

**NB! CORRECTED VERSION 10 AUGUST 2010**

**The term of the warrants and stock options is two years**

**Documents to be presented at the  
Extraordinary General Meeting in**

**Betsson AB (publ)**

23 August 2010

## **Agenda**

**for the Extraordinary General Meeting with the shareholders in Betsson AB to be held on Monday 23 August 2010 at 10.00 a.m. CET at the Company's office at Regeringsgatan 28 in Stockholm.**

### **Proposed Agenda**

1. Election of Chairman of the Meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to certify the minutes
5. Establishment of whether the Meeting has been duly convened
6. Resolution regarding incentive programme based on warrants
7. Resolution regarding incentive programme based on stock options for employees abroad
8. Resolution to authorise the Board of Directors to resolve to issue warrants and transfer of its own shares.
9. Close of the Meeting

### **The Board of Directors' Proposals**

The following proposals have the same numbering as set forth in the Board of Director's proposed agenda.

#### **Resolution regarding incentive programme based on warrants (item 6)**

##### *Issue of warrants*

The Board of Directors proposes that the Extraordinary General Meeting resolves to issue not more than 500,000 warrants within the scope of an employee incentive programme for approximately 20 senior executives and key employees. The programme is mainly intended for employees within the group in Sweden. It is proposed that the Board of Directors shall be authorised to resolve that also employees within the group resident in other countries than Sweden shall be offered to participate in the programme. The warrants shall, with disapplication from pre-emption rights, be able to be subscribed for by AB Restaurang Rouletter. Each warrant shall entitle the holder to subscribe for one new Betsson Class B share during the period from the day after the announcement of the company's interim report for Q3 ~~2013~~2012, however no later than 1 December ~~2013~~2012, up to and including 31 December ~~2013~~2012 at an exercise price corresponding to 120 per cent of the average closing price of the Betsson Class B share on the NASDAQ OMX Stockholm from 16 August 2010 up to and including 27 August 2010. The subscription price calculated in accordance with the above shall be rounded to the closest 0.10 SEK, where 0.05 SEK shall be rounded down. Allocation of warrants in accordance with the above-mentioned proposal may take place only to the extent that the total number of warrants

according to the above-mentioned program and the incentive program for employees abroad under item 7 below does not exceed 900,000 options. If all 900,000 warrants or options are exercised, the share capital of the company will increase by SEK 1,800,000, corresponding to a dilution of approximately 2.2 per cent of the company's share capital and 1.0 per cent of the votes.

The warrants shall be subscribed for not later than on 30 September 2010. The warrants shall be issued free of charge. The full terms and conditions for the warrants are presented in **Appendix A**.

It is further proposed that the Chairman should be authorised to undertake such minor adjustments in the decision that may be required for the registration with the Companies Registration Office and Euroclear Sweden AB.

The Board of Directors and the auditor's statement in accordance with Chapter 14, Section 8 of the Swedish Company Act are attached as **Appendix 1**.

#### *Transfer of the warrants*

The following terms and conditions shall be applied to the further transfer of the warrants.

The issued warrants shall, with disapplication from pre-emption rights, be able to be subscribed for by AB Restaurant Rouletter – a wholly owned subsidiary to Betsson AB – whereafter this company shall offer the warrants to senior executives and other key employees within the group. The programme is mainly intended for employees within the group in Sweden. It is proposed that the Board of Directors shall be authorised to resolve that also employees within the group resident in other countries than Sweden shall be offered to participate in the programme. The transfer of the warrants shall be made at a price corresponding to the market value of the warrants, calculated according to the Black & Scholes valuation formula. The valuation of the warrants shall be made by an independent appraiser or auditor firm. The company shall in connection with the transfer of the warrants to the employees reserve a pre-emption right regarding the warrants if the holder's employment within the group is terminated or if the holder wishes to transfer its warrants.

The allocation of the warrants shall be decided by the Board of Directors in accordance with the following guidelines. The company's CEO may purchase up to 90,000 warrants, certain senior executives may each purchase up to 50,000 warrants and other key employees in the group may each purchase up to 35,000 – 8,400 warrants. The non-executive members of the Board of Directors shall not be eligible to participate in the incentive programme.

#### *Effect on important key ratios*

The company's profits per share is not affected by the introduction of the warrant programme since the current value of subscription price is greater than the current market value of the company's share at the time of issuance.

#### *Subventioner och kostnader*

The warrants will be transferred at market value and therefore no social security contributions are to be paid by the group in relation to the transfer of the warrants.

With purpose of increase participation in the incentive program, the company intends to subsidise the holders of warrants, who still are employed by the group at the end of the term by way of a bonus payment, which before taxation amounts to the warrant premium. If only some of the options are exercised, the bonus payment will be reduced correspondingly. The cost of the subsidisation is calculated to approximately SEK 2.2 million during the warrant's term under the assumption that all warrants are transferred to employees and that the current stock exchange price is applicable at the time of transfer and that the employee turnover is in accordance with

historic levels. The total cost for the incentive programmes under this item 6 and item 7 below should, according to the calculations, not exceed SEK 7 million during the term of the programmes.

Other expenses for the incentive programme related to fees to external advisors and costs for administration of the programme are expected to amount to approximately SEK 300,000 in total during the term of the warrants.

#### *The rationale for the proposal*

The rationale for the proposal is to create opportunities to keep and to recruit competent employees to the Betsson group and to increase the motivation amongst the employees. The Board of Directors considers that the adoption of the incentive programme as described above is in the favour of the Betsson group and the shareholders in the company.

#### *Preparation of the proposal*

In accordance with guidelines provided by the Board of Directors, the incentive programme has been prepared by the company's management team in consultation with external advisors and has been reviewed at meetings of the Board of Directors during July of 2010.

#### *Majority Requirement*

A valid resolution regarding approval of the incentive programme as set out above, requires approval of shareholders representing at least 90 per cent of both the votes cast and the shares represented at the Meeting.

### **Resolution regarding incentive programme for employees abroad (item 7)**

#### *Introduction*

The Board of Directors propose that the Meeting resolves upon a incentive plan (the "**Plan**") for senior executives and other key employees that are employed within the group in other countries than Sweden and to individuals that are working as consultants to Betsson in other countries than Sweden and Malta. The participants in the Plan are required to invest in shares in Betsson. These shares can either be shares already held or shares purchased on the market in connection with the notification to participate in the Plan. Thereafter the participants will be granted stock options free of charge.

#### *Investment in shares in Betsson*

In order to participate in the Plan, the employees have to own Betsson shares. The maximum number of shares which the employee may invest under the Plan will correspond to a maximum of 10 per cent of the employee's annual base salary.

#### *Stock options*

For each share the employee holds under the Plan, the company will grant a certain number of stock options. Subject to (i) the participant maintaining employment within the group at the exercise of the options; and (ii) the participant's maintaining the initially invested shares in Betsson, each stock option will entitle the employee to purchase one Class B share in Betsson at a price corresponding to 120 per cent of the average closing price of the Betsson shares on NASDAQ OMX Stockholm from 16 August 2010 up to and including 27 August 2010.

### *Terms and conditions*

The stock options shall be governed by the following terms and conditions:

- Granted free of charge.
- Each option entitles the holder to purchase one Class B share in the company for an exercise price corresponding to 120 per cent of the average closing price of the Betsson shares on NASDAQ OMX Stockholm from 16 August 2010 up to and including 27 August 2010.
- The options may be exercised from the day after the release of the announcement of the company's interim report for Q3 2010, however no later than 1 December ~~2013~~-2012, up to and including 31 December ~~2013~~-2012.
- No compensation for ordinary dividends on the underlying shares shall occur. In case of an extraordinary dividend, the Board of Directors shall have the right to resolve on whether the options exercise price shall be object to recalculation.
- The options may not be transferred or pledged.
- As a general rule the options may only be exercised provided that the holder is still employed by the group and has maintained the initial investment during the period.

### *Preparation and administration*

The Board of Directors, or a remuneration committee established by the Board for these purposes, shall be responsible for preparing the detailed terms and conditions of the Plan, in accordance with the above mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments in the Plan to meet foreign regulations or market conditions. The Board of Directors may also make other adjustments if significant changes in the group, or its markets, result in a situation where the decided terms and conditions for exercising the options become inappropriate.

### *Allocation*

The incentive programme is proposed to approximately 30 senior executives and other key employees employed abroad. The Plan is proposed to comprise of up to 18,193 Betsson shares in which employees invest in, resulting in an allocation of up to 500,000 stock options. The participants are divided into a maximum of six groups for the purpose of determine the allocation:

- the responsible head of the Malta business (level 1): may invest in up to 3,036 Betsson shares, resulting in an allocation of up to 85,000 stock options;
- four senior executives (level 2 and 3): may invest in up to 1,786 – 1,250 Betsson shares, resulting in an allocation of up to 50,000 – 35,000 stock options; and
- approximately 25 key employees (level 4 and 5): may invest in up to 893 – 300 Betsson shares, resulting in an allocation of up to 25,000 – 8,400 stock options.

### *Cost of the programme*

The Plan will be accounted for in accordance with IFRS 2, which entail that the options shall be recorded as a personnel cost in the income statement during the vesting period. For a calculation of the total cost for the two incentive programmes, see item 6 above.

### *The rationale for the proposal*

The rationale for the proposal is to create opportunities to keep and to recruit competent employees to the Betsson group and to increase the motivation amongst the employees. The Board of Directors considers that the adoption of the incentive programme as described above is in the favour of the Betsson group and the shareholders in the company.

### *Preparation of the proposal*

In accordance with guidelines provided by the Board of Directors, the Plan has been prepared by the company's management team in consultation with external advisors and has been reviewed at meetings of the Board of Directors during July 2010.

### *Majority requirement*

A valid resolution regarding approval of the incentive programme as set out above, requires approval of shareholders representing at least 90 per cent of both the votes cast and the shares represented at the Meeting.

### **Resolution to authorise the Board of Directors to resolve to issue warrants and transfer of its own shares (item 8)**

In order to secure the delivery of Class B shares in accordance with item 7 above, the Board of Directors proposes that the Board of Directors shall be authorised to resolve to issue no more than 500,000 warrants at one or several occasions during the period until the Annual General Meeting 2011. The warrants shall be granted for free of charge and may be subscribed for by subsidiary AB Restaurang Rouletter.

Furthermore, the Board of Directors proposes that the Board of Directors shall be authorised, on one or more occasions up to the Annual General meeting in 2011, to resolve on transfer of the company's own shares for the delivery of Class B shares pursuant to any outstanding stock option plans for the employees within the group.

The authorisation for transfer of the company's own shares is to provide the Board of Directors with the opportunity to use repurchased shares to meet its obligations under any outstanding incentive program. The Board of Directors' statement and the auditor's statement in accordance with Chapter 14, section 8 and Chapter 13, section 6 of the Swedish Companies Act (2005:551) are presented in Appendix 1.

# Terms and Conditions for Warrants 2010/~~2013~~–2012 (Series 1) for Subscription of Class B Shares in Betsson AB (publ)

## 1 Definitions

In these terms and conditions, the following terms shall have the meanings given below:

<i>"Bank"</i>	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;
<i>"Business Day"</i>	a day which is not a Saturday, Sunday or other public holiday or, with respect to the payment of promissory notes, is not equated with a public holiday in Sweden;
<i>"Companies Act"</i>	the Swedish Companies Act (SFS 2005:551);
<i>"Company"</i>	Betsson AB (publ), company reg. no. 556090-4251;
<i>"Market Quotation"</i>	listing of shares in the Company on a stock exchange, authorised market place or other corresponding market place;
<i>"Securities Account"</i>	a securities account (Sw. <i>avstämningskonto</i> ) with Euroclear Sweden in which the respective Warrant Holders' holdings of Warrants or holdings of shares acquired pursuant to Warrants are registered;
<i>"Subscription"</i>	subscription of shares in the Company on exercise of Warrants in accordance with Chapter 14 of the Companies Act;
<i>"Subscription Price"</i>	the price at which Subscription for new shares may take place on exercise of Warrants;
<i>"Euroclear Sweden"</i>	Euroclear Sweden AB, (the Swedish Central Securities Depository and Clearing Organisation);
<i>"Warrant"</i>	the right to subscribe for one newly issued Class B share in the Company in exchange for payment in accordance with these terms and conditions;
<i>"Warrant Holder"</i>	a person registered in a Securities Account as the holder of a Warrant;
<i>"weekday"</i>	a day which is not a Sunday or public holiday.

## 2 Warrants and registration

The total number of Warrants amounts to not more than 500,000. The Warrants shall be registered in Securities Accounts in accordance with Chapter 4 of the Financial Instruments Accounts Act (1998:1479).

Requests for particular registration measures in respect of the Warrants shall be submitted to the account operator with which the Warrant Holder has opened a Securities Account.

### **3 Right to subscribe for new shares**

Each Warrant entitles the holder thereof to subscribe for one new Class B share in the Company at a Subscription Price corresponding to 120 per cent of the average price paid for the company's shares on the NASDAQ OMX Stockholm during the period commencing on 16 August 2010 up to and including 27 August 2010. The exercise price thus calculated shall be rounded off to the nearest whole SEK 0.10, whereupon SEK 0.05 shall be rounded downwards.

The Subscription 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 the day after the release of the Company's interim report for Q3 ~~2013~~-2012, however no later than 1 December ~~2013~~-2012, up to and including 31 December ~~2013~~-2012 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 Company. 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 Subscription Price and the number of shares**

The following provisions shall govern the right that vests in Warrant Holder in the event the share capital prior to the Subscription is increased or reduced, convertible bonds or warrants



are issued, or the Company is dissolved or ceases to exist as a consequence of a merger or division, or there is an Extraordinary Dividend (as defined 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 Subscription 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 the Company in accordance with the following formula:

*Recalculated Subscription Price* = (previous Subscription 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 Subscription Price and the number of shares which each Warrant entitles the holder to subscribe for, recalculated as set out above, shall be determined by the Company 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 sub-section 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 Sweden at the request of the Company.

**C New issue**

If the Company issues new shares subject to preferential rights for shareholders to subscribe for new shares in exchange for cash payment, the following shall apply with respect to the right to participate in the new issue held by the 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 on 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 the Subscription 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 address the question of 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 Subscription 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 Company in accordance with the following formulae:

*Recalculated Subscription Price* = (previous Subscription Price) x (the average quoted price of the share during the subscription period stated in the resolution approving the issue (referred to below as the "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 stock exchange or market place 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 Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two 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 shares, are not subject to a Market Quotation, a corresponding recalculation of the Subscription 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 the Company, 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 Subscription 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. Definitive registration in Securities

Accounts shall be made following determination of the recalculated Subscription 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 preferential rights for the shareholders to subscribe for such equity related instrument in exchange for cash payment, 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 a such time that no right to participate in the new issue arises, a recalculated Subscription 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 Company in accordance with the following formulae:

*Recalculated Subscription Price* = (previous Subscription Price) x (the average quoted price of the share during the relevant period stated in the resolution approving the issue (referred to below as the "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 the stock exchange or market place 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.

If the subscription rights are not subject to a Market Quotation, the value of the subscription right shall, to the greatest extent possible, be determined based upon the change in the market value of the Company's shares which may be deemed to have occurred as a consequence of the issue of the convertible bonds or warrants.

The Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two 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 Market Quotation, a corresponding recalculation of the Subscription 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 the Company, 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 Subscription 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. Definitive registration in Securities

Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

*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 preferential 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 Subscription 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 Company in accordance with the following formulae:

*Recalculated Subscription Price* = (previous Subscription Price) x (the average quoted price of the share during the application period for the offer (referred to below as the "average price of the share")) / (the average price of the share increased by the value of the right to participate in the offer (referred to below as the "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 the stock exchange or market place 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 Subscription 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 25 trading days calculated from the first day of listing, of the highest and lowest transaction prices quoted for trades in such securities or rights on the securities exchange or other marketplace for financial instruments on which those securities or rights are listed, 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 Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe, the period of 25 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 Subscription 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 Market Quotation, a corresponding recalculation of the Subscription 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 the Company, 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 Subscription 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. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

*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 preferential rights for shareholders to subscribe for equity related instruments in exchange for cash payment, the Company may grant all Warrant Holders the same preferential 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 Subscription 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 Subscription 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 preferential 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 Subscription Price and the number of shares for which each Warrant entitles the holder to subscribe for shall be made.

*G Extraordinary Dividend*

If the Company decides to pay a cash dividend to shareholders of an amount which, combined with other dividends paid during the same fiscal year, exceeds 15 per cent. of the average price of the share during the period of 25 trading days immediately preceding the day on which the Company's board of directors announced its intention to propose that the general meeting approve such a dividend, a recalculation of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, shall be made in respect of any Subscription requested at such a time that the shares thereby received do not carry rights to

receive such dividend. The recalculation shall be based on that part of the total dividend which exceeds 15 per cent. of the average price of the shares during the above-mentioned period of 25 trading days (referred to below as "Extraordinary Dividend").

The recalculation shall be made by the Company in accordance with the following formulae:

*Recalculated Subscription Price* = (previous Subscription Price) x (the average quoted price of the share during a period of 25 trading days calculated from the day on which the share is listed without any right to Extraordinary Dividend (referred to below as the "average price of the share")) / (the average price of the share increased by the Extraordinary Dividend paid 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 Extraordinary Dividend paid per share) / (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 during the above-mentioned period of 25 trading days of the highest and lowest quoted paid price on each day according to the stock exchange or market place 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 recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe shall be determined by the Company two Business Days after the expiry of the above-mentioned period of 25 trading days and shall apply to each Subscription effected from the day on which the share is listed without any right to Extraordinary Dividend.

If the Company's shares, at the time of the resolution to pay a dividend, are not subject to a Market Quotation and it is resolved to pay a cash dividend to shareholders of an amount which, combined with other dividends paid during the same fiscal year, exceeds 50 per cent. of the Company's earnings after tax in accordance with the Company's consolidated income statement adopted in the financial year immediately preceding the year in which the resolution was adopted to pay the dividend, a recalculation of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, shall be made in respect of any Subscription requested at such a time that the shares thereby received do not carry rights to receive such dividend. The recalculation shall be based on that part of the total dividend which exceeds 50 per cent. of the Company's earnings after tax and shall be made by the Company in accordance with the above-mentioned principles.

During the period prior to the determination of the recalculated Subscription 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. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

#### *H Reduction of share capital*

If the Company's share capital is reduced through a repayment to the shareholders, and such reduction is compulsory, a recalculated Subscription 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 the Company in accordance with the following formulae:

*Recalculated Subscription Price* = (previous Subscription Price) x (the average quoted price of the share during a period of 25 trading days calculated from the day on which the share is listed without any right to participate in the distribution (referred to below as 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 25 trading days immediately prior to the day on which the share is listed without any right to participate in the reduction (referred to below as 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 Subscription Price and number of shares for which each Warrant entitles the holder to subscribe, recalculated as set out above, shall be determined by the Company two Business Days after the expiry of the above-mentioned period of 25 trading days, and shall apply to each Subscription effected thereafter.

During the period prior to the determination of the recalculated Subscription 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. Definitive registration in Securities Accounts shall be made following determination of the recalculated Subscription Price and the recalculated number of shares for which each Warrant entitles the holder to subscribe.

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 Company, the reduction, due to its technical structure and its financial effects, is equivalent to a compulsory reduction, the recalculation of the Subscription 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 share capital, are not subject to a Market Quotation, a corresponding recalculation of the Subscription 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 the Company, 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-E, G or 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, the Company shall, subject to prior written approval by the board of directors of the Company, make the recalculation of the Subscription Price, and the number of shares for which each Warrant entitles the holder to subscribe, in such a manner as the Company determines is appropriate to ensure that the recalculation gives a reasonable result.

#### *J Rounding off*

On recalculation of the Subscription Price in accordance with the above, the Subscription 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 Mergers*

Where the general meeting adopts a resolution to approve a merger plan pursuant to Chapter 23, section 15 of the Companies Act, pursuant to which the Company is to be merged into another company or where the board of directors adopts a resolution pursuant to Chapter 23, section 28 of the Companies Act adopts a resolution that the Company be merged into its parent company, the Warrant Holders shall receive rights in the acquiring company corresponding at least to the rights held in the Company (the transferor company), unless, pursuant to the merger plan, the Warrant Holders are entitled to demand redemption of their Warrants by the acquiring company.

#### *L Division*

Where the general meeting adopts a resolution to approve a division plan pursuant to Chapter 24, section 17 of the Companies Act, pursuant to which a proportion of the assets and liabilities of the Company are taken over by two or more other companies, a recalculated subscription price and a recalculated number of shares for which each Warrant entitles the Warrant Holder to subscribe shall be calculated. The provisions of sub-section G regarding Extraordinary Dividend shall then apply *mutatis mutandis*. The recalculation shall be based on the proportion of the assets and liabilities of the Company that are taken over by the transferee company or companies.

Where all assets and liabilities of the companies are taken over by two or more other companies, on paying consideration to the shareholders of the Company, the provisions of sub-section M below regarding liquidation shall apply *mutatis mutandis*. Inter alia, this means that the right to demand Subscription shall terminate simultaneously with the registration in accordance with Chapter 24, section 27 of the Companies Act and that the Warrant Holder shall be notified no later than four weeks before the division plan shall be submitted for approval to the general meeting.

#### *M Liquidation*

If it is resolved that the Company be put into liquidation, for whatever reason, Subscription may not take place thereafter. The right to demand Subscription shall terminate simultaneously with the adoption of the resolution to put the Company in liquidation, irrespective of whether such resolution has become final.

Not later than four weeks prior to the adoption of a resolution by a general meeting in respect of whether or not the Company should be put into liquidation in accordance with Chapter 25 of the Companies Act, the Warrant Holders shall be notified with respect to the planned liquidation in accordance with section 10 below. The notice shall state that subscription may not take place following the adoption of the resolution in respect of liquidation.



If the Company gives notice of a planned liquidation pursuant to the above, the Warrant Holders shall, notwithstanding the provisions of section 4 in respect of the earliest date for application for Subscription, be entitled to apply for Subscription commencing on the day on which the notice is given, provided that Subscription may be effected not later than prior to the general meeting at which the resolution regarding the liquidation of the Company shall be addressed.

Notwithstanding the provisions above pursuant to which Subscription may not take place after the adoption of a resolution regarding liquidation, the right to subscribe shall be reinstated in the event the liquidation is not carried out.

#### *N 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.

### **9 Nominees**

According to Chapter 3 section 7 of the Financial Instruments Accounts Act (SFS 1998:1479), a legal entity shall be entitled to be registered as nominee. Such a nominee shall be regarded as a Warrant Holder for the purposes of the application of these terms and conditions.

### **10 Notices**

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

### **11 Right to represent Warrant Holders**

The Bank shall be entitled to represent Warrant Holders in matters of a formal nature concerning the Warrants without special authorisation from the Warrant Holders.

### **12 Amendments to terms and conditions**

The Company shall be entitled, in consultation with the Bank, 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.

### **13 Confidentiality**

The Company and Euroclear Sweden 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 Sweden which sets out the persons registered as holders of Warrants.

### **14 Limitation of liability**

In respect of measures which it is incumbent on the Company, Euroclear Sweden 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 Sweden 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 Sweden or the Bank is itself the subject of, or effects, such measures.

Nor shall Euroclear Sweden be liable for loss which arises under other circumstances provided Euroclear Sweden 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 Sweden 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.

## **15 Applicable law and forum**

The Warrants, and all legal issues related to the Warrants, shall be determined and interpreted in accordance with Swedish law. Legal proceedings relating to the Warrants shall be brought before the Stockholm District Court or such other forum as is accepted in writing by the Company.