

Notice of Annual General Meeting in Munters AB (publ)

The shareholders of Munters AB are hereby invited to attend the Annual General Meeting ("AGM") of the Company to be held on Tuesday April 27, 2004, at 5 p.m.CET, at Operaterassen, Kungsträdgården, Stockholm, Sweden.

A. Notice of attendance

Shareholders who wish to attend the AGM must

- (i) be registered in the share register kept by VPC AB (The Swedish Securities Register Centre) no later than Saturday, April 17, 2004. Due to the intervening weekend, such registration must be made no later than Friday, April 16, 2004; and
- (ii) notify the Company of their intent to attend the AGM in writing to Munters AB, Box 430, SE-191 24 SOLLENTUNA, Sweden, by telephone +46 8 626 63 00, by fax +46 8 754 68 96 or by e-mail [info@munters.se] by Wednesday, April 21, 2004, at 12.00 a.m. CET at the latest.

Shareholders who wish to be represented by a representative must submit a proxy. Any representative of a legal entity shall present a copy of a registration certificate or any similar documents showing the authority to sign for the legal entity.

To be entitled to participate at the Meeting, shareholders whose shares are registered in the name of a trustee must have their shares temporarily re-registered in their own name with VPC AB. Such re-registration must be implemented no later than Friday, April 16, 2004 and shareholders must, therefore, notify their trustees well in advance of said date.

B. Proposal for Agenda

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of voting list.
4. Approval of the Agenda.
5. Election of persons to attest the Minutes.
6. Review of procedures to establish if the Meeting has been duly convened.
7. The President's report and presentation of the Annual Report and the Auditor's Report and the Consolidated Accounts and the Group Auditor's Report.
8. Resolutions regarding adoption of the Statement of Income and the Balance Sheet as well as the Consolidated Profit and Loss Account and the Consolidated Balance Sheet, as per December 31, 2003.

9. Resolution regarding dispositions in respect of the Company's profit according to the adopted Balance Sheet and determination of record date for dividend.
10. Resolution regarding discharge from liability of the Board of Directors and the President.
11. Determination of the number of members and deputy members of the Board of Directors and the number of Auditors.
12. Determination of the fees payable to the Board of Directors and the Auditors.
13. Election of members and deputy members of the Board of Directors.
14. Election of Auditors and Deputy Auditors, alternatively a registered accounting firm.
15. Resolution regarding authorisation of the Board of Directors to buy back own shares.
16. Resolution regarding issue of warrants for shares bought back and transfer of shares bought back.
17. Issues of:
 - (a) selecting a Nomination Committee appointed by the AGM
 - (b) assigning to the Board to appoint an Auditing Committee.
18. Closing of the Meeting.

Existing proposals before the Meeting

Shareholders together representing approximately 38 per cent of the voting rights in the Company have informed Munters that they will vote in favour of the proposals under items 9 and 11-16.

Dividend (Item 9)

The Board of Directors proposes a dividend of SEK 3.50 per share, or a total of SEK 85,323,175. As record date for the dividend the Board of Directors proposes April 30, 2004. If the AGM passes a resolution in accordance with the proposal it is expected that the dividend will be distributed by VPC AB on May 5, 2004.

Proposal for election of Board of Directors and Auditors and Fees (Items 11 - 14)

The Nomination Committee, consisting of the Chairman of the Board of Directors Berthold Lindqvist, Peter Rudman representing Nordea Fonder, Magnus Bakke representing Robur Fonder, Mats Guldbbrand representing AMF Pension, Tomas Nicolin representing Tredje AP-fonden and Carl-Olof By, also Chairman of the Nomination Committee, representing Industrivärden, has made the following proposals:

Board of Directors and Fees

The number of the board members shall be eight. No deputy members shall be elected.

Re-election of Berthold Lindqvist, Lennart Evrell, Bengt Kjell, Sören Mellstig, Sven Ohlsson and Lars Spongberg.

New election of Eva-Lotta Kraft and Jan Olof Svensson.

Eva-Lotta Kraft, born 1951, Master of Engineering at KTH, is former vice President and Divisional Manager at Siemens-Element AB. She has a long industrial experience, inter alia at Alfa Laval and AGA. Eva-Lotta is a member of the Board of Directors of AB Ångpanneföreningen.

Jan Olof Svensson, born 1956, Master of Business Administration at Handelshögskolan in Stockholm, Chief Executive Officer of Investment AB Latour. Jan Olof was during the period 1986 until 2003 Chief Executive Officer of AB Sigfrid Stenberg.

Bo Ingemarson has declined re-election.

Fees to the board members shall amount to a total of SEK 1,310,000 to be distributed among the board members according to the resolution of the Board of Directors.

Auditors and Fees

A registered accounting firm shall be elected as Auditor of the Company.

New election of the accounting firm Ernst & Young AB with authorised public accountant Björn Fernström as the representative authorised public accountant.

Fees to the accounting firm shall be paid on current account.

Resolution for authorisation of the Board of Directors regarding buy-back of own shares (Items 15)

Authorisation to decide on acquisition of own shares

In substance, the Board of Directors' proposal means that the Board shall be authorised, until the next Annual General Meeting, to resolve to acquire relevant number of shares according to the below warrant scheme.

Acquisition will be made on Stockholmsbörsen (the Stockholm Stock Exchange) or through an offer directed to all shareholders. The objective of the authorisation is to give the Board of Directors an opportunity, during the period until the next Annual General Meeting, to meet the Company's undertaking in accordance with the existing and the proposed warrant scheme.

The company has previously bought back a total number of 621,950 shares, corresponding to 2.5 per cent of the total number of shares in the Company.

Resolution to issue warrants for shares bought back and resolution to transfer shares bought back in connection with the exercise of warrants (Item 16)

In substance, the Board of Directors' proposal means that the Company will issue not more than 190,000 warrants for Munters shares bought back to approximately 115 senior executives in the Munters Group. Each warrant shall entitle the warrant holder, during the period September 1, 2007 – March 31, 2008, to acquire one Munters share for a price equivalent to 140 per cent of the average of the highest and the lowest daily prices paid on Stockholmsbörsen during the subscription period, May 3 – May 7, 2004, rounded off to the nearest SEK, however not less than SEK 100 and not more than SEK 400.

The warrants shall be transferred at market price as calculated by Handelsbanken Capital Markets in accordance with an established valuation model (Black & Scholes). With the aim of encouraging participation in the scheme, Munters will subsidise the warrant premium by paying a cash bonus during the period for exercising the options, equivalent to 40 per cent of the warrant premium paid, on condition that the holder is still employed in the Munters Group at such time.

Senior executives in the Munters Group in Sweden and abroad shall be entitled to acquire warrants. The President shall be entitled to acquire not more than 7,500 warrants, members of Group Staff and Group Management not more than 5,000 warrants each, Division Managers not more than 3,000 warrants each and Business Unit Managers and other senior executives of equal rank, not more than 1,500 warrants each. The guaranteed allocation is the stated number of warrants.

In accordance with the terms and conditions for the warrants, the number of shares and the selling price for the shares may be recalculated due to bonus issue, split-down or split of shares, new issue or write-down of the share capital or similar measures, in accordance with customary rules of recalculation.

The Board of Directors proposal also means that the Annual General Meeting approves that the company, without preferential rights for the shareholders, will transfer not more than 190,000 Munters shares bought back for the exercise price determined in connection with a potential exercise of the warrants (with a proviso for any recalculation in accordance with the above).

The reasons for not granting preferential rights to the shareholders and the Board of Directors' motive for implementation of the warrant scheme are that

a personal long-term ownership engagement by the parties involved can be expected to stimulate an increased interest in the operations and profit development, and to increase the motivation and the sense of bonding with the Company. In addition, the transfer of shares bought back is a cost-efficient means of fulfilling the undertakings of the warrant scheme without dilution for the existing shareholders. The Board of Directors considers the offer to be reasonable and beneficial for both the Company and its shareholders. The proposal has been prepared by the Board of Directors. No shares will be allocated to Board Members apart from the President. The President has not participated in the Board's decision.

The number of warrants is equivalent to 0.8 per cent of the total number of outstanding shares and votes after full exercising of all warrants. As Munters will buy back a corresponding number of shares, the warrant scheme will not lead to any dilution of the registered share capital. Munters has previously issued (i) 245,500 warrants for shares bought back, which have an exercise price of SEK 263 and are exercisable to October 29, 2004 inclusive, (ii) 202,700 warrants, which have a subscription price of SEK 145 and are exercisable to March 31, 2005, inclusive, (iii) 114,000 warrants, which have a subscription price of SEK 315 and are exercisable to March 31, 2006 inclusive, and (iv) 63,600 warrants, which have a subscription price of SEK 226 and are exercisable to March 31, 2007. On full accession to the proposed scheme, all warrants are equivalent to 3.3 per cent of the total number of outstanding shares and votes after full exercise.

Munters' cost for subsidising the warrant premium is not expected to exceed approximately SEK 3 M, including social security contributions. The Company will, like earlier years, continuously distribute the costs of the subvention over the Income Statement.

Proposal regarding Nomination Committee (item 17 a).

The Swedish Shareholders' Association has put forward a proposal that the Company shall establish a Nomination Committee appointed by the Annual General Meeting.

Shareholders representing approximately 38 per cent of the total number of votes in the Company, have notified that they intend to call for the rejection of such a proposal and have instead proposed the following:

The Company shall have a Nomination Committee for the preparation and presentation of proposals ahead of each Annual General Meeting regarding the election of members of the Board of Directors and, when applicable, the election of Auditors, and fees for the members of the Board of Directors and the Auditors.

The Nomination Committee shall consist of at most five members, represented by the five largest shareholders per the end of the third calendar quarter every financial year. The Chairman of the Board of Directors shall by

the end of the third calendar quarter convene the five largest shareholders of the Company, who shall have the right to appoint one representative each to the Nomination Committee, which should not be a board member. In addition, the Nomination Committee can decide that the Chairman of the Board of Directors shall be a part of the Committee. Should anyone of the five largest shareholders decline their right to appoint a representative to the Nomination Committee, the right will be passed on to the shareholder who, next to these shareholders, holds the largest number of shares in the Company. Should several shareholders decline their right to appoint a representative to the Committee, only the eight largest shareholders need to be asked, unless otherwise is requested in order for the Nomination Committee to consist of at least three members. The Committee should be lead by a representative of the shareholders, but the Chairman of the Board of Directors can also be elected Chairman of the Committee. The Chairman of the Board of Directors shall, as part of the Committee's work, give further details about the conditions regarding the work of the Board of Directors, the need for special competence etc which can be significant for the nomination process. Individual shareholders shall be able to give proposals for board members to the Nomination Committee for further evaluation within the scope of the Committee's work.

The names of the five representatives shall be made public in the Company's interim report for the third quarter.

The Nomination Committee shall have the right to debit the Company with the costs for recruiting consultants in case it is considered necessary in order to get an appropriate selection of candidates to the Board of Directors.

The Nomination Committee shall give a report of their work at each Annual General Meeting.

Proposal regarding Auditing Committee (item 17 b).

The Swedish Shareholder's Association has further proposed the AGM to decide on assigning the Board the task to appoint an Auditing Committee. Shareholders representing approximately 38 per cent of the total number of votes in the company, have notified that they intend to call for the rejection of such a proposal

C. Other information

A resolution by the AGM under Items 15 is valid only if it is supported by shareholders representing at least two-thirds of the number of votes cast and the number of shares represented at the AGM. A resolution under Item 16 is valid only if it is supported by shareholders representing at least nine-tenths of both the votes cast and the number of shares represented at the AGM. Accounts and the Audit Report, as well as the Board of Directors full proposal for resolutions, will be available for the shareholders at the company's office

from April 13, 2004. Copies of the documents will also be mailed on request to shareholders providing their postal address, and will also be available on the company's website and at the AGM. Copies of the Board of Directors' proposal relating to the incentive scheme will be mailed to shareholders who have notified the company that they will attend the AGM.

Welcome!

Stockholm, March 2004

Board of Directors

Munters AB (publ)