

The Board of Directors' proposal to Vitrolife AB (publ)'s Annual General Meeting to be held on April 27, 2022 regarding Long Term Incentive Program 2022 (LTIP 2022), issue of warrants and transfer of shares and/or warrants (agenda item 19)

The Board of Directors of Vitrolife AB (publ) (the "Company") proposes that the Annual General Meeting passes a resolution on the implementation of a Long-Term Incentive Program 2022 (LTIP 2022). This proposal is divided into five items:

- A. Terms of LTIP 2022
- B. Issue of warrants
- C. Transfer of shares and/or warrants
- D. If item C is not approved, the Board proposes that hedging of LTIP 2022 shall take place via an equity swap agreement with a third party
- E. Other matters related to LTIP 2022

A. Terms of LTIP 2022

A.1 Introduction

The Board wishes to establish a long-term incentive program for certain key employees in order to encourage personal long-term ownership of Vitrolife shares as well as to increase and enhance its ability to recruit, retain and motivate employees. The Board therefore proposes that the Annual General Meeting resolves to implement a long-term performance share program 2022 ("LTIP 2022"). The intention is also to use LTIP 2022 to unite the interest of the employees with the interests of shareholders.

Participants may, after a qualifying period, receive allotments of Vitrolife ordinary shares without consideration¹. Allotment of shares will depend on the fulfilment of a predetermined performance target. The term of LTIP 2022 is more than three years.

A.2 Basic features of LTIP 2022

The LTIP 2022 will be directed towards certain key employees in the Vitrolife Group. The participants are based in Sweden and other countries where the Vitrolife Group is active. Each participant may be entitled, after a certain qualification period (defined below), provided continued employment during the entire period (except from "Good Leavers"), and depending on the fulfilment of a predetermined performance target linked to Vitrolife's total share return (TSR), to receive allotment of Vitrolife shares ("Performance Shares"). The participants shall not pay any consideration for the allotted Performance Shares¹.

A.3 Participation in LTIP 2022

LTIP 2022 is directed towards a maximum of 25 employees, divided in two categories of participants as follows:

¹ Transfer of shares under LTIP 2022 will be made without consideration. However, in connection with the exercise of warrants for shares and transfer of shares and/or warrants in accordance with item C, the participants in LTIP 2022 will need to pay the quota value of the shares in order for the shares to be registered with the Swedish Companies Registration Office.

Categories	Maximum number of shares
1. CEO	50,000
2. Other members of the executive management team/key employees (maximum 24 persons)	25,000 (per person)
<i>Total number of shares</i>	<i>170,000</i>

Any resolution on participation or implementation of LTIP 2022 shall be conditional on that it, in the Board's judgement, can be offered with reasonable administrative costs and financial effects.

A.4 Allotment of Performance Shares

Allotment of Performance Shares within LTIP 2022 will be made during a limited period of time following the Annual General Meeting 2025. The period up to this date is referred to as the qualification period (vesting period). A condition for the participant to receive allotment of Performance Shares is that the participant remains an employee of the Vitrolife Group during the full qualification period up until allotment. Allotment of Performance Shares also requires that the TSR performance target is fulfilled. The Board shall establish a customary definition of Good Leavers and determine whether any allocation shall be made to participants who are considered Good Leavers.

The performance target is based on the Company's total share return ("TSR") during the term of LTIP 2022. TSR is to be calculated based on the volume-weighted average price of the Company's share on Nasdaq Stockholm during the ten (10) business days that follows immediately after the Annual General Meeting 2022, compared with the volume-weighted average price of the Company's share on Nasdaq Stockholm during the last ten (10) business days of the three year period following the Annual General Meeting 2022. The performance target is fulfilled by an average annual TSR of at least 7.5 percent (the minimum level). 0 percent of the Performance Shares will vest at or below the minimum level. 100 percent of the Performance Shares will vest above the minimum level. The outcome will be communicated to the shareholders after the allotment of Performance Shares to the participants.

Prior to the allotment of Performance Shares, the Board shall assess whether the allotment is reasonable in relation to the Company's financial results, position and performance, as well as other factors.

If significant changes take place within the Vitrolife Group, or on the market, which, by the assessment of the Board, would mean that the terms for allocation/transfer of shares according to LTIP 2022 is no longer reasonable, the Board shall have the right to implement an adjustment to LTIP 2022, including, among others, the right to

reduce the number of Performance Shares allocated/transferred, or not to allocate/transfer Performance Shares at all.

A.5 Implementation and administration etc.

The Board, with the assistance of the remuneration committee, shall in accordance with the resolutions by the Annual General Meeting set forth herein be responsible for the detailed design and implementation of LTIP 2022. The Board may also decide on the implementation of an alternative cash based incentive for participants in countries where the allotment of Performance Shares is not appropriate, as well as if otherwise considered appropriate. Such alternative incentive shall to the extent practically possible be designed to correspond to the terms of LTIP 2022.

The intention is that the Board shall launch LTIP 2022 as soon as practically possible after the Annual General Meeting.

B. Issue of warrants

In order to enable delivery of shares under the LTIP 2022 as well as to hedge the financial exposure that the LTIP 2022 is expected to entail, the Board proposes that the Annual General Meeting resolves to issue a maximum number of 229,500 warrants of series 2022/2025, without consideration, to a wholly owned subsidiary of Vitrolife AB (publ) (the "Subsidiary").

Each warrant of series 2022/2025 entitles the holder to subscription for one (1) share in Vitrolife AB (publ) during the period from 9 May 2022, or the later date on which the warrants are registered, up to and including 30 May 2025. Subscription for new shares by way of exercising warrants of series 2022/2025 shall be made at a price per share of SEK 0.204, which corresponds to the quota value of the shares. The exercise price and the number of shares that each warrant of series 2022/2025 entitles may be subject to recalculation in the event of a bonus issue, share split, rights issue, etc., wherein the recalculation terms in the complete terms and conditions of the warrants shall be applied. The subscription of warrants of series 2022/2025 shall be made no later than on 9 May 2022. However, the Board shall be entitled to extend the subscription period. There can be no over-subscription. For complete terms, see Appendix 1 and Appendix A1.

If the warrants of series 2022/2025 are exercised in full, the share capital will increase by SEK 46,818.

C. Approval of transfer of shares and/or warrants and hedging activities

C.1 Number of shares and/or warrants

The Board proposes that the Annual General Meeting resolves to approve that the Subsidiary may transfer a maximum of 170,000 shares and/or warrants to the participants in the LTIP 2022 in connection with allotment of Performance Shares in accordance with the terms set out in section A, as well as dispose of an additional number of maximum 59,500 warrants through transfer of maximum 59,500 warrants to a third party, as a hedging activity in relation to the Company's costs for social security contributions.

C.2 Other conditions for transfer of shares and/or warrants to participants in LTIP 2022

Share transfers to participants in LTIP 2022 shall be made without the participants paying consideration² and shall be carried out at the time and subject to the other conditions under which participants in LTIP 2022 have the right to be allotted Performance Shares.

C.3 Recalculation

The number of shares and/or warrants that might be transferred under LTIP 2022 in accordance with sections C.1 and C.2 above shall be subject to customary re-calculation principles and may, consequently, be subject to re-calculation due to a bonus issue, share split, preferential rights issue, dividends and/or other similar events. Resolutions resolved upon by the Annual General Meeting 2022 shall not be included in a re-calculation of the number of shares.

D. Hedge of LTIP 2022 via an equity swap agreement with a third party

It is the Board's assessment that an issue of warrants to the Subsidiary and transfer of shares and/or warrants from the Subsidiary to the participants in the LTIP 2022 is the most cost-effective method of transferring shares under the LTIP 2022. The board therefore proposes that the delivery of shares to the participants is secured by item C above. Should the necessary majority not be obtained for item C, the Board proposes that a share swap agreement with a third party is entered into in accordance with this item D.

The Board proposes that the Annual General Meeting, should the necessary majority not be obtained for item C above, resolves to secure deliver of shares to the participants in the LTIP 2022, and to hedge the expected financial exposure of LTIP 2022, by the Company entering into a share swap agreement with a third party, whereby the third party in its own name shall acquire and transfer shares in the Company under LTIP 2022. The relevant number of shares shall correspond to the number of shares proposed under item C above.

E. Other matters in relation to LTIP 2022

E.1 Majority requirements etc.

The resolution by the Annual General Meeting regarding the implementation of LTIP 2022 according to item A above shall be conditional on the Annual General Meeting resolving either in accordance with the Board's proposal under item B or C above or in accordance with the Board's proposal under item D above.

The resolution according to item A, B and D above shall require a majority of more than half of the votes cast at the Annual General Meeting. A valid resolution under item C above requires that shareholders representing not less than nine-tenths of the

² Transfer of shares under LTIP 2022 will be made without consideration. However, in connection with the exercise of warrants for shares and transfer of shares and/or warrants in accordance with item C, the participants in LTIP 2022 will need to pay the quota value of the shares in order for the shares to be registered with the Swedish Companies Registration Office.

votes cast as well as the shares represented at the Annual General Meeting approve of the resolution.

E.2 The value, estimated costs, expenses and financial effects of LTIP 2022

The participants' rights to receive Performance Shares under LTIP 2022 are not securities and cannot be pledged or transferred. Neither are any shareholders' rights transferred to participants in the program prior to the day when they receive their Performance Shares and become the owners of the shares. An estimated market value of the conditional rights to receive Performance Shares can however be calculated. Based on a preliminary valuation in accordance with the Black & Scholes valuation formula, the total value of the conditional rights to receive Performance Shares under LTIP 2022 has been calculated to approximately MSEK 26.4, under the following assumptions: a share price at the time of implementation of SEK 296.8, a market-based risk-free interest of 0.6 percent, a volatility of 40 percent and an annual employee turnover of 0 percent.

LTIP 2022 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the share awards should be expensed as personnel costs over the qualification period and will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security contributions will be recognized as an expense in the income statement through regular provisions in accordance with generally accepted accounting principles. The amount of these regular provisions will be revalued in line with the trend in the value of the right to Performance Shares, and the social security contributions that may be payable on the allotment of Performance Shares.

Assuming a share price at the time of implementation of SEK 296.8, that the performance target is achieved so that the Performance Shares vest, a share price increase of 25 percent during the qualification period, average costs for social security contributions and pensions amounting to 35 percent of the benefit value and an annual employee turnover of 0 percent, the total cost for LTIP 2022, including social security costs, is estimated to approximately MSEK 48.5 before tax, corresponding to an estimated annual cost of approximately MSEK 16.2 before tax.

Assuming a share price at the time of implementation of SEK 296.8, that the performance target is achieved so that the Performance Shares vest, a share price increase of 50 percent during the qualification period, average costs for social security contributions and pensions amounting to 35 percent of the benefit value and an annual employee turnover of 0 percent, the total cost for LTIP 2022, including social security costs, is estimated to approximately MSEK 52.9 before tax, corresponding to an estimated annual cost of approximately MSEK 17.6 before tax.

The above calculations are based on a decision on hedging in accordance with item C. In the event that the Annual General Meeting decides on hedging measures regarding LTIP 2022 in accordance with the proposal under item D, costs of approximately MSEK 0.5 – MSEK 1 will be added regarding share swap agreements with third parties.

In the view of the Board, the positive effects expected to arise from LTIP 2022, outweigh the costs associated with LTIP 2022.

E.3 Dilution and effects on key performance ratios

The Board's proposal to resolve on issuance of warrants in accordance with item C above entails a dilution effect corresponding to a maximum of approximately 0.169 per cent of the shares and votes in the Company if the proposed warrants are exercised in full. The dilution effect is calculated as the relation between the additional shares that the warrants will be exercised for and the sum of the current number of shares and the additional shares that the warrants will be exercised for.

The costs of the LTIP 2022 is expected to have only marginal effects on the company's key performance ratios.

E.4 The Board's explanatory statement

An individual long-term ownership commitment among the participants in LTIP 2022 is expected to stimulate greater interest and motivation in the Company's business operations, results and strategy. Moreover, the Board wishes to increase the ability of the Company to retain important executives and other key employees. The Board believes that the implementation of LTIP 2022 will benefit the Company and its shareholders. LTIP 2022 will provide a competitive and motivation-improving incentive for executives and other key employees within the Vitrolife Group.

LTIP 2022 has been designed to reward the participants for increased shareholder value by allotting shares, based on the fulfilment of a performance condition. By linking the employees' remuneration to the development of the Company's results and value, the long-term value growth of the Company is rewarded. Based on these circumstances, the Board considers that the implementation of LTIP 2022 will have a positive effect on the Vitrolife Group's continued development, and will therefore be beneficial to the shareholders and the Company.

E.5 Other share-related incentive programs

The Company has three outstanding share-related incentive programs in accordance with resolutions of previous Annual General Meetings. One of these is called Long-Term Incentive (LTI) and was decided by the Annual General Meeting in 2019. This is a share savings program with performance amounts. The two other incentive programs, Long-Term Incentive Program 2020 ("LTIP 2020") and Long-Term Incentive Program 2021 ("LTIP 2021"), which was decided by the 2020 and 2021 Annual General Meetings, are based solely on performance shares.

The Company's share-related incentive programs are described on page 40-41 in the Company's annual report and also appears in the Board's remuneration report.

E.6 Adjustment Authorization

The Board, or a person appointed by the Board, shall be authorized to make minor adjustments to the above resolutions that may be necessary in connection with the

registration with the Swedish Companies Registration Office and Euroclear Sweden AB respectively.

E.7 Preparation of the item

The basis for LTIP 2022 has been prepared by the Board of the Company. The work has been supported by external advisors and has been made in consultation with shareholders. The Board has thereafter decided to present this proposal for the Annual General Meeting. Except for the staff that have prepared the matter upon instruction from the Board, no employee that may be a participant of LTIP 2022 has participated in the preparations of the program's terms.

Gothenburg, March 2022

Vitrolife AB (publ)

The Board of Directors

The Board of Directors' proposal of issuance of warrants (series 2022/2025)

In order to enable the Vitrolife AB (publ)'s delivery of shares under LTIP 2022, and to hedge the financial exposure that LTIP 2022 is expected to entail, the Board of Directors proposes that the Annual General Meeting resolves to issue not more than 229,500 warrants in accordance with the following:

1. Right to subscription shall, with deviation from the shareholders' pre-emption rights, be granted to a wholly owned subsidiary of Vitrolife AB (publ) (the "**Subsidiary**"). The reason for deviation from the shareholders' pre-emption rights is to implement a long-term incentive program for key employees of Vitrolife AB (publ).
2. Each warrant entitles to subscription for one (1) share in Vitrolife AB (publ) during the period from 9 May 2022, or the later date on which the warrants are registered, up to and including 30 May 2025. Subscription for new shares by way of exercising warrants shall be made at a price per share of SEK 0.204, corresponding to the shares' quota value. The subscription price and the number of shares that each warrant entitles to, may be subject to recalculation in the event of a share split, reverse share split, new issue of shares, etc., in accordance with customary terms of recalculation. The warrants may, in accordance with customary terms of recalculation, be exercised before the subscription period ends in case of, for example, liquidation or a merger where Vitrolife AB (publ) is absorbed by another company. If the warrants are exercised in full the share capital will increase by SEK 46,818.
3. The subscription for the warrants shall take place no later than on 9 May 2022. However, the Board of Directors shall be entitled to extend the subscription period.
4. The warrants shall be issued without consideration.
5. The shares subscribed for by exercise of the warrants shall carry a right to dividends the first time as of the first record day for dividends that occurs after the subscription of shares by way of warrants has been executed.
6. The warrants shall otherwise be governed by the terms and conditions as set out in Appendix A1.

It is further proposed that the board of directors, or any person appointed by the board of directors, is authorized to make any minor adjustments required for registration at the Swedish Companies Registration Office.

There can be no over-subscription.

Terms and Conditions for Warrants 2022/2025**1. Definitions**

In these terms and conditions, the following terms shall have the following meanings.

"business day"	A day other than a Sunday or other public holiday in Sweden or as regards payment of debt is not equated with a public holiday;
"Bank"	The account operator which the Company, from time to time, appoints to act as the Bank in accordance with these terms and conditions;
"Company"	Vitrolife AB (publ) corporate registration number 556354-3452;
"Euroclear"	Euroclear Sweden AB or other central securities depository pursuant to the Swedish Financial Instruments Act (1998:1479);
"holder"	Any holder of warrants;
"LTIP 2022"	The long-term incentive program resolved upon by the annual general meeting held on 27 April 2022;
"market quotation"	Trading on a regulated market or other organized marketplace;
"subscription"	Such subscription of new shares in the Company through the exercise of a warrant in accordance with Chapter 14 of the Swedish Companies Act (2005:551);
"warrant"	The right to subscribe for a share in the Company with payment in cash in accordance with these terms and conditions.

2. Warrants

The number of warrants amounts to not more than 229,500.

The Company shall issue warrant certificates payable to a certain person or order, representing a warrant or multiples thereof. At request of the holder of warrants, the Company carries out replacement and exchange of warrant certificates.

The board of directors of the Company shall have the right to decide that the warrants shall be registered by Euroclear in a securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479). In the event such a decision is not taken,

paragraphs four to seven below shall not apply. In the event such a decision is taken, paragraph four to six below shall apply instead of what is stated in the second paragraph above.

The holder of warrants shall, following that decision in accordance with the previous paragraph has been taken, on the Company's notification be obliged immediately to the Company or Euroclear submit all warrant certificates representing the warrants and notify the Company of the necessary information regarding the securities account in which the warrants of the holder shall be registered in accordance with the below.

The warrants shall be registered by Euroclear in a securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) and, as a consequence, no physical securities shall be issued.

The warrants are registered on behalf of the holder at an account in the Company's securities depository register. Registration of the warrants as a consequence of measures according to section 5, 6, 7 and 11 below shall be made by the Bank. Other registration measures with respect to the account shall be made by the Bank or other account operator.

In the event that the board of directors has taken such a decision stated in the third paragraph above, the board shall thereafter be free to, with the restrictions that may follow by law or any other regulation, decide that the warrants should no longer be registered with Euroclear in a securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479). In the event such latter decision is taken, the second paragraph above shall apply instead of what is stated in the fourth to sixth paragraphs above.

3. The Right to Subscribe for New Shares

The holder shall for each warrant have the right to subscribe for one (1) new share in the Company.

The exercise price shall be at a price of SEK 0.204 per share, corresponding to the quota value of the shares.

Recalculation of the exercise price as well as the number of new shares, which each warrant entitles to subscription for, can be made in the cases set forth in section 7 below. However, if such recalculation results in that the exercise price will be below the par value of the share of the Company, the exercise price shall continue to correspond to the par value.

Subscription can only be made for the entire number of shares, to which the aggregate number of warrants, that each holder wishes to exercise at the same time, entitles. At such subscription, any excess part of the warrant should be disregarded, which thus cannot be utilized. Such excess amount of the warrant matures thereby without compensation.

4. Application for Subscription and Payment

Application for subscription of shares can occur during the period from 9 May 2022, or the later date on which the warrants are registered, up to and including 30 May 2025 or from and including and up to and including such earlier day as set forth in section 7 below. If

application for subscription under the in the previous sentence specified time is not made, any rights under the warrants are invalid.

Upon such application, a written and completed application form, in accordance with a pre-established form, shall be filed with the Company or other party designated by the Company. Where appropriate, the holder shall simultaneously submit to the Company the warrant certificates representing the number of warrants that the application for subscription concerns. The application for subscription is binding and cannot be revoked by the subscriber.

At the application of subscription, payment in cash shall immediately be made for the number of shares to which the application for subscription refers. Payment shall be made to the account designated by the Company.

5. Registrations in the Share Register etc.

During the time the Company is not registered by Euroclear

Following the allocation, the subscription is effected by the Company's registration of the new shares in the Company's share register as interim shares. When the Swedish Companies Registration Office has registered the new shares, the Company's registration of the new shares in the Company's share register becomes final. As set out in section 7 below, such final registration may under certain circumstances be delayed.

During the time the Company is registered by Euroclear

Following the allocation, the subscription is effected by registration of the new shares in the VP-account as interim shares. When the Swedish Companies Registration Office has registered the new shares, the registration of the new shares at the VP-account becomes final. As set out in section 7 below, such final registration may under certain circumstances be delayed.

6. Dividend on New Shares

During the time the Company is not registered by Euroclear

Shares issued as a consequence of subscription shall be entitled to such dividend which is resolved after the execution of the subscription.

During the time the Company is registered by Euroclear

Shares issued as a consequence of subscription shall be entitled to dividend for the first time on the record day for dividend occurring immediately after the execution of the subscription.

7. Re-Calculation of the exercise price etc.

- (a) In the event the Company carries out a bonus issue – where application for subscription is made at such time that the subscription cannot be effected on or before the tenth calendar day prior to the shareholders' meeting regarding the

bonus issue – such subscription shall be effected only after a resolution with respect to the bonus issue has been passed by the shareholders’ meeting. Shares allotted as a consequence of a subscription effected after the resolution to carry out the issue are temporarily registered at the VP-account and do not entitle the holders to participate in the bonus issue. The final registration at the VP-account will occur first after the record day for the bonus issue.

If the Company is not registered by Euroclear at the time of the general meeting’s resolution on the issue, shares issued as a consequence of a subscription that is carried out at the time of the general meeting shall be entitled to participate in the issue.

In connection with subscriptions effected after the resolution regarding the bonus issue, the exercise price as well as the number of shares to which each warrant entitles the holders to subscribe for shall be recalculated. The recalculations shall be carried out by the Company in accordance with the following formulas:

$$\text{recalculated exercise price} = \frac{\text{the previous exercise price} \times \text{the number of shares prior to the bonus issue}}{\text{the number of shares following the bonus issue}}$$

$$\text{the recalculated number of shares that each warrant entitles to subscription for} = \frac{\text{the previous number of shares that each warrant entitles to subscription of} \times \text{the number of shares prior to the bonus issue}}{\text{the number of shares following the bonus issue}}$$

The exercise price as well as the number of shares, recalculated in accordance with the above, shall be determined by the Company as soon as possible following the resolution of the shareholders’ meeting regarding the bonus issue but shall not be applied prior to the record day for the issue.

- (b) In the event the Company carries out a reverse share split or a share split, subsection (a) above shall apply, whereby the record day shall be the day when the reverse share split or share split, respectively, is registered with Euroclear, upon the request of the Company.
- (c) In the event the Company carries out a new issue of shares with payment in cash or by way of set off, with preferential rights for the shareholders, the following shall apply with respect to the right to participate in the share issue as regards shares allocated as a consequence of exercise of warrants:
 - (i) Should the board of directors resolve to issue shares subject to the approval of the shareholders’ meeting, or in accordance with an authorization of the shareholders’ meeting, the resolution to issue shares shall set forth the last date upon which the subscription shall be effected in order for the shares, allocated as a consequence of exercise of warrants, to entitle the holders

to participate in the issue of new shares. Such date may not be earlier than the tenth calendar day following the resolution.

- (ii) Should the shareholders' meeting resolve to issue new shares, applications for subscription that is made at such time that it cannot be effected on or before the tenth calendar day prior to the shareholders' meeting regarding the issue of new shares shall be effected only after the Company has made the recalculation in accordance with this subsection (c) third last paragraph. Shares allotted in accordance with such subscription are temporarily registered at the VP-account and do not entitle the holders to participate in the issue.

If the Company is not registered by Euroclear at the time of the general meeting's resolution on the issue, shares issued as a consequence of a subscription that is carried out at the time of the general meeting shall be entitled to participate in the issue.

A recalculated exercise price, as well as a recalculated number of shares to which each warrant entitles to, is applied to subscriptions which are effected at such times that a right to participate in new issues of shares does not arise. The recalculations shall be carried out by the Company in accordance with the following formulas:

$$\text{recalculated exercise price} = \frac{\text{the previous exercise price} \times \text{the share's average transaction price during the subscription period set forth in the resolution regarding the issue (the average price of the share)}}{\text{the average price of the shares increased by the theoretical value of the subscription right calculated on the basis thereof}}$$

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

The average price of the share shall be deemed to be equivalent to the average of the highest and lowest transaction price for the share according to the market quotation for each trading day during the subscription period. In the event that no transaction price is quoted, the bid price that is quoted as the closing price shall instead form the basis of the calculation. Days for which there are neither a transaction price nor a bid price, shall not be included in the calculation. The theoretical value of the subscription right shall be calculated in accordance with the following formula:

$$\frac{\text{the value of the subscription right}}{\text{the maximum number of new shares that may be issued pursuant to the resolution} \times (\text{the average price of the share} - \text{the exercise price for the new share})} = \text{the number of shares prior to the resolution regarding the issue of new shares}$$

Shares held by the Company or by subsidiaries of the Company shall not be considered in connection with the recalculation in accordance with the formula above. In the event of a negative value, the theoretical value of the subscription right shall be determined to be zero.

The recalculated exercise price and the recalculated number of shares set forth above shall be determined by the Company two business days following the expiration of the subscription period and shall apply to subscriptions effected thereafter.

If the Company's shares are not subject to a market quotation, the recalculated exercise price and number of shares which each warrant entitles the holder to shall be determined in accordance with the principles set out in this paragraph by an independent valuer appointed by the Company. Recalculation shall be based upon that the value of the warrants shall remain unchanged.

Subscriptions shall only be effected on a preliminary basis during the period up to the date upon which the recalculated exercise price and the recalculated number of shares to which each warrant entitles to are determined, whereby the number of shares that each warrant entitles to, before recalculation, will be temporarily registered at the VP-account. It is further noted that each warrant, following recalculation, may entitle to additional shares. Final registration at the VP-account will be made when the recalculations have been determined. If the Company is not registered by Euroclear, the subscription for new shares is effected by the Company's registration of the new shares in the Company's share register as interim shares. Final registration in the share register will be made when the recalculation of the exercise price and the recalculation of the number of shares which each warrant entitle the holder to have been determined.

- (d) In the event the Company carries out an issue in accordance with Chapters 14 or 15 of the Swedish Companies Act with payment in cash or by way of set off, with preferential rights for the shareholders, the provisions contained in subsection (c), first paragraph, subsections (i) and (ii), and subsection (c) second paragraph, shall apply with respect to the right to participate in the issue for shares which were allotted as a consequence of subscription through exercise of warrants.

In connection with subscriptions effected at such times that the right to participate in new issues of shares does not arise, a recalculated exercise price as well as a recalculated number of shares to which each warrant entitles to subscription for shall be applied. The recalculations shall be made by the Company in accordance with the following formula:

$$\begin{array}{lcl} \text{recalculated} & & \text{the previous exercise price x the share's average} \\ \text{exercise price} & = & \text{transaction price during the subscription period set} \\ & & \text{forth in the resolution regarding the issue (the average} \\ & & \text{price of the share)} \\ & & \hline & & \text{the average price of the shares increased by the value} \\ & & \text{of the subscription right} \end{array}$$

$$\begin{array}{lcl} \text{the recalculated} & & \text{the previous number of shares which each warrant} \\ \text{number of shares} & & \text{entitles to subscription for x (the average price of the} \\ \text{that each warrant} & = & \text{shares increased by the value of the subscription right)} \\ \text{entitles to} & & \hline \text{subscription for} & & \text{the average price of the share} \end{array}$$

The average price of the share shall be calculated in accordance with the provisions set forth in subsection (c) above.

The value of the subscription right shall be deemed to correspond to the average of the highest and lowest transaction price of each trading day for the subscription right according to the market quotation, for each trading day during the subscription period. In the event no transaction price is quoted, the bid price which is quoted as the closing price shall form the basis of the calculation. Days for which there are neither a transaction price nor a bid price shall not be included in the calculation.

The recalculated exercise price and the recalculated number of shares as set forth above shall be determined by the Company two business days following the expiration of the subscription period and shall apply to subscriptions effected thereafter.

If the Company's shares are not subject to a market quotation, the re-calculated exercise price and the re-calculated number of shares which each warrant entitles the holder to shall be determined in accordance with the principles set out in this paragraph by an independent valuer appointed by the Company. Recalculation shall be based upon that the value of the warrants shall remain unchanged.

To a subscription effected during the period prior to the determination of the recalculated exercise price and the recalculated number of shares, the provisions in subsection (c), final paragraph above, shall apply.

- (e) In the event the Company, under circumstances other than those set forth in subsections (a) through (d) above, directs an offer to the shareholders, with preferential right pursuant to Chapter 13 § 1 of the Swedish Companies Act, to purchase securities or rights of any type from the Company, or where the Company resolves, pursuant to the principles set forth above, to distribute to its shareholders such securities or rights free of charge (the "offer"), a recalculated exercise price as well as a recalculated number of shares that each warrant entitles to subscription for, shall apply to subscription for shares made at such time that shares allocated

as a consequence of such subscription do not entitle the holders to participate in the offer. The recalculation shall be made by the Company in accordance with the following formula:

$$\text{recalculated exercise price} = \frac{\text{the previous exercise price} \times \text{the share's average transaction price during the application period set forth in the offer (the average price of the share)}}{\text{the average price of the share increased by the value of the right to participate in the offer}}$$

$$\text{the recalculated number of shares that each warrant entitles to subscription for} = \frac{\text{the previous number of shares which each warrant entitles to subscription for} \times \text{(the average price of the shares increased by the value of the purchase right)}}{\text{the average price of the share}}$$

The average price of the share shall be calculated in accordance with the provisions set forth in subsection (c) above.

In the event the shareholders have received purchase rights, and trading with these rights has occurred, the value of the right to participate in the offer shall be deemed to be equal to the value of the purchase right. The value of the purchase right shall be deemed to correspond to the average of the highest and lowest transaction price for the purchase right on the market quotation for each trading day during the subscription period. In the event no transaction price is quoted, the bid price which is quoted as the closing price shall form the basis of the calculation. Days for which there are neither a transaction price nor a bid price shall not be included in the calculation.

In the event that the shareholders have not received purchase rights, or if trade in the purchase rights as referred to in the preceding paragraph has not taken place, a recalculation of the exercise price and the number of shares shall be made, to the extent possible, in accordance with the principles set forth in this subsection (e), whereby the following shall apply. Where the securities or rights which are offered to the shareholders are listed, the value of the right to participate in the offer shall be deemed to correspond to the average of the highest and lowest transaction price for these securities or rights on the market quotation for each trading day during a period of twenty-five (25) trading days commencing on the first day of the listing, where applicable, decreased by the consideration paid for such securities in connection with the offer. In the event no transaction price is quoted, the bid price which is quoted as the closing price shall form the basis of the calculation. Days for which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation. Upon recalculation of the exercise price and the number of shares in accordance with this paragraph, the application period as set forth in the offer shall be deemed to correspond to the above mentioned period of twenty-five (25) trading days. In the event a listing of the securities or rights which are offered to the shareholders does not take place, the value of the right to

participate in the offer shall, to the extent possible, be established based upon the change in the market value of the Company's shares which may be deemed to have arisen as a consequence of the offer.

The exercise price and the number of shares, as recalculated in accordance with the above, shall be determined by the Company as soon as possible after the expiration of the application period and shall apply to subscription for shares effected thereafter.

To a subscription effected during the period prior to the determination of the recalculated exercise price and the recalculated number of shares, the provisions in subsection (c), final paragraph above, shall apply.

- (f) In the event the Company carries out an issue of new shares or an issue pursuant to Chapters 14 or 15 of the Swedish Companies Act with payment in cash or by way of set off, with preferential right for the shareholders, the Company may grant all holders the corresponding preferential right which, according to the resolution, the shareholders have. In such a situation, each holder, irrespective of whether subscription has been effected, shall be deemed to be the owner of such number of shares which the holder would have received had subscription of such number of shares that each warrant entitled to been effected at the time of the resolution regarding the issue.

Should the Company resolve to direct such an offer, as specified in subsection (e) above to the shareholders, the provisions set forth in the preceding paragraph shall apply. However, the number of shares which the holders shall be deemed to hold in such case shall be determined on the basis of the exercise price applicable at the time of the resolution regarding the offer.

In the event the Company resolves to grant the holders preferential right in accordance with the provisions set forth in this subsection (f), no recalculation shall take place in accordance with subsections (c), (d) or (e) above.

- (g) In the event the Company resolves to pay a cash dividend to the shareholders which, together with other dividends paid during the same financial year, exceeds fifteen (15) per cent of the share's average price during a period of twenty-five (25) trading days immediately prior to the date upon which the board of directors of the Company announces its intention to propose that the shareholders' meeting resolves upon such dividend, shall a recalculated exercise price and a recalculated number of shares apply to application of subscription made at such time that the shares received do not entitle the shareholder to receive such dividend. The recalculation shall be based on the portion of the total dividend exceeding fifteen (15) per cent of the share's average price during the abovementioned period (the "extraordinary dividend"). The recalculations shall be carried out by the Company in accordance with the following formulas:

$$\begin{aligned}
 &\text{recalculated exercise price} = \frac{\text{the previous exercise price} \times \text{the share's average transaction price during a period of 25 trading days commencing on the date the share was listed without a right to an extraordinary dividend (the average price of the share)}}{\text{the average price of the share increased by the value of the extraordinary dividend paid per share}} \\
 \\
 &\frac{\text{the recalculated number of shares that each warrant entitles to subscription for}}{\text{the average price of the share}} = \frac{\text{the previous number of shares which each warrant entitles to subscription for} \times \text{(the average price of the shares increased by the value of the extraordinary dividend paid per share)}}{\text{the average price of the share}}
 \end{aligned}$$

The average price of the share shall be deemed to be equivalent to the average of the highest and lowest transaction price according to the market quotation for each trading day during the aforementioned twenty-five (25) day period. In the event no transaction price is quoted, the bid price which is quoted as the closing price shall instead form the basis of the calculation. Days for which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation.

The recalculated exercise price and number of shares in accordance with the above shall be determined by the Company two business days after the expiration of the aforementioned period of twenty-five (25) trading days, and shall apply to subscriptions effected thereafter.

If the Company's shares are not subject to a market quotation and it is resolved on a cash dividend to the shareholders which means that the shareholders receive dividends which, together with other dividends paid during the same financial year, exceeds one hundred (100) per cent of company's profit after tax for the financial year and fifteen (15) per cent of the company's value, shall, to application of subscription made at such time that the shares received do not entitle the shareholder to receive such dividend, a recalculated exercise price and a recalculated number of shares that each warrant entitles the holder to subscribe for. The recalculation shall be based on the part of the total dividend that exceeds one hundred (100) per cent of the company's profit after tax for the financial year and to fifteen (15) per cent of the company's value and shall be determined in accordance with the principles set out in this paragraph by an independent valuer appointed by the Company. The recalculation shall be based upon that the value of the warrants shall remain unchanged, with, as regards the group contributions, taking into account the reduction in tax expenses for the company which results from the group contribution.

If an application for subscription has taken place but, due to the provisions in section 6 above, final registration at the VP-account has not taken place, it shall be noted that each warrant following recalculations may entitle to additional shares.

Final registration at the VP-account takes place after the recalculation made by the Company, however, not earlier than at the point of time set forth in section 6 above. If the Company is not registered by Euroclear, the subscription for new shares is effected by the Company's registration of the new shares in the Company's share register as interim shares. Final registration in the share register will be made when the recalculation of the exercise price and the recalculation of the number of shares which each warrant entitle the holder to have been determined.

- (h) If the Company's share capital is reduced together with a distribution to the shareholders, and such reduction is compulsory, a recalculated exercise price and a recalculated number of shares that each warrant entitles to subscription for shall apply. The recalculations shall be made by the Company in accordance with the following formulas:

$$\text{recalculated exercise price} = \frac{\text{the previous exercise price} \times \text{the share's average transaction price during a period of 25 trading days commencing on the date the share was listed without a right to repayment (the average price of the share)}}{\text{the average price of the share increased by the amount distributed per share}}$$

$$\text{the recalculated number of shares that each warrant entitles to subscription for} = \frac{\text{the previous number of shares which each warrant entitled the holder to subscribe for} \times \text{(the average price of the shares increased by the amount distributed per share)}}{\text{the average price of the share}}$$

The average price of the share shall be calculated in accordance with the provisions set forth in subsection (c) above.

In connection with recalculation in accordance with above, and if the reduction in the share capital is effected through redemption of shares, a recalculated amount of repayment shall be used in lieu of the actual amount per share that is repaid, in accordance with the following:

$$\text{recalculated repayment amount per share} = \frac{\text{the actual amount repaid per redeemed share reduced by the average transaction price of the share for a period of 25 trading days immediately prior to the date upon which the share was listed without a right to participate in the reduction (the average price of the share)}}{\text{the number of shares in the Company upon which the redemption of a share is based, decreased by one (1)}}$$

The average price of the share shall be calculated in accordance with the provisions set forth in subsection (c) above.

The recalculated exercise price and number of shares set forth above shall be determined by the Company two banking days after the expiration of the aforementioned period of twenty-five (25) trading days and shall apply to subscriptions effected thereafter.

Subscription is not effected during the time from the resolution regarding the reduction up to and including the day when the recalculation of the exercise price and the number of shares is determined as set out above. In the event the Company's share capital is reduced through a redemption of shares with repayment to the shareholders and the reduction is not mandatory, or if the Company, without a reduction of the share capital, should carry out a re-purchase of the Company's shares, and when in the opinion of the Company, considering the technical structure and the financial effects of such measure, it can be viewed as a mandatory reduction, recalculation of the exercise price and the number of shares that each warrant entitles to subscription for shall take place by application, to the extent possible, of the principles specifically set forth above in this subsection (h).

If the Company's shares are not subject to a market quotation, the recalculated exercise price and the recalculated number of shares which each warrant entitles the holder to shall be determined in accordance with the principles set out in this paragraph by an independent valuator appointed by the Company. Recalculation shall be based upon that the value of the warrants shall remain unchanged.

- (i) If the Company carries out a change of share capital currency, meaning that the Company's share capital shall be determined in currencies other than Swedish kronor, the exercise price shall be converted into the currency that the share capital is fixed in, and thereby rounded to two decimals. Such currency conversion is to be implemented by applying the exchange rate used for conversion of the share capital at the currency exchange.

The above recalculated exercise price shall be determined by the Company and shall apply to subscriptions made as of the date on which the change of share capital currency takes effect.

- (j) In the event the Company carries out any measure as set forth above in subsections (a) – (e) or subsections (g) – (i) above, and it is the opinion of the Company, considering the technical structure of the measure, or due to any other reason, that the application of the intended recalculation formula may not be used, or would lead to an unreasonable financial return for the holders of the warrants compared to that of the shareholders, the Company shall carry out a recalculation of the exercise price and the number of shares that each warrant entitles to subscription for, for the purpose of ensuring that such recalculation leads to a fair result.
- (k) In connection with recalculations in accordance with the above, the exercise price shall be rounded off to the nearest tenth of a Swedish krona (SEK 0.10), whereby

SEK 0.05 shall be rounded upwards and the number of shares shall be rounded down to the nearest number of whole shares. In the event that the exercise price is determined in currencies other than Swedish kronor, at conversions as described above, the exercise price shall instead be rounded off to two decimals.

- (l) In the event it is resolved that the Company shall enter into liquidation in accordance with Chapter 25 of the Swedish Companies Act, irrespective of the grounds for such liquidation, subscription may not be effected thereafter. The right to apply for subscription shall expire upon the resolution to liquidate the Company irrespective of whether such resolution has entered into effect.

Notice in accordance with section 9 below with respect to the intended liquidation shall be given to all known holders at a date not later than two months prior to the date of the shareholders' meeting regarding the voluntary liquidation of the Company pursuant to Chapter 25 Section 1 of the Swedish Companies Act. The notice shall state that applications for subscriptions may not be made following the resolution by the shareholders to liquidate the Company.

In the event the Company gives notice of the intended liquidation in accordance with the above, each holder, regardless of what is stated in section 4 regarding the earliest date upon which to apply for subscription, shall be entitled to apply for subscription from the date upon which the notice is given, provided that it is possible to effect such a subscription no later than on the tenth calendar day prior to the shareholders' meeting at which the liquidation shall be resolved upon.

- (m) In the event the shareholders' meeting approves a merger plan pursuant to Chapter 23 Section 15 of the Swedish Companies Act, whereby the Company is to be merged into another company, application for subscription may not be effected after such date.

Notice in accordance with section 9 below with respect to the intended merger shall be given to all known holders at a date not later than two months prior to the date of the shareholders' meeting regarding the merger. The notice shall set forth the substantial content of the intended merger plan and remind the holders that applications for subscriptions may not be made following the adoption of the final resolution regarding the merger by the shareholders as stated in the previous paragraph.

In the event the Company gives notice of the intended merger in accordance with the above, each holder, regardless of what is stated in section 4 regarding the earliest date upon which to apply for subscription, shall be entitled to apply for subscription from the date upon which the notice regarding the intended merger is given, provided that it is possible to effect the subscription no later than on the tenth calendar day prior to the shareholders' meeting at which the merger plan, whereby the Company shall be merged into another company, shall be approved.

- (n) In the event the Company's board of directors prepares a merger plan in accordance with Chapter 23 Section 28 of the Swedish Companies Act pursuant to which the Company shall be merged into another company the following shall apply.

In the event the Company's board of directors announces its intention to prepare a merger plan in accordance with the provisions specified in the preceding paragraph, the Company shall establish a new final day for application for subscriptions ("expiration date") in the event the final day for share subscription pursuant to section 4 above falls on a day after the announcement. The new expiration date shall be set at a date within sixty (60) days after the announcement.

Where announcement has been made in accordance with the provisions set forth above in this subsection (n), the holders shall be entitled to apply for subscription until the expiration date, regardless of the provisions stated in section 4 above with respect to the earliest date upon which the subscription can be effected. The Company shall provide written notice in accordance with section 9 to the known holders not later than four weeks prior to the expiration date with respect to this right and the fact that the holder may not apply for subscription after the expiration date.

- (o) In the event the shareholders' meeting approves a de-merger plan in accordance with Chapter 24 Section 17 of the Swedish Companies Act, whereby the Company is divided by all of its assets and liabilities being transferred to two or several other companies, application for subscription may not be made after such date.

Notice with respect to the intended de-merger shall be given in accordance with section 9 above to all known holders at a date not later than two months prior to the date of the shareholders' meeting regarding the de-merger. The notice shall include a description of the main provisions of the intended de-merger plan and remind the holders that applications for subscriptions may not be made following the final resolution regarding the de-merger.

In the event the Company gives notice of the intended de-merger in accordance with above, each holder, regardless of what is stated in section 4 regarding the earliest date upon which to apply for subscription, shall be entitled to apply for subscription from the date upon which the notice is given, provided that it is possible to effect the subscription no later than on the tenth calendar day prior to the shareholders' meeting at which the demerger shall be resolved upon.

- (p) Notwithstanding what is set forth in subsections (l), (m), (n) and (o) above regarding that subscription may not take place following a resolution to liquidate the Company, the approval of a merger plan, after the new expiration date in connection with a merger, or approval of a de-merger plan, the right to apply for subscription shall apply in the event the liquidation is terminated or the merger or de-merger is not carried out.
- (q) In the event the Company is placed into bankruptcy, application for subscription may not thereafter be made. In the event, however, that the order placing the Company into bankruptcy is annulled by a court of higher instance, subscription may again take place.

8. Broker

For warrants that are registered in the name of a bank trust department or with a private securities broker according to the Swedish Financial Instrument Accounts Act (1998:1479), the trust department or the private securities broker shall be considered as the holder under these terms and conditions.

9. Notices

Notices relating the warrants shall be sent to holders who in writing have noticed their postal address to the Company.

In the event the warrants are registered by Euroclear in a securities depository register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479), the notices relating to the warrants shall, instead of what is stated in the preceding paragraph, be provided to each registered holder and other person holding a right that is registered at a VP-account in the Company's securities depository register.

If the warrants are subject to market quotation, the market place shall also be notified and the notice shall be published in accordance with rules of the market place.

10. The Right to Represent Holders

Without special authorization from the holders, the Bank is authorized to represent the holders in issues of a formal nature relating to the terms of the warrants.

11. Amendments of Terms and Conditions

The Company may make amendments of these terms and conditions if required by law, court decisions or decisions by authorities or if it otherwise – according to the Company's opinion – is appropriate or necessary due to practical reasons and the holders' rights are not materially deteriorated.

12. Confidentiality

The Company, the Bank and Euroclear may not unauthorized disclose information to a third party regarding the holders. The Company has the right to get the following information from Euroclear regarding the holder's account with Euroclear in the Company's securities depository register:

1. the holder's name, social security number or any other identification number and the postal address, and
2. the number of warrants.

13. Limitations Regarding the Responsibility of the Company, the Bank and Euroclear

For the measures that shall be taken by the Company, the Bank and Euroclear – regarding Euroclear with respect to the provisions in the Swedish Financial Instrument Accounts Act (1998:1479) – the Company, the Bank and Euroclear is not liable for damages as a consequence of Swedish or other countries' legislative amendments, the actions of governmental agencies in Sweden or other countries, acts of war, strikes, blockades, boycotts, lockouts or similar measures. The reservation with respect to strikes, blockades, boycotts and lockouts is applicable even where the Company, the Bank or Euroclear has taken or is the object of such measures.

Furthermore, the Company, the Bank and Euroclear are not liable to compensate for damages arising in situations in which the Company, the Bank and Euroclear have exercised a normal standard of care. The Company, the Bank and Euroclear is not under any circumstances liable to pay compensation for indirect damages.

In the event the Company, the Bank or Euroclear is not able to make a payment or take any other measure due to circumstances set forth in the first paragraph, the payment or the measures may be postponed until such a time that the impediment has been removed.

14. Applicable Law and Arbitration

These terms and conditions for the warrants and all legal issues related hereto shall be governed by Swedish law.

Any dispute arising out of, or in connection with, these terms and conditions shall be finally settled by arbitration in accordance with the Rules of Arbitration of the Stockholm Chamber of Commerce. The place of arbitration shall be Stockholm. The language to be used in the arbitral proceedings shall be Swedish.

Arbitral proceedings conducted with reference to this arbitration clause shall be kept strictly confidential. This confidentiality undertaking shall cover all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed to a third party. In case warrants are assigned or transferred to a third party, such third party shall automatically be bound by the provisions of this arbitration clause.
