

Unofficial translation of Minutes from the Annual General Meeting of shareholders of Dustin Group AB (publ), reg. no. 556703-3062, held on 13 December 2017, Playhouse Teater in Stockholm.

Time: 2.00-3.40 pm.

**Present:** Shareholders and proxy holders, Appendix 1, stating the number of shares and votes.

Furthermore, noted as present were the Chairman of the Board Fredrik Cappelen, the Board members Caroline Berg, Mia Brunell Livfors, Gunnel Duveblad, Johan Fant, Tomas Franzén, Mattias Miksche, the proposed new Board member Morten Strand, the CEO Georgi Ganey, the incoming CEO Thomas Ekman, the CFO Johan Karlsson and the auditor-in-charge Jennifer Rock Baley.

## **§ 1**

### Opening of the Annual General Meeting (agenda item 1)

Fredrik Cappelen introduced the incoming CEO Thomas Ekman who presented himself to the shareholders.

Fredrik Cappelen opened the Annual General Meeting and welcomed the shareholders.

## **§ 2**

### Election of Chairman of the Annual General Meeting (agenda item 2)

The Meeting elected the Chairman of the Board Fredrik Cappelen as Chairman of the Meeting, in accordance with the Nomination Committee's proposal.

The Chairman informed that Sara Edlund had been appointed to act as minutes keeper at the Annual General Meeting, that a sound recording for internal use was made to facilitate the draw up of the minutes from today's meeting and that audio or video recording otherwise was not allowed.

The Meeting resolved that shareholders who had not given notice to attend, invited guests and other persons who were not shareholders were entitled to attend the Meeting, but were not entitled to address the Meeting.

## **§ 3**

### Preparation and approval of the voting list (agenda item 3)

The minutes keeper accounted for the procedure for drawing up the voting list.

The Meeting approved the list, prepared according to the procedure that the minutes keeper accounted for, of shareholders who had given notice to attend and were present at the Meeting, Appendix 1, should be the voting list at the Meeting.

The Chairman informed that a number of shareholders had given special voting instructions and that the voting instructions only should be recorded in the minutes in the event they would affect the Meeting's resolutions.

The shareholder Leo Gillholm proposed that the preliminary voting list of shareholders who had given notice to attend to be distributed at next year's annual general meeting should be sorted in alphabetic order.

#### **§ 4**

##### Approval of the agenda (agenda item 4)

The Meeting approved the proposed agenda of the Meeting, Appendix 2, which had been included in the notice to attend the Meeting.

The Chairman informed that the complete proposals of the Board and the Nomination Committee had been included in the notice and in press release from the Nomination Committee with proposals regarding Board and remuneration to the Board on 21 November 2017.

The statements and reports of the Board and the Nomination Committee, as well as the other documents to the Annual General Meeting, which had been held available in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, were presented.

#### **§ 5**

##### Election of one or two persons to check and verify the minutes (agenda item 5)

The Meeting elected Patrik Bråkenhielm, representing AxMedia AB, and Madeleine Ericson, representing Franklin Global Trust and others, to check and verify the minutes jointly with the Chairman of the Meeting.

#### **§ 6**

##### Determination of whether the Annual General Meeting had been duly convened (agenda item 6)

Notice to attend the Annual General Meeting had been made by way of an announcement in the Swedish Official Gazette on 10 November 2017 and by having made the notice to attend available on the Company's website since 8 November 2017, and by the company having announced information that the notice had been made in Svenska Dagbladet on 10 November 2017.

The Chairman found that notice had been made in accordance with the Swedish Companies Act and the provisions in the Articles of Association.

The Meeting resolved to approve the notice procedure and declared the Meeting duly convened.

#### **§ 7**

##### Presentation of the Annual Report, the Auditor's Report and the consolidated financial statements and the auditor's report on the consolidated financial statements (agenda item 7)

The Annual Report and the Auditor's report for both the parent company and the Group for the financial year 2016/17, were presented.

Auditor-in-charge Jennifer Rock Baley, EY, reported on the audit work and thereafter commented on the Auditor's Report in respect of the parent company and the Group for the financial year 2016/17.

## **§ 8**

### Presentation by the CEO and questions (agenda item 8)

Georgi Ganev presented Dustin Group's and its subsidiaries' business and development during 2017.

After the Chairman had opened for questions, the shareholders addressed the Meeting and made comments and asked questions. The questions concerned, among other things, product diversity, cassation, Dustin's litigations in Norway, procurements rules, the result in respective country of operation and segment reporting, competition from global tech giants, the targets for the focus areas of Dustins' corporate responsibility and the control over the recycling chain. The questions were answered by Georgi Ganev, Johan Karlsson and Fredrik Cappelen.

## **§ 9**

### Resolution on the adoption of the income statement and the balance sheet for both the parent company and the Group, disposition of the Company's profits based on the adopted balance sheet and the record date for the dividend, and discharge from personal liability for Board members and the CEO (agenda item 9 (a)-(c))

The Meeting adopted the income statement for 2016/17 and the balance sheet as of 31 August 2017 for the parent company and the Group (agenda item 9 (a)).

The Chairman presented the principal contents of the Board's proposal regarding distribution of profits pursuant to the Annual Report. The Meeting resolved, in accordance with the Board's proposal, that SEK 2.80 per share shall be paid in dividend to the shareholders and that 15 December 2017 shall be record day for the dividend (agenda item 9 (b)).

It was noted that the dividend is expected to be paid to the shareholders on 20 December 2017.

The Meeting discharged the Board and the Chief Executive Officer from liability for the management of the Company and its affairs during the financial year 2016/17 (agenda item 9 (c)).

It was noted that the members of the Board and the CEO did not participate in the resolution, concerning themselves, and it was recorded that all shareholders attending the Meeting supported the resolution.

## **§ 10**

### Presentation of the Nomination Committee's work and proposals (agenda item 10)

The Chairman of the Nomination Committee, Caroline Berg, presented the Nomination Committee's proposals regarding election of the Board and the auditor, remuneration to the Board and the auditor, and procedures for appointment of the nomination committee.

Morten Strand, proposed new Board member, was presented to the Meeting.

## **§ 11**

### Determination of the number of Board members (agenda item 11)

The Meeting resolved that, for the period until the close of the next Annual General Meeting, the Board shall consist of seven members.

## **§ 12**

### Determination of the remuneration to the Board members and the auditor (agenda item 12)

The Meeting resolved in accordance with the Nomination Committee's proposal that remuneration to the Board for the period until the close of the next Annual General Meeting shall be SEK 600,000 to

the Chairman of the Board and SEK 300,000 to each of the Board members. Furthermore, the Meeting resolved in accordance with the Nomination Committee's proposal that remuneration to the Chairman of the Audit Committee shall be SEK 100,000 and SEK 50,000 to each of the other two members in the Audit Committee and SEK 60,000 to the Chairman of the Remuneration Committee and SEK 30,000 to each of the other two members of the Remuneration Committee.

The Meeting resolved in accordance with the Nomination Committee's proposal that remuneration to the auditor shall be paid in accordance with approved invoices.

### **§ 13**

#### Election of Board members (agenda item 13)

The Chairman informed the Meeting of the assignments the proposed members of the Board held in other companies.

The Meeting resolved in accordance with the Nomination Committee's proposal to re-elect the Board members Caroline Berg, Mia Burnell Livfors, Gunnel Duveblad, Johan Fant, Tomas Franzén and Mattias Miksche, and to elect Morten Strand as new Board member for the period until the close of the next Annual General Meeting.

### **§ 14**

#### Election of Chairman of the Board (agenda item 14)

The Meeting resolved in accordance with the Nomination Committee's proposal to elect Mia Brunell Livfors as Chairman of the Board.

### **§ 15**

#### Determination of the number or auditors and election of auditor (agenda item 15)

The Meeting resolved in accordance with the Nomination Committee's proposal, and the audit committee's recommendation, that the Company shall have a registered accounting firm as auditor and resolved to re-elect EY as auditor for the period up to and including the Annual General Meeting 2017/2018.

It was noted that Jennifer Rock Baley will continue as auditor-in-charge.

### **§ 16**

#### Determination of procedures for appointment of the Nomination Committee (agenda item 16)

The Meeting resolved in accordance with the Nomination Committee's proposal in Appendix 3 regarding procedures for appointment of the Nomination Committee. It was noted that the resolved procedure for appointment of the Nomination Committee is valid until a resolution regarding amendment of the procedure has been adopted by the General Meeting.

### **§ 17**

#### Resolution on guidelines for remuneration to the CEO and senior executives (agenda item 17)

Fredrik Cappelen presented the Board's proposal for resolution on guidelines for remuneration to the CEO and senior executives.

The minutes keeper noted that the auditor had issued an opinion regarding that the company had complied with the guidelines resolved on by the Annual General Meeting 2015/16.

The Meeting resolved in accordance with the Board's proposal in Appendix 4 regarding guidelines for remuneration to senior executives.

### **§ 18**

#### Resolution on long-term incentive program 2018 (LTI 2018), issue and transfer of warrants and issue of synthetic options (agenda item 18)

Fredrik Cappelen presented the Board's proposal for resolution on long-term incentive program 2018 (LTI 2018), and noted in particular that the Board and the remuneration committee each year evaluate which structure the long-term incentive to the management and other employees should have.

The Meeting resolved with sufficient majority, i.e. more than nine tenths of both the votes cast and the shares represented at the Meeting, in accordance with the Board's proposal in Appendix 5, to adopt a long-term incentive program 2018 (LTI 2018), including resolution regarding issue and transfer of warrants and issue of synthetic options for senior executives and other key employees of Dustin Group.

It was noted that all shareholders attending the Meeting supported the resolution, except for those shareholders that had given special instructions for no and abstain votes.

### **§ 19**

#### Closing of the Meeting (agenda item 19)

The resigning Chairman of the Board Fredrik Cappelen and the resigning CEO Georgi Ganev were thanked for their efforts in the company. It was also noted that the resigning board member Maija Strandberg was thanked.

The Chairman declared the Annual General Meeting closed. Georgi Ganev invited shareholders to a socializing in Dustin's Concept Store at Sveavägen.

---

Keeper of the minutes:

---

Sara Edlund

Approved:

---

Fredrik Cappelen

---

Patrik Bråkenhielm

---

Madeleine Ericson

**PROPOSED AGENDA**

1. Opening of the annual general meeting.
2. Election of chairman of the annual general meeting.
3. Drawing up and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to check and verify the minutes.
6. Determination as to whether the annual general meeting has been duly convened.
7. Presentation of the annual report and the auditors' report for both the parent company and the group.
8. Presentation by the CEO and questions.
9. Resolution on
  - (a) the adoption of the income statement and the balance sheet for both the parent company and the group,
  - (b) disposition of the Company's profits based on the adopted balance sheet and the record date for the dividend, and
  - (c) discharge from personal liability for board members and the CEO for their administration.
10. Report of the nomination committee's work and proposals.
11. Resolution on the number of board members to be elected by the meeting.
12. Resolution on remuneration to the board members and the auditor.
13. Election of board members.
14. Election of chairman of the board.
15. Resolution on the number of auditors and election of auditor.
16. Resolution on adoption of procedures for appointment of the nomination committee.
17. Resolution on guidelines for remuneration to the CEO and other senior executives.
18. Resolution on long-term incentive program 2018 (LTI 2018), issue and transfer of warrants and issue of synthetic options.
19. Closing of the annual general meeting.

### Procedures for appointment of the nomination committee

The nomination committee proposes that the Company's nomination committee shall consist of four members, appointed by the, as per the last trading day of March, largest shareholders in the Company who wish to appoint a member. No more than the eight largest shareholders have to be invited to appoint a member of the nomination committee, unless it is required in order for the nomination committee to consist of at least three members appointed by shareholders. The chairman of the board is responsible to convene the nomination committee, and shall also be adjunct to the nomination committee, except when the nomination committee shall address to the matter of chairman of the board. Chairman of the nomination committee shall, unless the members agree otherwise, be the member who is appointed by the largest shareholder.

The nomination committee shall submit proposals for:

- election of chairman of the board,
- election of other members of the board,
- fees and other remuneration to each of the board members,
- election of, and remuneration to, the auditor, and,
- chairman of the annual general meeting.

Furthermore, the nomination committee shall, if deemed necessary, submit proposals regarding amendments to this instruction.

The nomination committee is appointed for a term of office commencing at the time of its formation, and ending when a new nomination committee is formed.

If a member, or a shareholder that has appointed a member, notifies the nomination committee that the member wishes to resign, or that the shareholder wishes to replace the member, the shareholder who have appointed the member shall have the right to appoint a new member provided that the shareholder is still among the four largest shareholders. If during the nomination committee's term of office, one or more of the shareholders that have appointed the nomination committee's members are no longer among the four largest shareholders, members appointed by such shareholders shall resign their positions, and the shareholder or shareholders who have become among the four largest shareholders shall be entitled to appoint a member. Unless there is special cause, the composition of the nomination committee shall be unchanged following changes in the ownership structure that are either minor, or occur less than three months prior to the annual general meeting. Shareholders who have become one of the four largest following a more significant change in its holding, less than three months before the annual general meeting shall however be entitled to appoint a member who should have the right to be present at the nomination committee's meetings. If a shareholder, who is invited to appoint a member by the nomination committee, abstain from appointing a member, the nomination committee shall ask the next shareholder in size who has not appointed a member to the nomination committee.

Changes in the nomination committee's composition shall be made public as soon as possible.

The nomination committee shall have the right to charge the Company with costs for examinations, recruitment consultants and related travel, if deemed appropriate.



### **Schedule 3**

This instruction for the nomination committee shall apply until a resolution on amendment of the instruction for the nomination committee is adopted by the general meeting.

### Guidelines for remuneration to the CEO and other senior executives

The board proposes that the annual general meeting resolves on guidelines for remuneration to the CEO and senior executives in accordance with the following.

The total remuneration to individual senior executives in Dustin shall be in line with market practice and shall be competitive in order to attract, motivate and retain key employees. The intention is to create incentives for the senior executives to execute strategic plans and to deliver excellent operative results, as well as to align the interests of the senior executives with the interests of the shareholders.

The remuneration to the CEO and other senior executives shall consist of fixed salary, short-term variable remuneration (STI) which shall be based on achieved financial targets for Dustin as well as individual performance, as well as long-term share or share price related incentive programs (LTI), in addition to pension and other customary benefits.

- The fixed salary shall be based on the senior executive's competence and area of responsibility. The fixed salary shall be reviewed annually.
- The STI shall be based on performance in relation to established goals. The goals shall be individual, measurable as well as linked to Dustin's financial results and to specific accomplishments and processes (individual goals). The STI can amount to a maximum of 100 per cent of the fixed salary for the CEO and to a maximum of 60 per cent of the fixed salary for other senior executives.
- Long-term share or share price related incentive programs shall be linked to certain predetermined financial and/or share or share price related performance targets, and shall ensure a long term commitment to the Company's development.
- Other benefits may include health insurance and other customary benefits. Other benefits shall not constitute a material portion of the total remuneration.
- Senior executives shall be offered individual pension plans amounting to a maximum of 30 per cent of the fixed salary or defined contribution pension solutions.
- In the event of termination by the company, the notice period for senior executives shall amount to a maximum of 12 months.

Under special circumstances, the board may deviate from the above guidelines. In such case, the board is required to explain the reason for the deviation at the following annual general meeting.

For more information regarding the existing guidelines for remuneration to the CEO and other senior executives for 2016/17, see note 7 for the group in the annual report 2016/17.

In accordance with the Swedish Corporate Governance Code, the board's remuneration committee monitors and evaluates the application of the guidelines for remuneration to senior executives. The Company's auditor has, in accordance with Ch 8 Sec 54 of the Swedish Companies Act, given a statement on whether or not the guidelines for remuneration to senior executives which have applied during 2016/17 has been followed. Both the remuneration committee's evaluation and the auditor's review have resulted in the conclusion that the guidelines adopted by the annual general meeting have been followed by Dustin during 2016/17.

### Long-term incentive program 2018 (LTI 2018), issue and transfer of warrants and issue of synthetic options

The objective of LTI 2018 is to link an increasing share of key employees', of Dustin Group, compensation to Dustin Group's and the Dustin share's long-term value growth, and thereby aligning the interests of the employees with those of the shareholders. LTI 2018 will be an important program for Dustin in order to be able to motivate and retain the best talents; this is vital in order for Dustin to achieve long-term value-growth for the shareholders. LTI 2018 has the same structure as the incentive program which was adopted at the annual general meeting 2015/16.

The board proposes that the general meeting resolves on an issue of no more than 1,017,956 warrants, each warrant shall entitle the holder to subscribe for one (1) share, in one series, and issuance of 142,040 cash settled synthetic options, issued within an incentive program for Dustin's group management and key employees. LTI 2018 includes no more than 35 individuals. The Company's board members shall not be included in LTI 2018.

The Company's wholly-owned subsidiary, Dustin AB, with deviation from the shareholders preferential right, shall be entitled to subscribe for the warrants. Subscription shall take place on a specific subscription list at the latest on 15 January 2018. The board have the right to extend the subscription period. The warrants shall be issued free of charge. Dustin AB shall transfer the warrants to the participants in LTI 2018. Such transfer shall be made at a price corresponding to the market value of the warrant (the premium). In total, the participants in LTI 2018 are entitled to acquire the total number of warrants that upon exercise for subscription of new shares corresponds to appr. 1.32 per cent of the Company's share capital and votes following dilution. There can be no over-subscription.

Each warrant shall, during the period commencing on 31 January 2021 and up to and including 30 June 2021, entitle the holder to subscribe for one new share in Dustin Group AB (publ) at a subscription price of SEK 88.90 (which corresponds to 120 per cent of the average for each trading day calculated average volume-weighted price paid for the Dustin share on Nasdaq Stockholm during the period ten trading days after the publication of the year-end report 2016/17, 19 October – 1 November 2017, rounded off to the nearest full SEK ten (10) öre, whereby SEK five (5) öre shall be rounded down). The subscription price and the number of shares that each warrant entitles to subscribe for shall be recalculated in the event of a split, reversed split, new share issue etc. in accordance with market practice. If all warrants are exercised, the share capital will increase with a maximum of SEK 5,089,780.20.

The warrants shall otherwise be subject to the conditions which are available on the Company's website, <http://www.dustingroup.com/en/agm1617>.

#### *Transfer of the warrants to the participants*

The following terms and conditions shall apply for the transfer of the warrants to the participants in LTI 2018.

Dustin AB shall offer the warrants to participating group management and key employees within the Dustin Group. The transfer of the warrants shall be made at a price corresponding to the market value

of the warrants at the time of transfer (the premium), calculated according to a by the market generally accepted valuation model (Black Scholes). The calculation shall be performed by an independent valuation institute. In connection with the transfer of the warrants to the participants, the Company shall reserve a right to buy-back the warrants, if the participant's ceases to be employed or performing services to the group or if the participant should transfer its warrants (pre-emptive right).

### *Distribution of warrants*

Dustin's group management and certain key employees shall be entitled to acquire warrants, subject to that they have entered into a pre-emption agreement with the Company. Allotment of warrants will be made by the board, in accordance with the principles set-out by the annual general meeting. LTI 2018 will comprise no more than the following number of warrants for the different categories of participants:

- the CEO of Dustin can acquire not more than 189,387 warrants at market value, and
- the other participants can, together, acquire not more than 828,569 warrants at market value, the maximum number of warrants that each participant can acquire will be based on the participant's competence and area of responsibility.

### *Synthetic options*

The board proposes that Norwegian employees may be offered to participate in LTI 2018 without making an investment in warrants, and instead be offered a cash settlement by investing in so-called synthetic options that retains the economic characteristics of the warrants. In order to implement the synthetic option program, the board proposes that the annual general meeting resolves on the following principal terms and conditions.

A synthetic option gives the holder the right to receive a cash amount, from Dustin, corresponding to the difference between the subscription price as set out above, i.e. SEK 88.90 and the average for each trading day calculated average volume-weighted price paid for the Dustin share on Nasdaq Stockholm during the period ten trading days before the day the synthetic option is exercised.

The participants' acquisition of the synthetic options shall be made at market value. The value (the premium) shall be calculated according to the same principles as the warrants and each participant shall be entitled to acquire the same number of synthetic options as the number of warrants that the participant would otherwise have been entitled to acquire. The synthetic options are to be exercised during the period from 31 January 2021 up to and including 30 June 2021.

The board shall resolve on the content of the option agreements to be entered into with the participants who would like to purchase synthetic options. The Company will reserve the right to (i) buy-back the synthetic options if the participant should transfer the synthetic options (pre-emptive right) and (ii) cap the amount per synthetic option, that each participant can receive to SEK 204.65.

### *Impact on key ratios*

The Company's earnings per share is not affected by the issue of warrants or synthetic options since the present value of the subscription price exceeds the current market price at the time of the transfer or issuance.

### *Costs*

The transfer of warrants and synthetic options shall be at a price equivalent to the market value at the time of transfer or the date of issuance, which means that there are no social security contributions for the group in connection with the issue and transfer of the warrants or the issuance of the synthetic options. According to a preliminary valuation, based on the market value of the Company's share on 1 November 2017, the market value of the warrants and the synthetic options are SEK 3.85 per option. The Black Scholes-model has been used for the valuation, assuming a strike price of SEK 88.90 per share, a risk-free rate of -0.47 per cent and a volatility of 23 per cent.

Other expenses for the incentive program relates to fees to external advisors and administrative costs for LTI 2018.

### *The dilution of existing shares and votes*

Based on the number of shares and votes in the Company, the proposed LTI 2018 implies, upon exercise of all 1,017,956 warrants, a full dilution corresponding to approximately 1.32 per cent of the total number of shares and votes outstanding in the Company. If all outstanding incentive programs of the Company are included in the calculation, the corresponding maximum dilution is approximately 4.78 per cent.

### *Preparation of the proposal*

LTI 2018 has, in accordance with guidelines from the board, been prepared by the Company's management and external advisors as well as been considered by the remuneration committee and at board meetings in November 2017.

### *Majority decision*

Resolution on the adoption of LTI 2018 requires for its validity that the proposal is supported by shareholders representing at least nine tenths of both the votes cast at the general meeting and the shares represented at the general meeting.

## Terms and conditions for warrants 2018/2021 in Dustin Group AB (publ)

### 1 DEFINITIONS

In these terms and conditions, the following terms shall have the meaning given below.

Business Day	a day which is not a Sunday or other public holiday or, with respect to the payment of promissory notes, is not equated with a public holiday in Sweden;
Bank	the bank or account operator which the Company at each time has appointed to handle the administration of the Warrants in accordance with these terms and conditions;
Company	Dustin Group AB (publ), company reg. no. 556703-3062;
Euroclear	Euroclear Sweden AB, (the Swedish Central Securities Depository and Clearing Organisation), company reg no 556112-8074;
Warrant Holder	a person registered in a Securities Account as the holder of a Warrant;
Subscription	subscription of shares in the Company on exercise of Warrants in accordance with Chapter 14 of the Companies Act;
Exercise Price	the price at which Subscription for new shares may take place on exercise of Warrants; and
Warrant	the right to subscribe for one newly issued share in the Company in exchange for payment in accordance with these terms and conditions.

### 2 WARRANTS AND REGISTRATION

The total number of Warrants amounts to not more than 1,017,956. The Warrants shall be registered in Securities Accounts in accordance with Chapter 4 of the Central Securities Depository and Financial Instruments Accounts Act (1998:1479).

### 3 RIGHT TO SUBSCRIBE FOR NEW SHARES

Each Warrant entitles the holder thereof to subscribe for one new share in the Company at an Exercise Price corresponding to SEK 88.90.

The Exercise Price and the number of shares for which each Warrant entitles the holder to subscribe may be recalculated in the circumstances set out in section 8 below.

Subscription may only take place in respect of the entire number of shares for which the total number of Warrants entitles the Warrant Holder to subscribe and which a single Warrant Holder desires to exercise. On such Subscription, any excess fractions of Warrants which cannot be exercised shall be disregarded.

**4 APPLICATION FOR SUBSCRIPTION**

Application for Subscription of shares may take place from 31 January 2021 up to and including 30 June 2021 or such earlier date as may be determined in accordance with section 8 below. If an application for Subscription is not submitted within the time stated above, the Warrant shall lapse.

On application for Subscription, a completed application form in the predetermined form shall be submitted to the Bank. Applications for Subscription are binding and irrevocable.

**5 PAYMENT FOR NEW SHARES**

On application for Subscription, payment for the number of shares which the application for Subscription covers shall be made simultaneously. Payment shall be made in cash to a bank account designated by the Company.

**6 REGISTRATION IN SECURITIES ACCOUNT AND IN THE SHARE REGISTER**

Following payment for subscribed shares, Subscription shall be effected through the registration of the new shares as interim shares in the Company's share register and on the respective Warrant Holder's Securities Account. Following registration with the Swedish Companies Registration Office, the registration of the new shares in the share register and on Securities Accounts will become definitive. According to section 8 below such registration might in certain circumstances be postponed.

**7 DIVIDENDS ON NEW SHARES**

Shares issued following Subscription shall entitle the holders thereof to participate in the distribution of dividends for the first time on the record date that occurs immediately following the Subscription.

**8 RECALCULATION OF EXERCISE PRICE AND THE NUMBER OF SHARES**

The following provisions shall govern the rights that vests in Warrant Holder in the events described below:

**A Bonus issue**

In the event of a bonus issue, where an application for Subscription is submitted at such time that the allotment of shares cannot be made on or before the fifth weekday prior to the general meeting which resolves to make the bonus issue, Subscription shall be effected only after the general meeting has adopted a resolution approving the bonus issue. Shares which vest pursuant to Subscription effected after the adoption of a resolution approving the bonus issue shall be registered in the Warrant Holder's Securities Account as interim shares, and accordingly such shares shall not entitle the holder thereof to participate in the

bonus issue. Definitive registration in Securities Accounts shall only take place after the record date for the bonus issue.

In conjunction with Subscription which is effected after the adoption of a resolution to make a bonus issue, a recalculated Exercise Price as well as a recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe shall be applied. The recalculation shall be carried out by a reputable independent valuation institute in accordance with the following formula:

Recalculated Exercise Price = (previous Exercise Price) x (the number of shares in the Company prior to the bonus issue) / (the number of shares in the Company after the bonus issue).

Recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the number of shares in the Company after the bonus issue) / (the number of shares in the Company prior to the bonus issue).

The Exercise Price and the number of shares which each Warrant entitles the holder to subscribe for, recalculated as set out above, shall be determined by a reputable independent valuation institute as soon as possible after the general meeting has adopted a resolution approving the bonus issue.

**B Reverse share split/share split**

In the event the Company effects a reverse share split or share split, the provisions of subsection A above shall apply mutatis mutandis. The record date shall be deemed to be the date on which the reverse share split or share split is carried out by Euroclear at the request of the Company.

**C New issue**

If the Company issues new shares subject to pre-emption rights for shareholders to subscribe for new shares in exchange for cash payment or by set off, the following shall apply with respect to the right to participate in the new issue for shareholders whose shares vest as a consequence of Subscription on exercise of the Warrant:

1. If the board of directors of the Company has resolved to carry out a new issue conditional upon the approval of the general meeting of the shareholders or pursuant to authorisation granted by the general meeting of the shareholders, the resolution of the new issue shall state the last day on which Subscription must be effected in order to entitle the holders of the shares held pursuant to Subscription according to these terms and conditions to participate in the new issue.
2. If the general meeting adopts a resolution to issue new shares, where an application for Subscription is submitted at such time that it cannot be effected on or before the fifth weekday prior to the general meeting which shall resolve on the new issue, Subscription shall only be effected following the adoption of a resolution with respect thereto by the general meeting. Shares which vest as a consequence of such Subscription shall be registered in the Securities Account as interim shares, and accordingly shall not entitle the holders to participate in the new issue. Definitive



registration in Securities Accounts shall only take place after the record date for the new issue.

Where Subscription is effected at such time that no right to participate in the new issue arises, a recalculated Exercise Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by a reputable independent valuation institute in accordance with the following formulae:

Recalculated Exercise Price = (previous Exercise Price) x (the average quoted price of the share during the subscription period stated in the resolution approving the issue ("average price of the share")) / (the average price of the share increased by the theoretical value of the subscription right calculated on the basis thereof).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the theoretical value of the subscription right calculated on the basis thereof) / (the average price of the share).

The average price of the share shall be deemed to be the equivalent of the average calculated mean value, for each trading day during the subscription period, of the highest and lowest quoted paid price on that day according to the list on which the shares are quoted. In the absence of a quoted paid price, the bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The theoretical value of the subscription right is calculated in accordance with the following formulae:

Theoretical value of subscription right = (the maximum number of new shares which may be issued pursuant to the resolution approving the issue) x ((the average price of the share) / (the issue price of the new share)) / (the number of shares prior to the adoption of the resolution approving the issue).

If this results in a negative value, the theoretical value of the subscription right shall be deemed to be zero.

The Exercise Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by a reputable independent valuation institute ten Business days after the expiry of the subscription period and shall apply to each Subscription effected thereafter.

If the Company's shares at the time of the resolution to issue the new share, are not subject to a listing, a corresponding recalculation of the Exercise Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by a reputable independent valuation institute, shall be based on the assumption that the value of the Warrants shall remain unchanged.

During the period prior to the determination of the recalculated Exercise Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, Subscription shall only be effected on a preliminary basis, whereby the number of shares

each Warrant entitles the holder to subscribe for prior to recalculation shall be registered in the Securities Account on an interim basis. Definitive registration in Securities Accounts shall be made following determination of the recalculated Exercise Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

**D Issue of convertible bonds or warrants in accordance with Chapter 14 and 15 of the Companies Act**

In the event the Company issues convertible bonds or warrants, in both cases subject to pre-emption rights for the shareholders to subscribe for such equity related instrument in exchange for cash payment or by set off, the provisions of sub-section C, first paragraph, sub-paragraphs 1 and 2 shall apply mutatis mutandis in respect of the right to participate in the issue for any share which has been issued through Subscription.

Where Subscription is effected at such time that no right to participate in the new issue arises, a recalculated Exercise Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by the reputable independent valuation institute in accordance with the following formulae:

Recalculated Exercise Price = (previous Exercise Price) x (the average quoted price of the share during the relevant period stated in the resolution approving the issue ("average price of the share")) / (the average price of the share increased by the value of the subscription right).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the value of the subscription right) / (the average price of the share).

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

The value of the subscription right shall be deemed to be the equivalent of the average calculated mean value, for each trading day during the subscription period, of the highest and lowest quoted paid price on that day according to list on which the subscription rights are quoted. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The Exercise Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by a reputable independent valuation institute ten Business Days after the expiry of the subscription period and shall apply to each Subscription effected thereafter.

If the Company's shares, at the time of the resolution to issue the notes, are not subject to a listing, a corresponding recalculation of the Exercise Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by a reputable independent valuation institute, shall be based on the assumption that the value of the Warrants shall remain unchanged.

Upon Subscription effected during the period prior to the determination of the recalculated Exercise Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, the terms and conditions in sub-section C last paragraph shall apply.

**E Other offers to shareholders**

Where the Company, in circumstances other than those referred to in sub-sections A-D above, makes offers to the shareholders, subject to pre-emption rights for the shareholders in accordance with the principles set out in Chapter 13, section 1 of the Companies Act, to acquire securities or rights of any type from the Company or resolves, in accordance with the principles mentioned above, to distribute such securities or rights to the shareholders without consideration, in conjunction with Subscription which is effected at such time that the shares thereby received do not entitle the holder to participate in the offer, a recalculated Exercise Price as well as a recalculated number of shares for which each Warrant entitles the holder to subscribe shall apply. Recalculations shall be made by a reputable independent valuation institute in accordance with the following formulae:

Recalculated Exercise Price = (previous Exercise Price) x (the average quoted price of the share during the application period for the offer ("average price of the share")) / (the average price of the share increased by the value of the right to participate in the offer ("value of the purchase right")).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the value of the purchase right) / (the average price of the share).

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

Where shareholders have received purchase rights and trading in these has taken place, the value of the right to participate in the offer shall be deemed to be equivalent to the value of the purchase rights. For this purpose, the value of the purchase right shall be deemed to be equivalent to the average calculated mean value, for each trading day during the application period, of the highest and lowest quoted paid price during the day according to list on which the purchase rights are quoted. In the absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

If the shareholders do not receive purchase rights or where such trading in purchase rights as referred to in the preceding paragraph otherwise does not take place, the recalculation of the Exercise Price shall be made as far as possible by applying the principles set out above in this sub-section E and the following shall apply. Where listing of the securities or rights offered to the shareholders takes place, the value of the right to participate in the offer shall be deemed to be equivalent to the average calculated mean value, for each trading day during the period of 10 trading days calculated from the first day of listing, of the highest and lowest transaction prices quoted for trades in such securities or rights reduced, where appropriate, by the consideration paid for these in conjunction with the offer. In the

absence of a quoted paid price, the quoted bid price shall form the basis for the calculation. Days on which neither a paid price nor a bid price is quoted shall be excluded from the calculation of the value of the right to participate in the offer. In the recalculation of the Exercise Price and the number of shares for which each Warrant entitles the holder to subscribe, the period of 10 trading days referred to above shall be deemed to be the application period determined for the offer pursuant to the first paragraph of this Section E.

Where no listing of such securities or rights offered to the shareholders takes place, the value of the right to participate in the offer shall, to the greatest extent possible, be determined based on the change in the market value of the Company's shares which may be deemed to have occurred as a consequence of the offer.

The Exercise Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated in accordance with the above, shall be determined by the Company as soon as possible after it becomes possible to calculate the value of the right to participate in the offer.

If the Company's shares, at the time of the offer, are not subject to a Listing, a corresponding recalculation of the Exercise Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by a reputable independent valuation institute, shall be based on the assumption that the value of the Warrants shall remain unchanged.

Upon Subscription effected during the period prior to the determination of the recalculated Exercise Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, the terms and conditions in sub-section C last paragraph shall apply.

**F Equal treatment of Warrant Holders and shareholders**

Where the Company issues new shares or makes an issue pursuant to Chapters 14 or 15 of the Companies Act, with pre-emption rights for shareholders to subscribe for equity related instruments in exchange for cash payment, the Company may grant all Warrant Holders the same pre-emption rights as the shareholders. In conjunction therewith, each Warrant Holder, irrespective of whether subscription for shares has been made, shall be deemed to be the owner of the number of shares which such Warrant Holder would have received, had Subscription on the basis of the Warrant been effected in respect of the Exercise Price, and the number of shares for which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to issue the shares.

If the Company resolves to make an offer to the shareholders as described in sub-section E above, what has been stated in the preceding paragraph shall apply *mutatis mutandis*. However, the number of shares of which each warrant holder shall be deemed to be the owner shall, in such circumstances, be determined on the basis of the Exercise Price, and the number of shares for which each Warrant entitles the holder to subscribe, in effect at the time of the resolution to make the offer.

If the Company resolves to grant the warrant holders pre-emption rights in accordance with the provisions set out in this sub-section F, no recalculation as set out in sub-sections C, D,

or E above of the Exercise Price and the number of shares for which each Warrant entitles the holder to subscribe for shall be made.

**G Dividend**

If the Company resolves on a cash dividend to the shareholders whereby they would receive dividends that, combined with other dividends resolved during the same fiscal year, deviates by 10 percent or more (extraordinary dividend) from the prognosticated dividend used to determine the option premium from the time the warrants are issued (the prognosticated dividend), shall, upon exercise of the Warrant to subscribe for new shares at such time that the share received does not entitle to such dividend, an adjusted Exercise price and adjusted number of shares for which each Warrant provides right to subscribe for shall be applied. The recalculation shall be based on the entire extraordinary dividend.

The recalculations shall be made by a reputable independent valuation institute in accordance with the following formula:

Recalculated Exercise price = (previous Exercise price x the average quoted price of the share during a period of 10 trading days from the date the share was listed ex rights to extraordinary dividend) / the average quoted price of the share during a period of 10 trading days calculated from the date the share was listed ex rights to extraordinary dividend plus the extraordinary dividend which is paid per share.

Recalculated number of shares for which each Warrant entitles to subscribe = previous number of shares for which each Warrant entitles to subscribed x (the average quoted price of the share during a period of 10 trading days calculated from the date the share is listed ex rights to extraordinary dividend plus the value of the extraordinary dividend paid per share) / the average quoted price of the share during a period of 10 trading days calculated from the date the share is listed ex rights to extraordinary dividend

The adjusted Exercise price and adjusted number of shares, as above, are conducted by a reputable independent valuation institute ten Business Days after the expiry of the aforementioned period of 10 trading days and shall be applied in Subscriptions subsequently completed.

If decision is made regarding a dividend in kind to the shareholders involving an extraordinary dividend, a recalculation of the Exercise price and the number of shares shall be made in accordance with the same principles as in the case of a cash dividend. The calculation of the value of the dividend in kind to be used for the recalculation shall be performed by a reputable independent valuation institute.

**H Reduction of share capital**

If the Company's share capital is reduced though a repayment to the shareholders, and such reduction is compulsory, a recalculated Exercise Price and a recalculated number of shares for which each Warrant entitles the holder to subscribe, shall be applied.

The recalculations shall be made by a reputable independent valuation institute in accordance with the following formulae:

Recalculated Exercise Price = (previous Exercise Price) x (the average quoted price of the share during a period of 10 trading days calculated from the day on which the share is listed

without any right to participate in the distribution (the "average price of the share")) / (the average price of the share increased by the amount repaid per share).

Recalculated number of shares for which each Warrant entitles the holder to subscribe = (previous number of shares for which each Warrant entitled the holder to subscribe) x (the average price of the share increased by the amount repaid per share) / (the average price of the share).

The average price of the share is calculated in accordance with the provisions set out in sub-section C above.

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

Calculated amount to be repaid for each share = (the actual amount repaid for each redeemed share reduced by the average market price of the share during a period of 10 trading days immediately prior to the day on which the share is listed without any right to participate in the reduction (the "average price of the share")) / (the number of shares of the Company which carry an entitlement to the redemption of one share, reduced by 1).

The average exchange price is calculated in accordance with the provisions set out in sub-section C above.

The Exercise Price and number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by a reputable independent valuation institute ten Business Days after the expiry of the above-mentioned period of 10 trading days, and shall apply to each Subscription effected thereafter.

Upon Subscription effected during the period prior to the determination of the recalculated Exercise Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe, the terms and conditions in sub-section C last paragraph shall apply.

If the Company's share capital is reduced through redemption of shares with repayment to the shareholders, where such reduction is not compulsory, but where, in the opinion of the reputable independent valuation institute, the reduction, due to its technical structure and its financial effects, is equivalent to a compulsory reduction, the recalculation of the Exercise Price and the number of shares for which each Warrant entitles the holder to subscribe shall be made, to the greatest extent possible, in accordance with the principles stated above in this sub-section H.

If the Company's shares, at the time of the reduction of the share capital, are not subject to a Listing, a corresponding recalculation of the Exercise Price and the number of shares for which each Warrant entitles the holder to subscribe shall take place. The recalculation, which shall be made by a reputable independent valuation institute, shall be based on the assumption that the value of the Warrants shall remain unchanged.

**I Recalculation shall give a reasonable result**

Should the Company take actions such as those stated in sub-sections A-H above and if, in the Company's opinion, application of the recalculation formula established for such action,

taking into account the technical framework of such action or for other reasons, could not be made or would result in the Warrant Holders receiving, in relation to the shareholders, economic compensation that is not reasonable, a reputable independent valuation institute shall, subject to prior written approval by the board of directors of the Company, make the recalculation of the Exercise Price, and the number of shares for which each Warrant entitles the holder to subscribe to ensure that the recalculation gives a reasonable result.

**J Rounding off**

On recalculation of the Exercise Price in accordance with the above, the Exercise Price shall be rounded off to the nearest SEK 0.10, for which purposes SEK 0.05 shall be rounded downwards and the number of shares shall be rounded off to two decimal places.

**K Liquidation**

In the event it is resolved that the company shall enter into liquidation according to Chapter 25 of the Swedish Companies Act, 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.

**L Mergers according to Chapter 23, section 15 of the Companies Act**

In the event the general meeting approves a merger plan in accordance with Chapter 23, section 15 of the Companies Act, pursuant to which the Company is to be merged into another company, applications for Subscription may not thereafter be made.

Not later than one month prior to a final determination by the Company in respect of a merger as set forth above, notice shall be given to Warrant Holders in accordance with section 11 below in respect of the proposed merger. Such notice shall include the main aspects of the proposed merger plan and a reminder that applications for Subscription may not be made following a final decision regarding the merger in accordance with the provisions set forth in the preceding paragraph.

In the event the Company gives notice regarding a proposed merger in accordance with the above, each Warrant 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 commencing on the date on which notice is given regarding the proposed merger, provided that it is possible to effect Subscription not later than the fifth weekday prior to the general meeting at which the merger plan, pursuant to which the Company is to be merged into another company, is to be approved.

**M Mergers according to Chapter 23, Section 28 of the Companies Act**

If the Company draws up a merger plan in accordance with Chapter 23, Section 28 of the Companies Act, the following shall apply.

If the parent company holds all shares in the Company and the board of directors of the Company announces its intention to draw up a merger plan according the provisions of Chapter 23, Section 28 of the Companies Act, then the Company if the last date for Subscription according to section 4 above occurs after such announcement, shall determine

a new last date for notification of Subscription (the final date). The final date shall occur within 60 days from the announcement.

If a shareholder (the majority shareholder) alone, or jointly with subsidiaries, holds a sufficient portion of all Shares in the Company entitling the majority shareholder the right to initiate compulsory acquisition according to applicable laws of the remaining shares in the Company and if the majority shareholder announces its intention to initiate compulsory acquisition, the preceding sub-paragraph shall apply.

In the event the announcement has been made in accordance with what is stated in this sub-section L, shall - irrespective of what is stated in section 3 above regarding the earliest date for notification of Subscription – the Warrant Holder be entitled to make such notification up to the final date. The Company shall not later than four weeks prior to the final date by notification according to section 11 below remind the Warrant Holder of such right and that notification of Subscription is not permitted after the final date.

**N Miscellaneous**

Notwithstanding the provisions set forth in subsections (K), (L) and (M) above that applications for Subscription may not be made following the adoption of a resolution to place the company in liquidation, the approval of a merger or demerger plan, or the expiry of a new expiration date in conjunction with a merger, the right to make an application for Subscription shall apply in circumstances where the liquidation is terminated or the merger is not carried out.

**O Insolvent liquidation**

If the Company is put into insolvent liquidation, Subscription may not take place through the exercise of Warrants. Where, however, the decision to put the Company into insolvent liquidation is set aside by a higher court, subscription rights shall be reinstated.

**P Special undertaking by the Company**

The Company undertakes not to take any measures set forth in section 8 above that would result in an adjustment of the Exercise Price to an amount less than the from time to time prevailing quota value of the Share.

**9 NOTICES**

Notices relating to these Terms and Conditions shall be provided to each Warrant Holder and any other rights holders registered in Securities Accounts.

**10 AMENDMENTS TO TERMS AND CONDITIONS**

The Company shall be entitled to amend the terms and conditions of the Warrants to the extent required by legislation, decisions of courts of law or decisions of governmental authorities or where otherwise, in the Company's opinion, such is necessary or expedient for practical reasons and provided that the rights of the Warrant Holders are in no way prejudiced.



**11 CONFIDENTIALITY**

The Company and Euroclear may not, without authorisation, disclose information regarding the Warrant Holders to any third party. The Company shall have access to information contained in the register of warrants held by Euroclear which sets out the persons registered as holders of Warrants.

**12 LIMITATION OF LIABILITY**

In respect of measures which it is incumbent on the Company, Euroclear or the Bank to take in accordance with the terms and conditions of the Warrants, taking into consideration the provisions of the Financial Instruments Accounts Act (SFS 1998:1479), neither the Company, Euroclear nor the Bank shall be liable for loss which arises as a consequence of Swedish or foreign legislation, the actions of Swedish or foreign governmental authorities, acts of war, strikes, blockades, boycotts, lockouts, or other similar circumstances. The reservation in respect of strikes, blockade, boycotts, and lockouts shall apply notwithstanding that the Company, Euroclear or the Bank is itself the subject of, or effects, such measures.

Nor shall Euroclear be liable for loss which arises under other circumstances provided Euroclear has duly exercised normal caution. The Company and the Bank shall also enjoy a corresponding limitation of liability. In addition, under no circumstances shall the Company or the Bank be liable for indirect loss.

If the Company, Euroclear or the Bank is unable to perform its obligations as a consequence of a circumstance specified in the first paragraph, such performance may be postponed until such time as the cause for the impediment has terminated.

**13 APPLICABLE LAW AND FORUM**

These terms and conditions and any related legal matters shall be governed by Swedish law. Legal proceedings relating to these terms and conditions shall be brought before the Stockholm District Court or such other forum as is accepted in writing by the Company.