageous for the Company and its shareholders.

In the case of full utilisation of the warrants in both series, the share capital increases by SEK 25 000 corresponding to a dilution effect of approx. 2.3 per cent of the total number of shares and votes in the Company.

The Board's complete proposal is available at the Company's head office, will be posted on the Company's website www.hms.se as from 17 March 2009, and will be sent to those shareholders who request it and those who give notice of their intention to participate at the Annual General meeting.

A resolution on this item requires the support of shareholders with at least nine-tenths of both the presented votes and of those shares that are being represented at the Annual General Meeting.

The Annual Report and Auditor's Report for the 2008 financial year are posted on the Company's website. A printed version can be ordered by sending address details to ir@hms.se. The Board's statement regarding the proposal for allocation of profit (Item 10), the Nomination Committee's and Board's complete proposals regarding items 16, 17 and 18, and the Auditor's statement on whether the Board's guidelines on remuneration to leading executives have been followed, are available from the Company and are sent out to those shareholders who require it and state their postal address.

Halmstad, March 2009
HMS Networks AB (publ)
The Board of Directors

HMS is a world-leading supplier of communication technology for industrial automation. Sales in 2008 amounted to SEK 317 million, of which more than 90 per cent was generated outside of Sweden. All development and most production activities are conducted at the head office site in Halmstad. There are sales offices in Tokyo, Beijing, Karlsruhe, Chicago, Milan and Mulhouse. HMS has 160 employees and produces network interface cards and products for connecting different industrial networks under the Anybus® brand. Network interface cards are built into automation equipment such as robots, control systems, motors and sensors. In this way, subcomponents in machinery can communicate with each other and with different networks. Over the past ten years, HMS has achieved average annual organic growth of 30 per cent.