

Lund, March 17, 2006

## **Axis AB: Notice of Annual General Meeting of Shareholders**

**Shareholders in Axis AB (publ) are hereby invited to attend the Annual General Meeting, to be held at 5:00 p.m. on Thursday, April 20, 2006 at Edison Park, Emdalavägen 14, LUND, Sweden.**

### Participation

To be entitled to participate in the business of the Annual General Meeting, shareholders must:

- be registered in their own name in the transcription of the share register kept by VPC AB (Swedish Securities Register Centre) as per Wednesday, April 12, 2006, and
- give notice of attendance to the Company no later than Thursday, April 13, 2006.

### Inclusion in the share register

Shareholders whose shares are registered in the name of a nominee must ensure that the bank or fund manager that administers the shares temporarily enters the shareholder into the share register - known as \"voting-right registration\" - a few banking days prior to April 12, 2006.

### Notice of attendance

Shareholders who would like to attend the Annual General Meeting must give notice thereof no later than 4:00 p.m. on Thursday, April 13, 2006. Notice should include name, Swedish personal identity number or corporate registration number if appropriate, address and telephone number. If a shareholder is represented by proxy, the power of attorney and - if the shareholder is a legal entity - certified copy of certificate of registration, or other document demonstrating the signatory's authorization, must be sent to the Company prior to the Annual General Meeting. The notice shall also state the number of attending assistants on the Annual General Meeting.

Notice of attendance shall be made in writing by letter to Axis AB, Attn: Åsa Haapasaari, Emdalavägen 14, SE-223 69 LUND, Sweden; or by telephone to Axis AB's head office, tel. +46 46-272 18 00; or by e-mail to [bolagsstamma@axis.com](mailto:bolagsstamma@axis.com).

Questions regarding attending of the Annual General Meeting will be answered by Ray Mauritsson, Chief Executive Officer, Axis AB, or his assistant, Åsa Haapasaari.

### Proposed Agenda

1. Opening of the Meeting.
2. Election of the Chairman of the Meeting.

3. Preparation and approval of the voting list.
4. Approval of the Agenda.
5. Election of one or two persons approving the minutes.
6. Determination as to whether the Meeting has been correctly convened.
7. Presentation of the annual report and the Auditors\' report, and the consolidated accounts and the Auditors\' report on the consolidated accounts.
8. Approvals
  - a) concerning the adoption of the profit and loss statement and the balance sheet, and of the consolidated profit and loss statement and the consolidated balance sheet,
  - b) concerning the determination of the appropriation of the Company\'s profit or loss as set forth in the approved balance sheet,
  - c) concerning the discharge of liability vis-à-vis the company for the members of the Board of Directors and of the President for their administration.
9. Determination of the number of members and deputy members of the Board of Directors.
10. Determination of the fee payable to the Board of Directors and Auditor.
11. Election of Board members.
12. The Board of Directors\' proposal regarding criteria for the appointment of members of the Nominations Committee.
13. The Board of Directors\' proposal regarding authorization of the Board to make decisions pertaining to new share issues.
14. The Board of Directors\' proposal regarding the reduction of the statutory reserve.
15. The Board of Directors\' proposal regarding changes to the Articles of Association in response to the new Swedish Companies Act.
16. Other issues to be addressed by the Meeting in accordance with the Swedish Companies Act or the Articles of Association.
17. Conclusion of the Meeting.

#### Proposal regarding the election of the Chairman of the Meeting (Item 2)

The Nominations Committee, which consists of Therese Karlsson, Martin Gren and Christer Brandberg, representing more than forty six (46) % of the total outstanding votes in the Company, proposes that Lars-Erik Nilsson be elected Chairman of the Meeting.

#### Proposal regarding dividend (Item 8b)

The Board of Directors proposes a dividend for fiscal year 2005 of SEK 1.00 per share, of which SEK 0.50 constitutes the ordinary dividend and SEK 0.50 an extra dividend. April 25, 2006 is proposed as the record date for the payment of the dividend. If the Annual General Meeting resolves in accordance with the proposal, it is estimated that the dividend payments will be distributed by VPC AB on April 28, 2006.

#### Proposal regarding election of the Board and fees (Items 9-11)

The Board of Directors proposes that the Chairman of the Board be proposed by the Nominations Committee and elected by the Annual General Meeting.

The Nominations Committee, which has drawn up the proposal regarding election of the

Chairman of the Meeting, election of the Chairman of the Board and the other Board members, proposes:

- that five (5) Board members be elected without any deputy members;
- that the following Board members be re-elected: Martin Gren, Nils Rydbeck and Lars-Erik Nilsson;
- that Charlotta Falvin and Olle Isberg be elected to the Board;
- that Lars-Erik Nilsson be re-elected Chairman of the Board
- that a fee totalling SEK 799,000 be paid to the Board of Directors to be distributed among members who are not employees of the Company, with SEK 400,000 being paid to the Chairman of the Board and SEK 133,000 to other Board members.

It is to be noted that Patrik Tigerschiöld declined re-election.

Charlotta Falvin works as an independent consultant in business development and organisation at Fasiro. She is a member of the Board of Directors of Plast AB Orion.

Olle Isberg is President of Visionalis AB. He is a member of the Board of Directors of Awardit AB, Björkliden Fjällby AB, Teligent AB and Visionalis AB. He is also Chairman of the Board of Directors of Awardit AB, Björkliden Fjällby AB and Visionalis AB.

It is to be noted that Öhrlings PricewaterhouseCoopers AB, with Authorised Public Accountant Anders Lundin as Senior Auditor, were elected as Auditor at the Annual General Meeting in 2003, for a period of four years.

The Board of Directors proposes that the fee to the Auditor be paid in accordance with approved invoices.

Proposal regarding the appointment of members of the Nominations Committee (Item 12)

The Board of Directors proposes that the Annual General Meeting resolve that members of the Nominations Committee be appointed in accordance with the following:

The three largest shareholders in the Company as at August 31 of the year before the Annual General Meeting shall, by September 30 of the year before the Meeting or at the latest 6 months before the Meeting, each appoint their own representative to be a member of the Nominations Committee. The Nominations Committee shall internally appoint one of its members to be Chairman. In the event that any of the three largest shareholders declines to appoint a member to the Nominations Committee, the fourth-largest shareholder shall instead appoint a member or, if the fourth-largest shareholder also declines to appoint a member, the remaining shareholders in declining order of size of shareholding have the right to appoint a member until three members have been appointed. In the event that a member leaves the Nominations Committee before the work of the Nominations Committee has been completed, the shareholder who appointed that member shall appoint a new member. In the event that this shareholder declines to appoint a new member, the fourth-largest shareholder shall instead appoint a member or, if the fourth-largest shareholder also declines to appoint a member, the remaining shareholders in declining order of size of shareholding have the right to appoint a member until a new member has been appointed.

The Nominations Committee shall draw up and present to the Annual General Meeting proposals for resolutions on the following matters:

1. Election of the Chairman of the Meeting
2. Determination of the fee payable to the Board of Directors
3. Election of the Chairman of the Board and other Board members

Proposal regarding authorization of the Board to make decisions pertaining to new share issues (Item 13)

The Board of Directors proposes to the Annual General Meeting that the Board be authorized, during the period until the next Annual General Meeting, to make decisions on one or more occasions pertaining to new share issues totalling not more than 6,823,500 shares. In this regard, the Board shall have the right to waive the preferential rights of shareholders and the provisions of Chapter 13, § 5 item 6 of the Swedish Companies Act. The issue price of the new shares shall, in each instance, be set as close as possible to the market price of the Company's shares. The purpose of the authorization is to enable corporate acquisitions to be made with payment entirely or partly in Axis-shares. Full exercise of the authorization would result in a dilution of the Company's share capital of a maximum of 9.9 percent (excluding possible dilution that may result from the exercise of those warrants - the 2001/2006, 2002/2007 and 2000/2010 warrants - that entitle the holders to subscribe for shares during the valid period of authorization, that is, the period up until the next Annual General Meeting, which dilution could amount to a maximum of 0.91 percent).

Proposal regarding reduction of the statutory reserve (Item 14)

The Board of Directors proposes that the Annual General Meeting approve the reduction of the Company's statutory reserve by SEK 293,319,079 from SEK 293,319,079 to SEK 0, and that an amount equivalent to the reduction be transferred to non-restricted equity. It is to be noted that the reduction is conditional on permission being received from the Swedish Companies Registration Office or a general court.

Proposal regarding changes to the Articles of Association (Item 15)

The Board of Directors proposes that the Annual General Meeting adopt resolutions on changes to the Articles of Association. The changes are required by the coming into force of the new Swedish Companies Act. The Board's proposal involves primarily

- that the provision on the nominal value of the shares in § 5 be replaced by a provision setting out the lowest and highest number of shares in the Company;
- that the specification of terms of office for Board members and deputies in § 6 be deleted;
- that in the event of re-election of the Auditor in accordance with § 7, it shall be possible to appoint the Auditor for the period until the close of the Annual General Meeting held during the third trading year after the election of the Auditor;
- that the notice convening the Annual General Meeting in accordance with § 8 shall take the form of advertisements in the Swedish Official Gazette and in the newspaper, Dagens Industri, and if Dagens Industri should cease publication, the notice shall instead take the form of

- advertisements in the Swedish Official Gazette and in the newspaper, Dagens Nyheter;
- that the record day for the right to participate in the Annual General Meeting in § 9 be changed to the fifth working day before the Meeting;
  - that the record day provision in § 12 be adapted to the definition of a VPC company in the new Swedish Companies Act;
  - that § 13 be deleted since its content is explicitly stated by law, and
  - that certain other minor changes of a linguistic and editorial nature be carried out.

Majority required for approval

The approval of the Annual General Meeting in regard to items 13 and 15 is valid only if supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the Meeting.

Documents available prior to the Annual General Meeting

The Annual Report and Auditors' Report and the full text of the Board of Directors' proposal for approval in accordance with items 13 and 15 will be available at the Company's head office at Emdalavägen 14 in Lund, Sweden, as of April 6, 2006 and will be sent to shareholders upon request.

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Lund, March 2006.  
Board of Directors of Axis AB (publ).

***For further information, please contact:***

Margareta Lantz, Investor Relations and Corporate Communications Manager, Axis Communications  
Phone: + 46 46 2721800, e-mail: [pressoffice@axis.com](mailto:pressoffice@axis.com)

***About Axis:***

*Axis increases the value of network solutions. The company is an innovative market leader in network video and print servers. Axis' products and solutions are focused on applications such as security surveillance, remote monitoring and document management. The products are based on in-house developed chip technology, which is also sold to third parties.*

*Axis was founded in 1984 and is listed on the O-list (Attract 40) of Stockholmsbörsen (XSSE: AXIS). Axis operates globally with offices in 16 countries and in cooperation with distributors, system integrators and OEM partners in 70 countries. Markets outside Sweden account for more than 95% of sales. Information about Axis can be found at [www.axis.com](http://www.axis.com).*