

## The Board of Directors' proposal for a resolution to establish an incentive programme (LTIP 2022) by a) issuing warrants to the subsidiary Kanalfläkt Industrial Service AB and b) approving the transfer of warrants

The Board of Directors of Systemair AB (publ), corporate. reg. no. 556160-4108, proposes that the Annual General Meeting resolves on the introduction of an incentive programme by the Company carrying out an issue of warrants and the transfer of warrants to certain employees within the group on the terms and conditions set out below ("**LTIP 2022**").

The issue of the warrants shall, with deviation from the shareholders' preferential rights, be directed to the wholly owned subsidiary, Kanalfläkt Industrial Service AB, registration number 556063-2530 ("**the Subsidiary**"). The warrants shall be issued free of charge to the Subsidiary. The right to subscribe for the warrants is vested in the Subsidiary with the right and obligation for the Subsidiary to offer employees as defined in section B.1 below to acquire the warrants for consideration on the terms and conditions set out below.

The reason for the deviation from the shareholders' preferential rights is that the Board of Directors believes that it is important and in the interest of all shareholders that Group management and other key persons, who are deemed important for the further development of the company, have a long-term interest in good value growth for the Company's shares. A personal long-term shareholder commitment can be expected to contribute to an increased interest in the company's activities and performance, as well as to increase participants' motivation and affinity with the company and its shareholders.

An explanation of the preparation of the proposal, the costs of the programme and the impact on key indicators is given in Annex A.

### **A. Issue of warrants to the Subsidiary**

The issue, which comprises a maximum of 600,000 warrants of series 2022/2026 shall be made with derogation from shareholders' preferential rights and on the following terms.

#### 1. Number of warrants issued

The Company shall issue a maximum of 600,000 warrants. Each warrant carries the right to subscribe for one (1) new share in the company.

## 2. Subscription rights and allotment

The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, be exclusively vested in the Subsidiary wholly owned by the Company. Oversubscription cannot occur. The subsidiary shall, after subscription, offer the employees of the company as defined in section B.1 below to acquire the warrants.

## 3. Issue price

The warrants shall be issued free of charge to the Subsidiary.

## 4. Time for signing

The warrants must be subscribed for within four weeks from the date of the issue decision. The Board of Directors has the right to extend the subscription period.

## 5. Time for exercise of warrants

Each warrant entitles the holder to subscribe for one (1) new share in the Company. Subscription of shares in accordance with the terms of the warrants may take place during the following periods:

- a) a two-week period from the day following the publication of the Company's interim report for the period 1 May to 31 July 2025/2026, but no earlier than 18 August 2025 and no later than 30 September 2025,
- b) a two-week period from the day following the publication of the company's interim report for the period 1 May to 31 January 2025/2026, but no earlier than 2 March 2026 and no later than 30 April 2026, and
- c) a two-week period from the day following the publication of the company's interim report for the period 1 May to 31 July 2026/2027, but no earlier than 17 August 2026 and no later than 30 September 2026.

## 6. Subscription price

The subscription price for the share upon exercise of the warrant shall be an amount equal to 110 percent of the calculated volume weighted average price of the company's share on Nasdaq Stockholm during the period from 29 August 2022 to 9 September 2022. If the company has inside information during this period, the Board of Directors shall have the right to postpone the measurement period. The subscription price may not be lower than the current quota value of the share. In the event that the subscription price exceeds the quota value of the previous shares, the excess amount (the excess price) shall be recorded in the free share premium fund in the company's balance sheet.

If, upon subscription of a share, the last paid price on Nasdaq Stockholm for the Company's share at the close of trading on the trading day immediately preceding the new subscription exceeds 160 per cent of the volume weighted average price of the Company's share during the period from 29 August 2022 up to and including 9 September 2022, the subscription price shall be increased by an amount equal to the amount by which the said payment price exceeds 160% of the said average price.

### *Alternative exercise model*

Holders of the warrants shall have the right, upon subscription of shares with the exercise of the warrants, to request the application of an alternative exercise model in accordance with the full terms and conditions. When applying the alternative subscription model, the subscription price for each share shall be equal to the quota value of the share and the warrants shall entitle the holder to a converted number of shares, which shall be lower as a starting point. However, the warrants shall not entitle the holder to more than one (1) share per warrant, subject to any conversion in accordance with the full terms and conditions of the warrants. Assuming that the subscription price for the shares in the company for which warrants entitle to subscription is set at SEK 56.20, application of the alternative exercise model would have the following effects in the event of full new subscription with the support of all 600,000 warrants and full exercise of the alternative exercise model at the share prices for the company's shares prior to the subscription period indicated below:

*Illustrative calculation example based on an assumed subscription price of SEK 56.20*

Share price	Total dilution	Total number of new shares
SEK 60	0.02 %	38,159
SEK 70	0.06 %	118,710
SEK 80	0.09 %	179,060
SEK 90	0.11 %	225,961

#### 7. Increase in share capital

The increase in the Company's share capital, if the warrants are exercised in full, may amount to a maximum of SEK 150,000 (assuming the current quota value and that no conversion has taken place in accordance with [Appendix B](#)).

#### 8. Dividend

Shares subscribed for with the exercise of the warrants carry the right to a dividend for the first time on the record date for dividends that falls closest after subscription has been executed.

#### 9. Authorisation

The Board of Directors, or the person appointed by the Board of Directors, shall be authorised to make such minor amendments to the resolution as may be required for registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

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The full terms and conditions for the warrants are set out in Appendix B - "Terms and conditions for Systemair AB (publ) warrants 2022/2026". Among other things, section 8 of Appendix B states that the subscription price as well as the number of shares for which each warrant entitles the holder to subscribe may be recalculated in the event of a bonus issue, new issue, split, merger or in certain other cases.

In the event of full subscription and full exercise of the warrants, the company's share capital may be increased by a maximum of SEK 150,000 through the issue of a maximum of 600,000 shares, each with a quota value of SEK 0.25 (after completion

of the share split), subject, however, to the conversion that may be required under the terms of the warrants. These new shares, when fully exercised, represent approximately 0.29 percent of the total number of shares in the company.

## **B. Approval of transfer of warrants**

### 1. Participants and allocation

The Board of Directors further proposes that the Annual General Meeting resolves to approve that the Subsidiary may transfer a maximum of 600,000 warrants in the company of series 2022/2026 to the participants, or otherwise dispose of the warrants to secure the commitments in connection with the Incentive Programme 2022/2026.

The right to acquire warrants from the Subsidiary shall be granted to the following categories of employees:

<b>Category</b>	<b>Number of options per category</b>	<b>Maximum number of options per person</b>
A. President and CEO (maximum 1 person)	48,000	96,000
<b>B.</b> Group Management (maximum 6 people)	168,000	48,000
<b>C.</b> Other key individuals (maximum 53 people)	384,000	20,000

If warrants within a certain category remain after all applications within the category have been satisfied, the remaining number may be allocated to participants in the same or another category, whereby the Board shall determine the allocation based on factors such as category membership, category of personnel and number applied for. However, such allocation must not result in the maximum number of warrants per person within a given category as set out in the table above being exceeded. The Board of Directors of the Company decides on the final allocation.

The right to acquire warrants from the Subsidiary shall only accrue to those persons who have not resigned or been dismissed at the end of the notification period.

Options should also be offered to new employees. For such acquisitions, the conditions shall be the same or equivalent to those set out in this resolution. For example, this means that acquisitions must be made at the current market value at that time.

Transfer of warrants to participants is conditional upon it being legally possible to purchase the warrants, and that such transfers can be done using reasonable administrative and financial resources according to the assessment of the Board.

## 2. Price and payment

The warrants shall be transferred on market terms at a price (premium) equal to an estimated market value of the warrants using a generally accepted valuation model calculated by an independent valuation institution. For acquisitions made by new employees after the end of the initial notification period, the new market price shall be determined accordingly.

For the warrants, the value has been provisionally calculated at SEK 4.83 per option based on a share price of SEK 51.10, which corresponded to the pro forma closing price of SEK 56,20 for Systemair's share on 20 June 2022, a cap level of SEK 81.80 per share and an assumption of future dividends of SEK 1.20 and 10 percent annual growth thereafter, a risk-free interest rate of 2.11 percent and a volatility of 29 percent. The preliminary valuation has been carried out by People & Corporate Performance AB.

The warrants shall be transferred to the participants no later than before the 2023 AGM, after which any non-transferred warrants shall be cancelled.

The options shall otherwise be subject to market conditions.

## 3. Termination of employment

The warrants shall be subject to a right for the company or its subsidiaries to repurchase the warrants, at the lower of cost and market value, if a participant's employment with or assignment to the company is terminated, or if the employee resigns or is terminated, during the term of the program.

## 4. Authorisation and majority requirements

It is proposed that the Board of Directors, or the person appointed by the Board of Directors, be authorised to make such minor adjustments to the above resolution as may be required by the registration thereof with the Swedish Companies Registration Office or Euroclear Sweden AB.

In order for the AGM's decision to be valid, the proposal must be supported by shareholders representing no less than nine tenths of the votes cast and the shares represented at the meeting.

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Skinnskatteberg, July 2022

*Board of Directors*

Systemair AB (publ)

## Appendix A

### **Preparation of the proposal from the Board of Directors of Systemair AB (publ), corporate reg. no. 556160-4108, for incentive program LTIP 2022**

The proposed LTIP 2022 incentive programme has been prepared by the Board of Directors after obtaining input from shareholders and external advisors. Apart from the staff members who prepared the matter as instructed by the Board of Directors, no employee who might be covered by the programme participated in the drafting of the terms and conditions.

### **Costs and impact on key figures**

The current warrant program is expected to have a marginal impact on the Company's key figures. Taking into account that the warrants are to be subscribed by the participants at an estimated market price, the warrant programme is not expected to entail any costs other than certain minor set-up and administration costs.

In case of full subscription at a price corresponding to the calculated value in the example above under "Price and payment", the Company will receive a total option premium of SEK 2.9 million. If the warrants are fully exercised and the subscription price is SEK 56.20, the company will receive an additional issue proceeds of SEK 33.7 million.

### **Other outstanding share-based incentive plans**

#### *Incentive program 2021/2025*

On August 26, 2021, the company decided to offer certain employees within the Group to acquire warrants in the company. A total of 600,000 warrants were issued. Each warrant entitles the holder to subscribe for one (1) share in the company, at a price of SEK 98.20 per new share, during the following periods:

- a) a two-week period from the day after publication of the company's interim report for the period 1 May-31 July 2024/2025, but no earlier than 19 August 2024 and no later than 30 September 2024;
- b) a two-week period from the day after publication of the company's interim report for the period 1 May-31 January 2024/2025, but not earlier than 1 March 2025 and no later than 30 April 2025, and
- c) a two-week period from the day after publication of the company's interim report for the period 1 May-31 July 2025/2026, but no earlier than 1 August 2025 and no later than 30 September 2025.

The paid option premium amounted to a total of approximately SEK 4,824,720.

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**TERMS AND CONDITIONS OF SYSTEMAIR AB (PUBL)  
WARRANTS OF SERIES 2021/2025**

**Section 1 Definitions**

For the purposes of these Conditions, the following terms shall have the meanings set out below.

"share"	share in the Company;
"banking day"	day in Sweden that is not a Sunday or other public holiday or that is not equivalent to a public holiday in Sweden for the payment of debt securities;
"the bank"	The bank or account operator that the Company may designate to administer the warrants under these terms and conditions;
"The Company"	Systemair AB (publ)
"Euroclear"	Euroclear Sweden AB or another central securities depository in accordance with Chapter 1, Section 3 of the Swedish Central Securities Depositories and Financial Instruments (Accounts) Act (SFS 1998:1479) and Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories;
"holder"	holder of warrants;
"Marketplace"	Nasdaq Stockholm or another regulated market or organised marketplace;
"subscription"	subscription of shares in the Company, with the exercise of warrants, as referred to in Chapter 14 of the Swedish Companies Act (2005:551);
"subscription price"	the price at which new shares may be subscribed for; and
"warrant"	the right to subscribe for new shares in the Company against payment in cash in accordance with these terms and conditions.

## **Section 2 Warrants and warrant certificates**

The maximum number of warrants is 600,000. The warrants are represented by warrant certificates. The warrants are issued to a specific person or to order.

If the Company is a central securities depository company, the Board of Directors of the Company may decide that the warrants shall be registered in a securities account. In such circumstances, no warrants or other securities shall be issued. At the request of the Company, holders of Warrants shall be obliged to surrender immediately to the Company all warrant certificates representing warrants and to provide the Company with the requisite details of the securities account on which the holder's Warrants are to be registered.

If the Board of Directors of the Company has taken a decision in accordance with the second paragraph above, the Board of Directors shall thereafter be free to decide, subject to any limitations imposed by law or regulation, that the warrants shall no longer be registered in the securities account.

## **Section 3 Right to subscribe for new shares and subscription price**

### **A. General**

Holders shall be entitled to subscribe for one (1) new share in the Company for each warrant (or the number resulting from section 3.B or recalculation according to section 8 below).

The subscription price per share upon exercise of the warrant shall be an amount equal to 110 per cent of the calculated volume weighted average price of the Company's share on Nasdaq Stockholm during the period from 29 August 2022 to 9 September 2022 inclusive. If the Company has inside information during this period, the Board of Directors shall have the right to postpone the measurement period. The subscription price may not be lower than the current quota value of the share.

If, upon subscription of a share, the last paid price on Nasdaq Stockholm for the Company's share at the close of trading on the trading day immediately preceding the new subscription exceeds 160 per cent of the volume weighted average price of the Company's share during the period from 29 August 2022 up to and including 9 September 2022, the subscription price shall be increased by an amount equal to the amount by which the aforementioned payment price exceeds 160% of the aforementioned average price.

Recalculation of the subscription price and of the number of new shares to which each warrant entitles the holder to subscribe may take place in the cases set out in section 8 below. However, if such conversion results in the subscription price being lower than

the quoted value of the share, the exercise price shall still be equal to the quoted value of the share.

Holders shall have the right to request a recalculation of the subscription price and the number of shares to which each warrant entitles the holder to subscribe in accordance with section 3.B below (the "**Alternative Exercise Model**"). Holders shall notify the Company of the request for recalculation.

B. Alternative exercise model

If holders request recalculation in accordance with this section 3.B, holders shall be entitled to subscribe for such number of shares for each warrant as follows from section 3.B, but never more than one (1) new share, subject to any recalculation in accordance with section 8 below, at a subscription price corresponding to the quota value of the share.

The Company shall recalculate the number of shares to which each warrant entitles the holder to subscribe according to the following formula:

$$\frac{\text{recalculated number of shares for which each warrant entitles the warrant holder to subscribe} \times \text{The average price of the share during a period of the first five trading days of the subscription period during which the warrant may be exercised for subscription, less the subscription price}}{\text{The average price of the share over a period of the first five trading days of the subscription period during which the warrant may be exercised for subscription, less the quota value of the share}}$$

The average share price shall be deemed to equal the average of the mean of the highest and lowest bid prices paid for the share each trading day during the subscription period fixed according to the exchange list of Nasdaq Stockholm or other regulated market or trading venue on which the Company's share is listed or traded. In the absence of quoted price paid, the bid price quoted as the closing price shall be included in the calculation instead. If neither paid price nor bid price is quoted on a given day, that day shall be excluded from the calculation.

Subscription with exercise of warrants after recalculation in accordance with section 3.B may take place at the earliest from the sixth trading day after the first day of the subscription period during which the warrants may be exercised for subscription.

If the subscription price and the number of shares to which each warrant entitles the holder to subscribe is to be recalculated or has been recalculated in accordance with section 8 below when the holder requests recalculation using the formula of the Alternative ;Exercise Model, and if the result would lead to the holder receiving, in relation to the shareholders, economic compensation that is not reasonable, the Board of Directors of the Company shall instruct an independent valuer to carry out the recalculation in order ensure a reasonable result.

The Company undertakes to give each holder the right to subscribe Shares against cash payment subject to the following terms.

#### **Section 4 Notification of subscription and announcement of subscription price**

Subscription of shares in accordance with the terms of the warrants may take place during the following periods:

- a) a two-week period from the day following publication of the Company's interim report for the period 1 May to 31 July 2025/2026, but no earlier than 18 August 2025 and no later than 30 September 2025,
- b) a two-week period from the day following the publication of the company's interim report for the period 1 May to 31 January 2025/2026, but no earlier than 2 March 2026 and no later than 30 April 2026, and
- c) a two-week period from the day following publication of the Company's interim report for the period 1 May to 31 July 2026/2027, but no earlier than 17 August 2026 and no later than 30 September 2026.

If any holder is prohibited from subscription during the period set out in this section 4 due to regulations under the Regulation (EU) No 596/2014 on market abuse, the Swedish Securities Market Abuse Penal Act (Sw. lagen (2016:1307) om straff för marknadsmissbruk på värdepappersmarknaden), the Swedish Act with Supplementary Provisions to the European Union's Market Abuse Regulation (Sw. lagen (2016:1306) med kompletterande bestämmelser till EU:s marknadsmissbruksförordning) or other insider legislation applicable in respect of the Company, the subscription period set out in this section 4 shall automatically be prolonged, meaning holders may subscribe as soon as such holder is no longer prohibited from subscription, though no later than 30 calendar days after such prohibition has ceased to exist.

Upon application for subscription of shares, a completed application form in accordance with the established form shall be submitted to the Company, indicating the number of shares to be subscribed for and the holder shall submit to the Company option certificates representing the number of option rights to be exercised.

Subscription applications are binding and cannot be withdrawn by the subscriber.

If the subscription application for shares is not submitted within the period specified in the first paragraph, all rights under the warrants cease to apply.

### **Section 5 Payment**

In connection with a subscription application, payment for the number of shares to which the subscription relates must be made in cash to an account designated by the Company.

The holder shall pay any tax or fee that may be payable on any transfer, holding or exercise of the warrants pursuant to Swedish or foreign legislation or any Swedish or foreign authority's decision.

### **Section 6 Entry in the share register, etc.**

Subscription will be effected by the new shares being registered as interim shares by the Company in securities accounts. Once registration has taken place with the Swedish Companies Registration Office (Sw. Bolagsverket), registration in the securities account will become final. As indicated in section 8 below, the date of such final registration in the securities account may be deferred in certain cases.

If the Company is not a central securities depository company at the time of subscription application, subscription shares will be effected by registering the shares as interim shares in the Company's share register. After registration with the Swedish Companies Registration Office, the new shares will be recorded in the Company's share register as shares.

### **Section 7 Dividend on new share**

Newly subscribed shares carry the right to a dividend for the first time on the record date for dividends that falls closest after subscription has been executed.

If the Company is not a central securities depository company, the newly subscribed shares carry the right to dividends for the first time at the next general meeting after subscription is executed.

### **Section 8 Recalculation in certain cases**

The following shall apply with respect to the rights of holders in certain situations, such as if the share capital and/or number of shares before subscription increases or decreases, as well as in certain other situations:

- A. Should the company make a bonus issue, where the application to subscribe is made at such a time that it cannot be executed earlier than three weeks

before the general meeting that resolves on the issue, the subscription shall not be executed until the meeting has resolved thereon. Shares added through subscriptions executed after the resolution on the issue shall be interimly recorded in a securities account, which means that they shall not be entitled to participate in the issue. Final registration on the securities account will only take place after the record day of the issue.

If the Company is not a central securities depository company when the general meeting resolves on the issue, shares added through subscription effected by the inclusion of the new shares in the share register as interim shares at the time for resolution by the general meeting shall be entitled to participate in the issue.

For subscriptions executed after a resolution on the bonus issue, a recalculated subscription price shall apply together with a recalculation of the number of shares to which each warrant gives the right to subscribe. The recalculations are carried out according to the following formulas:

$$\text{recalculated subscription price} = \frac{\text{previous subscription price} \times \text{number of shares before bonus issue}}{\text{number of shares after the bonus issue}}$$

$$\text{recalculated number of shares that each warrant entitles subscription for} = \frac{\text{previous number of shares to which each warrant gives the right to subscribe for} \times \text{number of shares after bonus issue}}{\text{number of shares before the bonus issue}}$$

The subscription price and number of shares recalculated in accordance with the above shall be determined as soon as possible after the general meeting's resolution on the bonus issue but shall not be applied until after the record day for the issue.

- B. Should the company carry out a consolidation or division (split) of shares, subsection A above shall apply correspondingly, whereby, where applicable, the record day shall be deemed to be the day on which, at the company's request, the consolidation or division takes place at Euroclear.
- C. Should the Company carry out a new issue – with preferential rights for shareholders to subscribe for new shares for payment in cash or for set-off – the following shall apply regarding the right to participate in the issue attached to shares added through subscription with the exercise of a warrant:
  - a) If the issue is decided by the Board of Directors subject to the approval of a general meeting or with the backing of the authority of a general meeting, the last day on which subscriptions shall be executed, in order

for shares, added by subscription, to contain the right to participate in the issue, shall be stated in the resolution. Such date may not fall earlier than the tenth calendar day after the holder has been informed of the resolution regarding the new issue.

- b) If the issue is resolved upon at a general meeting, subscriptions –applied for at such a time that they cannot be executed later than three weeks before the general meeting resolving on the issue – shall not be executed until the company has carried out the recalculation in accordance with the second last paragraph of this subsection C. Shares added through such a subscription shall be interimly entered in the securities account, which means that they shall not have the right to participate in the issue.

If the Company is not a central securities depository company when the general meeting resolves on the issue, shares added through subscription effected by the inclusion of the new shares in the share register as interim shares at the time for resolution by the general meeting shall be entitled to participate in the issue.

In the case of subscriptions executed at such a time that the right to participate in the new issue does not arise, a recalculated subscription price shall apply, as well as a recalculation of the number of shares for which each warrant entitles the holder to subscribe. The recalculations are carried out according to the following formulas:

$$\begin{aligned} \text{Recalculated} &= \text{previous subscription price} \times \frac{\text{the average stock exchange quotation of the share during the subscription period set forth in the resolution approving the issue}}{\text{subscription period (average share price)}} \\ \text{subscription price} & \qquad \qquad \qquad \text{average share price } \textit{increased} \text{ by the theoretical value of the subscription right calculated on the basis thereof} \end{aligned}$$

$$\begin{aligned} \text{recalculated} &= \text{previous number of shares to which each warrant entitles} \\ \text{number of shares} & \qquad \qquad \qquad \text{subscription for } x \text{ (the average share price } \textit{increased} \text{ by the} \\ \text{that each warrant} & \qquad \qquad \qquad \text{theoretical value of the subscription right calculated on the} \\ \text{entitles} & \qquad \qquad \qquad \text{basis thereof)} \\ \text{subscription for} & \qquad \qquad \qquad \frac{\text{}}{\text{average share price}} \end{aligned}$$

The average share price shall be deemed to equal the average of the mean of the highest and lowest bid prices paid for the share each trading day during the subscription period fixed according to the exchange list of Nasdaq Stockholm or other regulated market or trading venue on which the Company's share is listed or traded. In the absence of quoted price paid, the bid price quoted as the closing price shall be included in the calculation instead. Days for which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The theoretical value of the subscription right shall be calculated in accordance with the following formula:

$$\begin{aligned} \text{Value of} & & = & & \text{maximum number of new shares that may be issued according} \\ \text{subscription right} & & & & \text{to the resolution approving the issue x (average share price} \\ & & & & \text{minus the subscription price for the new share} \\ & & & & \text{number of shares prior to the resolution approving the issue} \end{aligned}$$

Should a negative value result from the calculation, the theoretical value of the right to subscribe shall be set to zero.

The recalculated subscription price and recalculated number of shares in accordance with the above shall be determined two banking days after the expiry of the subscription period and shall be applied to subscriptions that are executed thereafter.

Should the company's shares not be quoted or traded on Nasdaq Stockholm or other regulated market or trading venue, a recalculated subscription price and recalculated number of shares shall be determined in accordance with this subsection C. In such case, the value of the shares shall, instead of what is stated regarding the average share price, be determined by an independent valuer appointed by the Company.

During the period prior to the determination of the recalculated subscription price and the recalculated number of shares that each warrant entitles the holder to subscribe for, subscription shall only be executed on a preliminary basis, whereupon the number of shares that each warrant entitles the holder to subscribe for prior to recalculation shall be entered in the securities account on an interim basis. Further, it shall be noted that each warrant, after recalculation, may entitle the holder to subscribe for additional shares in accordance with section 3 above. Final registration on the securities account



shall be effected following recalculation. If the company is not a central securities depository company, subscription is executed in the Company's share register by registering the shares as interim shares. The new shares shall be registered as shares in the share register when the recalculations have been determined.

- D. Where the company carries out an issue of convertibles or warrants – with preferential rights for shareholders and for payment in cash or for set-off – the provisions contained in subsection C. above, shall apply correspondingly regarding the rights to participate in the share issue as a result of subscription pursuant to the exercise of a warrant.

In connection with subscriptions executed at such time that no right to participate in the share issue arises, a recalculated subscription price and a recalculated number of shares that each warrant entitles the holder to subscribe for shall be applied. The recalculations are carried out according to the following formulas:

$$\begin{array}{l} \textit{Recalculated} \\ \textit{subscription price} \end{array} = \begin{array}{l} \text{previous subscription price x the average stock exchange} \\ \text{quotation of the share during the subscription period set forth in} \\ \text{the resolution approving the issue} \\ \frac{\textit{(average share price)}}{\text{average share price } \textit{increased} \text{ by the subscription right}} \end{array}$$

$$\begin{array}{l} \textit{recalculated} \\ \textit{number of shares} \\ \textit{that each warrant} \\ \textit{entitles} \\ \textit{subscription for} \end{array} = \begin{array}{l} \text{previous number of shares to which each warrant entitles the} \\ \text{holder to subscribe for x (average share price increased by the} \\ \frac{\textit{value of the subscription right}}{\text{average share price}} \end{array}$$

The average share price shall be calculated in accordance with the provisions of subsection C. above.

The value of a subscription right shall be deemed to be equal to the average of the mean, calculated for each trading day during the subscription period, of the highest and lowest prices paid according to the price list at Nasdaq Stockholm AB (or the corresponding information from a regulated marketplace or trading venue on which the company's subscription rights are listed or traded). In the absence of quoted price paid, the bid price quoted as the closing price shall be included in the calculation instead. Days for which

neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The recalculated subscription price and recalculated number of shares in accordance with the above shall be determined two banking days after the expiry of the subscription period and shall be applied to subscriptions that are executed thereafter.

Should the company's shares not be quoted or traded on Nasdaq Stockholm or other regulated market or trading venue, a recalculated subscription price and recalculated number of shares shall be determined in accordance with this subsection D. In such case, the value of the shares shall, instead of what is stated regarding the average share price, be determined by an independent valuer appointed by the Company.

The provisions of the last paragraph of subsection C above, shall apply correspondingly to subscriptions executed during the period until the recalculated subscription price and the recalculated number of shares are determined.

- E. In the event the Company, under circumstances other than those set forth in subsections A.–D. above, makes an offer to shareholders, based on preferential rights in accordance with the principles set forth in the Swedish Companies Act to purchase securities or rights of any kind from the Company or where the Company resolves, in accordance with the above stated provisions, to distribute such securities or rights without consideration (the offer), then a recalculated subscription price and a recalculated number of shares that each warrant entitles the holder to subscribe for shall be applied in connection with subscriptions which are effected at such time that the shares subscribed for as a consequence thereof do not entitle the holder to participate in the offer. Recalculations shall be made in accordance with the following formulas:

*recalculated subscription price* = previous subscription price x the share's average stock exchange quotation of the share during the application period specified in the offer (average share price)  
average share price increased by the value of the right to participate in the offer (the value of the purchase right)

*recalculated number of shares that each warrant* = previous number of shares to which each warrant entitles subscription for x (the average share price *increased* by the



The recalculated subscription price and adjusted number of shares in accordance with the above shall be determined as soon as possible following expiration of the offer and shall be applied to subscriptions executed after such determination has been made.

Should the company's shares not be quoted or traded on Nasdaq Stockholm or other regulated market or trading venue, a recalculated subscription price and recalculated number of shares shall be determined in accordance with this subsection E. In such case, the value of the shares shall, instead of what is stated regarding the average share price, be determined by an independent valuer appointed by the Company.

The provisions of the last paragraph of subsection C above, shall apply correspondingly to subscriptions executed during the period until the recalculated subscription price and the recalculated number of shares are determined.

- F. If it is decided to pay a cash dividend to the shareholders which, together with other dividends paid during the same financial year, exceeds the dividends forecast at the time of issue of the warrants and used to determine the option premium by 20 percent or more (extraordinary dividend), then a recalculated subscription price and a recalculated number of shares that each warrant entitles the holder to subscribe for shall be applied in connection with subscriptions which are effected at such time that the shares subscribed for as a consequence thereof do not entitle the holder to such dividend. The recalculation shall be based on the full extraordinary dividend. The recalculations are carried out according to the following formulas:

*Recalculated subscription price* = previous subscription price x the share's average share price over a period of 5 trading days calculated from and including the day the share is listed excluding rights to the extraordinary dividend (average share price) average share price *increased* by the extraordinary dividend paid per share

*recalculated number of shares that each option right entitles subscription for* = previous number of shares that each option right entitles subscription for x (the average share price *increased* by the extraordinary dividend paid per share) average share price

The average price of the share shall be deemed to be equal to the average of the mean of the highest and lowest prices paid each trading day during the above stated period of 5 trading days in accordance with the price list of Nasdaq Stockholm (or the corresponding information from a regulated marketplace or trading venue on which the Company's shares are listed or traded). In the absence of quoted price paid, the bid price quoted as the closing price shall be included in the calculation instead. Days for which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The adjusted subscription price and number of shares calculated in accordance with the above shall be determined two banking days after the expiration of such period of 5 trading days and shall apply to subscriptions effected after such time.

In the event the Company's Shares are not listed or traded on Nasdaq Stockholm or other regulated marketplace or trading venue, and a resolution is adopted regarding a cash dividend to the shareholders entailing that the shareholders receive a dividend which, together with other dividends paid out during the same financial year, exceeds 30 percent of the Company's value, in conjunction with applications for subscription which take place at such time that the shares thereby received do not carry an entitlement to receive such dividend, a recalculated Subscription Price and a recalculated number of Shares shall be applied in accordance with this subsection F. The Company's value shall thereupon replace the Share's average price in the formula. The Company's value shall be determined by an independent valuer appointed by the Company. The recalculation is based on the portion of the total dividend that exceeds 100% of the Company's profit after tax for the financial year and 30% of the Company's value (extraordinary dividend).

The provisions of the last paragraph of subsection C above, shall apply correspondingly to subscriptions executed during the period until the recalculated subscription price and the recalculated number of shares are determined.

- G. In the event the Company's share capital or statutory reserve fund is reduced through a repayment to shareholders, where such reduction is compulsory, a recalculated subscription price and a recalculated number of shares which each warrant entitles the holder to subscribe for shall be applied. The recalculations are carried out according to the following formulas:

$$\text{recalculated subscription price} = \text{previous subscription price} \times \text{average stock exchange quotation of the shares during a period of 5 trading days calculated from and including the day on which the share is listed without any right to}$$

repayment (average share price)  
average share price increased by the amount repaid for each share

*recalculated number of shares that each warrant entitles subscription for* = previous number of shares which each warrant entitles the holder to subscribe for x (average share price *increased* by the amount repaid for each share)  
average share price

The average share price shall be calculated in accordance with the provisions set forth in subsection C. above.

In carrying out the recalculations according to the above, where the reduction is carried out through redemption of shares, an amount calculated as follows shall be applied instead of using the actual amount which is repaid for each share:

*calculated amount to be repaid for each share* = the actual amount repaid for each redeemed share *reduced* by the average stock exchange quotation of the share during a period of 5 trading days immediately preceding the day on which the share is listed without the right to participate in the reduction (average share price)  
the number of shares of the Company that entitles to the redemption of one share reduced by 1

The average share price shall be calculated in accordance with the provisions set forth in subsection C. above.

The recalculated subscription price and recalculated number of shares pursuant to the above shall be determined two banking days after the expiration of the above stated period of 5 trading days, and shall apply to subscriptions executed after such time.

The provisions of the last paragraph of subsection C above, shall apply correspondingly to subscriptions executed during the period until the recalculated subscription price and the recalculated number of shares are determined.

Should the company's shares not be quoted or traded on Nasdaq Stockholm or other regulated market or trading venue, a recalculated subscription price and recalculated number of shares shall be determined in accordance with this subsection G. In such case, the value of the shares shall, instead of what is stated regarding the average share price, be determined by an independent valuer appointed by the Company.

In the event the Company's share capital is reduced through redemption of shares with repayment to the shareholders, where such reduction is not compulsory, or in case the Company – without reducing the share capital – should carry out a repurchase of its own shares but where, in the Company's opinion, the measure, due to its technical structure and financial effects, is equivalent to a compulsory reduction, a recalculation of the subscription price and the number of shares that each warrant entitles the holder to subscribe for shall be made in accordance with, to the extent possible, the principles stated above in this subsection G.

- H In the event the company carries out measures set forth in subsections A.– G. above or another measure with similar effect, and if the application of the intended recalculation formula, according to the Company's opinion, due to the technical structure or for another reason, may not be possible or results in the economic compensation to the holders becoming unreasonable in relation to the shareholders, recalculations of the subscription price and the number of shares that each warrant entitles the holder to subscribe for shall be made for the purpose of the recalculations leading to a reasonable result, provided that the Company's Board of Directors so approves in writing.
- I. In conjunction with recalculation in accordance with the above, the subscription price shall be rounded to the nearest SEK 0.10, whereupon SEK 0.05 shall be rounded upwards, and the number of shares shall be rounded to two decimal places
- J. In the event it is resolved that the Company shall enter into liquidation according to the Swedish Companies Act, Chapter 25, regardless of the grounds for liquidation, applications for subscription may not be made thereafter. The right to make applications for subscription shall terminate in conjunction with the general meeting's resolution to place the company in liquidation, regardless of whether such resolution has entered into effect or not.

No later than immediately in conjunction with the decision by the Company's Board of Directors to summon a general meeting which shall decide whether the company shall enter into voluntary liquidation according to the Swedish Companies Act, Chapter 25, Section 1, notice shall be given to holders in

accordance with Section 9 in respect of the intended liquidation. The notice shall include a reminder that applications for subscription may not be made following the adoption of a resolution by the general meeting to place the company \_\_\_\_\_ in \_\_\_\_\_ liquidation.

In the event that the Company gives notice of an intended liquidation in accordance with the above, each holder – irrespective of that which is set forth in section 4 above regarding the earliest time at which applications for subscription may be made – shall be entitled to apply for subscription from the day on which notice is given, provided it is possible to effect subscription not later than the tenth calendar day prior to the general meeting at which the issue of the Company's liquidation shall be addressed.

- K. In the event that the general meeting, in accordance with the Swedish Companies Act, Chapter 23, Section 15, approves – or all shareholders in participating companies in accordance with the fourth paragraph of the mentioned section signs – a merger plan, pursuant to which the Company is to merge with another company, or in the event that the general meeting, in accordance with the Swedish Companies Act, Chapter 24, Section 17, approves – or all shareholders in participating companies in accordance with the fourth paragraph of mentioned section signs – a demerger plan, pursuant to which the company is about to demerge without liquidation, applications for subscription may not be made thereafter.

Immediately in conjunction with the decision by the Company's Board of Directors to convene a general meeting which shall make a final decision in respect of a merger or demerger as set forth above, or if the merger or demerger plan shall be signed by all shareholders in participating companies not later than six weeks before such signing take place, notice shall be given to holders in accordance with section 9 below in respect of the intended merger or demerger. The notice shall set forth the principal contents of the intended merger or demerger plan and the holders shall be notified that subscription may not be made following a final decision regarding the merger or demerger, or following the signing of the merger or demerger plan, in accordance with the provisions set forth in the preceding paragraph.

In the event the Company gives notice regarding a planned merger or demerger in accordance with the above, each holder – irrespective of what is set forth in section 4 regarding the earliest time at which applications for subscription can be made – shall be entitled to apply for subscription from the date on which notice is given regarding the intended merger or demerger, provided that it is possible to effect subscription no later than: (i) three weeks prior to the general meeting at which the merger plan, pursuant to which the Company is to be merged with another company, or the demerger plan,



pursuant to which the Company is to be demerged without liquidation is to be approved, or (ii) if the merger or demerger plan shall be signed by all shareholders in participating companies not later than three weeks prior to such signing.

- L. Where the Company's Board of Directors prepares a merger plan in accordance with the Swedish Companies Act, Chapter 23, Section 28, pursuant to which the company is to be merged with another company, or where the company's shares are subject to compulsory purchase procedures according to the above stated act, Chapter 22, the following shall apply.

Where a Swedish limited liability company owns all shares in the Company, and where the Board of Directors publishes its intention to prepare a merger plan in accordance with the legislation referred to in the preceding paragraph, the Company shall, provided that the final day for application for subscription pursuant to section 4 occurs after such publication, determine a new final day for application for subscription (expiration date). The expiration date must occur within 30 days of the publication.

Where the majority shareholder has requested that a dispute regarding a buy-out be resolved by arbitrators pursuant to the Companies Act, pursuant to Chapter 22 section 6, the warrants may not be exercised for subscription until the buy-out dispute has been decided through an award or a decision which has become final. Where the period of time within which a warrant may be exercised expires prior thereto, or within three months after, the holders of the warrants shall nevertheless be entitled to exercise the option during a period of three months after the determination has become final.

Where a shareholder (the majority shareholder) alone or together with subsidiaries owns shares representing such a large proportion of all the shares in the Company that the majority shareholder is entitled, under the legislation in force at the time, to call for compulsory redemption of the remaining shares and the majority shareholder announces its intention to call for such compulsory redemption, the provisions of the previous paragraph concerning the closing date shall correspondingly apply.

When publication has been made as described above in this subsection M., each holder – irrespective of what is set forth in section 4 regarding the earliest time at which applications for subscription may be made – shall be entitled to such application up until the expiration date. Not later than three weeks prior to the expiration date, the company shall notify the holders pursuant to section 9 in respect of this right and in respect of that applications for subscription may not be made after the expiration date.



lockouts also applies if the Company/Bank/Euroclear takes or is subject to such dispute action.

Damage arising in other cases shall not be compensated by the Company/Bank/Euroclear, if normal prudence has been exercised. Neither the Company, the bank nor Euroclear is liable in any case for indirect or other consequential damages. Nor shall the Company, the bank or Euroclear be liable for any damage caused by the holder or any other person violating any law, regulation, order or these terms and conditions. Holders are hereby informed that they are liable for the accuracy of documents sent to the Company, bank and/or Euroclear and that such documents are duly signed. Holders are also liable for keeping the Company, bank and/or Euroclear informed on changes which occur in relation to previously provided information.

If the Company, the bank or Euroclear is prevented from taking any action, in whole or in part, due to any of the above circumstances, the action may be postponed until such time as the hindrance has ceased to exist. If the Company, bank or Euroclear is prevented from executing or receiving payment due to such circumstance, then neither the Company, bank, Euroclear, nor the respective holder shall be liable for interest on overdue payments.

#### **Section 14 Applicable law and jurisdiction**

These terms and conditions and any related legal matters shall be governed by Swedish law. Action in respect of the Terms shall be brought before the Stockholm District Court or such other forum as may be agreed in writing by the Company.

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