



## **PROPOSAL BY THE BOARD OF DIRECTORS REGARDING IMPLEMENTATION OF A LONG-TERM CALL OPTION PROGRAM (CO 2018/2022)**

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The Board of Directors in AhlSell AB (publ) ("AhlSell") proposes that the Annual General Meeting resolves to introduce a long-term call option program 2018/2022 as follows.

### **A. Terms and conditions for the long-term call option program**

#### **A.1 Background**

Prior to the listing of AhlSell's shares on Nasdaq Stockholm in 2016, it was resolved to introduce a long-term warrant based incentive program. The Board of Directors now proposes to introduce a long-term call option program 2018/2022 ("CO 2018/2022") to approximately ten senior executives in AhlSell, including members of the company's executive management, which the Board of Directors considers to have a material impact on the company's result.

The primary reason for CO 2018/2022 is that the senior executives in AhlSell shall take part of and contribute to a positive value growth of the company's shares during the term of the proposed program through their own investment. In accordance with the previous long-term warrant program, the purpose of CO 2018/2022 is for AhlSell to retain and recruit competent and talented senior executives, align the interests of the senior executives and the shareholders in AhlSell as well as to increase motivation.

The number of call options in AhlSell to be allocated under CO 2018/2022 is limited to 447,000, representing approximately 0.10 per cent of the total number of shares in the company.

#### **A.2 Basic terms for CO 2018/2022**

- a) The number of call options in AhlSell to be transferred is limited to 447,000, representing approximately 0.10 per cent of the total number of shares in the company. Each call option entitles to purchase of one (1) share in the company during the period 1 June 2021 until and including 31 May 2022. Application for purchase of call options according to A.2 e) below or exercise of a call option to purchase shares may not be made during such period when trading in the shares of AhlSell is prohibited pursuant to the company's policies or Regulation (EU) No 596/2014 of the European Parliament and of the Council dated 16 April 2014 on market abuse (Market Abuse Regulation), or other corre-

sponding legislation prevailing at any time. In such event, the application period may be prolonged for the same period as the trading restriction has had an adverse effect on the application period.

- b) The purchase price for the shares at exercise of a call option shall be 120 per cent of the average volume-weighted price paid for the Ahlsell share on Nasdaq Stockholm during the period 4 May 2018 until and including 18 May 2018 or such other corresponding period decided by the Board of Directors in the event that the circumstances mentioned in A.2 a) above exist (the "Exercise Price"). In the event Ahlsell's share price exceeds 170 per cent of the abovementioned average price paid (the "Cap") at the time of exercise of the call options, the number of shares to which each call option entitles to purchase of shall be reduced such that the total value of each call option at the time of exercise does not exceed the difference between the Cap and the Exercise Price.
- c) Approximately ten senior executives shall have the right to purchase call options from Ahlsell. The Board of Directors in Ahlsell finally decides on the maximum investment for each individual senior executive in CO 2018/2022, taking into consideration the senior executive's investment level in the share savings program SSP 2018. Further, the number of call options per participant shall be decided with regard to the senior executive's responsibility and position. The right to purchase call options shall only accrue to those who have not resigned or been given notice of termination at the end of the application period. Call options may also be offered to new senior executives until and including November 2018. The terms and conditions for such purchases shall be the same or corresponding to the terms and conditions in this resolution, which, inter alia, means that the purchase price shall correspond to the market value at the time of purchase. It is a requirement that participation can be made with reasonable administrative and financial efforts according to the Board of Directors' assessment.
- d) Transfer of call options to senior executives outside of Sweden is dependent on the tax effects, that no legal obstacles exist, and that, in the assessment of the Board of Directors of Ahlsell, such transfer and later delivery of shares can be made with reasonable administrative and financial resources. The company's Board of Directors shall have the right to make such adjustments of CO 2018/2022 that are caused by applicable foreign rules and legislation.
- e) Application for purchase shall be made at the latest on or around 25 May 2018. The Board of Directors of Ahlsell has the right to decide on a postponed last day for application for new senior executives whose purchases are made after the end of the initial application period.
- f) Those who are entitled to purchase call options shall apply for purchase in amounts corresponding to either the highest number of call options offered to them or part thereof. If such person does not purchase any or part of the call

options offered to her/him, such call options that are not purchased shall be allocated between those who have applied in writing to purchase additional call options pro rata to the number of call options that they initially applied for.

- g) Call options that are held by Ahlsell and that have not been transferred to participants or have been repurchased from participants, or otherwise will not be used in CO 2018/2022, may be cancelled by the company's CEO after decision by the Board of Directors.
- h) The call options shall be transferred to participants on market conditions at a purchase price based on an estimated market value of the call options at the time of purchase using a well-established option valuation model calculated by an independent valuation institute, based on the average volume-weighted price paid for the Ahlsell share on Nasdaq Stockholm during the period 4 May 2018 until and including 18 May 2018 or such other corresponding period decided by the Board of Directors in accordance with A.2 b) above. Ahlsell's Board of Directors shall decide a new market price in a corresponding manner for purchases made by new senior executives after the end of the initial application period.
- i) Based on a price for the Ahlsell share of SEK 52.00, less the proposed dividend of SEK 1.65 per share, and on the other market conditions as of 5 March 2018, the value of each call option has been estimated at SEK 1.93 by an independent valuation institute, which amounts to a total value for all call options of approximately SEK 0.86 million.
- j) The call options shall be governed by market conditions including a right for Ahlsell to repurchase the call options if the participant's employment in the company cease or if the participant wishes to transfer the call options to a party other than the company or if the participant does not want to exercise all of the purchased call options. Such repurchase shall be made at the market value of the call options. Repurchase of call options may not be made during such period when trading in the shares of Ahlsell is prohibited pursuant to the company's policies or Regulation (EU) No 596/2014 of the European Parliament and of the Council dated 16 April 2014 on market abuse (Market Abuse Regulation), or other corresponding legislation prevailing at any time.
- k) Ahlsell shall also have the right to repurchase the call options at market value and, in connection with delivery of shares to participants, to offer cash settlement in order to cover the participant's taxation costs upon vesting.
- l) The number of shares to which each call option entitles to purchase of and the Exercise Price may be adjusted in the event of, inter alia, a bonus issue, a reversed share split, a share split, a rights issue or similar measures, taking into account customary practice for corresponding incentive program.

m) The complete terms and conditions for the call options are attached hereto as Schedule 1 and are available on Ahlsell's website [www.ahlsell.com](http://www.ahlsell.com).

**B. Other questions and grounds for the proposal**

**B.1 Hedging through share swap agreement**

Ahlsell will enter into a share swap agreement with a third party (bank), whereby the third party shall, in its own name, acquire and transfer shares to the participants in order to fulfil the company's obligations to deliver shares under CO 2018/2022.

**B.2 Costs for the company etc.**

The participants in CO 2018/2022 will purchase the call options at market value, which means that the call options will not result in any staff costs for Ahlsell in Sweden. However, one participant is liable for taxes in Norway and one in Finland, which is expected to slightly increase the costs for social security charges and an increased health care fee for the company in relation to these participants.

The interest cost of the share swap agreement is estimated to approximately SEK 0.5 million on an annual basis based on market conditions as of 5 March 2018 and a three-year maturity. Further, the share swap agreement may lead to both positive and negative cash flows, which, while not affecting the profit and loss account, will be booked directly against equity and may be recorded as a liability in the balance sheet.

**B.3 Administration**

The Board of Directors of Ahlsell shall be responsible for the detailed formulation and administration of CO 2018/2022 within the scope of the terms and conditions set out herein.

**B.4 Preparation of the proposal**

The principles of CO 2018/2022 have been prepared by Ahlsell's Board of Directors. The proposal has been prepared together with external advisors and after consultation with shareholders. The Board of Directors has thereafter decided to present this proposal to the Annual General Meeting. Except for the officials who have participated in the preparation of the proposal as instructed by the Board of Directors, no employee that may participate in the program has participated in the formulation of these terms and conditions.

B.5 Other share based incentive programs etc.

Please refer to Ahlsell's annual report for 2017, note 3 or the company's website [www.ahlsell.com](http://www.ahlsell.com) for a description of other share based incentive programs. In addition, the Board of Directors has proposed the Annual General Meeting 2018 to resolve on implementation of a new long-term share savings program.

B.6 The proposal by the Board of Directors and reasons for the proposal

Referring to the description above, the Board of Directors proposes the Annual General Meeting to resolve on the implementation of CO 2018/2022.

The Board of Directors wishes to increase the possibility to recruit, retain and motivate employees as well as to encourage long-term ownership in Ahlsell. In addition, CO 2018/2022 is expected to contribute to an increased interest and motivation for Ahlsell's operations, result and strategic goals. CO 2018/2022 has been designed to reward the participants for an increased shareholder value. Allocation in CO 2018/2022 requires the participants to make their own investment. By linking the employees' compensation to Ahlsell's share price, the long-term value growth of the company will increase. Therefore, the Board of Directors is of the opinion that the implementation of CO 2018/2022 will have a positive impact on the Ahlsell Group's continued development and thus will benefit the employees as well as the company and the shareholders.

B.7 Majority requirements

A resolution in accordance with Item A above is valid when supported by shareholders holding more than half of the votes cast at the Annual General Meeting.

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Stockholm, March 2018

Ahlsell AB (publ)  
*the Board of Directors*

## TERMS AND CONDITIONS FOR CALL OPTIONS 2018/2022 FOR THE PURCHASE OF SHARES IN AHLSELL AB

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### 1. DEFINITIONS

In these terms and conditions, the following terms shall be defined as stated below:

<b>"Average Share Price"</b>	the average of the for each trading day calculated average volume-weighted price paid for the Company's share on Nasdaq Stockholm, rounded off to the nearest full ten öre whereby five öre shall be rounded up, during a specified period. If a listed price paid is not available, the bid price listed as the closing price shall instead be included in the calculation. A day without a listing of a price paid or bid price shall not be included in the calculation.
<b>"Banking day"</b>	day that is not a Saturday, Sunday or other public holiday in Sweden, Christmas eve, New Year's eve or Midsummer's eve.
<b>"Bank"</b>	Nordea Bank AB, reg. no. 516406-0120.
<b>"Company"</b>	Ahlsell AB (publ), reg. no. 556882-8916 (also the issuer).
<b>"Euroclear"</b>	Euroclear Sweden AB, reg. no. 556112-8074.
<b>"Holder"</b>	a holder of a Call Option.
<b>"Call Option"</b>	a right to purchase one share in the Company for cash pursuant to these terms and conditions.
<b>"Cap"</b>	170 per cent of the Average Share Price during the period 4 May 2018 until and including 18 May 2018 or such other corresponding period decided by the Company's board of directors in the event trading in the shares of the Company is prohibited pursuant to the Company's policies or Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation) (or other corresponding legislation prevailing at any time).

### 2. ACCOUNT-OPERATOR, REGISTRATION ETC.

The number of Call Options amounts to up to 447,000.

The Call Options shall be registered by Euroclear in a CSD register pursuant to the Central Securities Depository and Financial Instruments Accounts Act (1998:1479), as a result of which no physical securities will be issued.

The Call Options will be registered on behalf of the Holder in a securities account. Registration with respect to the Call Options as a result of the measures pursuant to sections 4, 5, 6 and 7 below shall be carried out by the Bank. Other registration measures regarding the securities account may be carried out by the Bank or another account-operator.

### **3. RIGHT TO PURCHASE SHARES**

The Holder will be entitled, but not obliged, to purchase one (1) share in the Company for each Call Option at an exercise price corresponding to 120 per cent of the Average Share Price during the period stated in the definition of the "Cap" above. Adjustment of the exercise price and the number of shares to which each Call Option entitles to purchase of, may take place in the events set forth in Section 7 below. Purchase may be made only in respect of the full number of shares that the Holder wishes to purchase at that time. In connection with such purchase, any excess fraction of a Call Option that cannot be exercised shall be disregarded.

If the Holder duly requests within the period stated in Section 4 below, the Company shall deliver the number of shares covered by the purchase application.

In the event that the Company's share price exceeds the Cap at the time of exercise of the Call Options, the number of shares to which each Call Option entitles to purchase of shall be reduced such that the total value of each Call Option at the time of exercise does not exceed the difference between the Cap and the exercise price. In the event of adjustment according to Section 7 below, the corresponding adjustment shall be made to the Cap.

### **4. PURCHASE OF SHARES**

If the Holder wishes to exercise the Call Option, application for purchase may be made from and including 1 June 2021 until and including 31 May 2022, or the later or earlier last day for application to purchase, that may be established according to Section 7 Items C, D, E, L and M below. In addition, application for purchase may not be made during such period when trading in the shares of the Company is prohibited pursuant to the Company's policies or Regulation (EU) No 596/2014 of the European Parliament and of the Council dated 16 April 2014 on market abuse (Market Abuse Regulation) (or other corresponding legislation prevailing at any time). In such event, the application period may be prolonged for the same period as the trading restriction has had an adverse effect on the application period. Application for purchase shall be made to the Bank by submitting the application form for registration measures that will be distributed to the Holders. As soon as possible after receipt, the Bank will draw up the transaction note between the Company and the Holder regarding the purchase of the shares covered by the application. The Company is not obliged to transfer shares during such periods when trading in the shares of the Company is prohibited pursuant to the Company's policies or Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the market abuse regulation) (or other corresponding legislation prevailing at any time).

Application for purchase is binding and may not be revoked.

If the application for purchase is not submitted within the period stated in the first paragraph, all rights pursuant to the Call Options lapse.

## 5. PAYMENT OF SHARES

Payment for the acquired shares is to be made not later than the payment date stated in the transaction note, however not later than ten (10) Banking days from the application to exercise the Call Options. Payment is to be made in cash to an account designated by the Bank. After payment has been made, the Bank shall ensure that the Holder is registered on the designated securities account as the owner of the shares covered by the exercised Call Options. The Holder shall pay taxes and/or charges that may become payable as a result of the transfer, holding or exercise of the Call Options according to Swedish or foreign legislation or decisions by Swedish or foreign authorities.

## 6. STATUS OF THE HOLDER

The Call Options do not represent any shareholders' rights in the Company for the Holder, such as voting or dividend rights.

The Holder is entitled to receive dividend on the shares that the Holder acquires pursuant to these terms and conditions if the record day for the dividend occurs not earlier than five (5) Banking days after payment has been made.

## 7. ADJUSTMENT, ETC.

The following shall apply regarding the rights accruing to Holders in the situations stated in this section.

- (A) If the Company conducts a **bonus issue**, with effect from the date on which the share is listed ex right to participation in the bonus issue, an adjusted number of shares to which each Call Option entitles to purchase of and an adjusted exercise price shall apply.

The adjustments are conducted by a reputable independent valuation institute in accordance with the following formulas:

adjusted number of shares for which each Call Option entitles to purchase of	=	$\frac{\text{preceding number of shares for which each Call Option entitles to purchase of x number of shares after the bonus issue}}{\text{number of shares before the bonus issue}}$
adjusted exercise price	=	$\frac{\text{preceding exercise price x number of shares before the bonus issue}}{\text{number of shares before the bonus issue}}$

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number of shares after the bonus  
issue

- (B) If the Company conducts a **reversed share split** or a **share split**, a corresponding adjustment of the number of shares to which the Call Option entitles to purchase of and the exercise price shall be conducted by a reputable independent valuation institute on the same basis as in the adjustment resulting from a bonus issue as stated in Item A above.
- (C) If the Company conducts a **new share issue** – with preferential rights for shareholders to subscribe for new shares in return for cash payment – adjustment shall be made of the number of shares to which each Call Option entitles to purchase of and of the exercise price.

Adjustments are conducted by a reputable independent valuation institute in accordance with the following formulas:

$$\begin{aligned} \text{adjusted number of shares for which each Call Option entitles to purchase of} &= \frac{\text{preceding number of shares for which each Call Option entitles to purchase of} \times (\text{Average Share Price during the subscription period plus the theoretical value of the subscription right calculated on the basis thereof})}{\text{Average Share Price during the subscription period}} \\ \text{adjusted exercise price} &= \frac{\text{preceding exercise price} \times \text{Average Share Price during the subscription period set forth in the resolution regarding the issue}}{\text{Average Share Price during the subscription period plus the theoretical value of the subscription right calculated on the basis thereof}} \end{aligned}$$

The theoretical value of the subscription right shall be adjusted according to the following formula:

$$\text{value of the subscription right} = \frac{\text{maximum number of new shares that may be issued according to the resolution} \times (\text{Average Share Price during the subscription period} - \text{issue price for the new share})}{\text{number of shares before the resolution}}$$

If a negative value arises in this case, the theoretical value of the subscription right is to be set at zero.

The number of shares and exercise price adjusted as above are set by a reputable independent valuation institute two (2) Banking days following the expiry of the subscription period and shall be applied to a purchase implemented following such determination.

During the period from the date on which the share is listed ex right to participation in the share issue until the date on which the adjustments are determined, purchase of shares may not take place. If the final date for application for purchase is during the subscription period, the expiration date is postponed to the second trading day after the expiry of the subscription period.

- (D) If the Company conducts an **issue pursuant to Chapter 14 or 15 of the Swedish Companies Act** – with preferential rights for shareholders and in return for cash payment or by set-off – an adjustment shall be made of the number of shares to which each Call Option entitles to purchase of and of the exercise price.

The adjustments are conducted by a reputable independent valuation institute in accordance with the following formulas:

$$\begin{aligned} \text{adjusted number of shares for} & & & \text{preceding number of shares for which} \\ \text{which each Call Option entitles to} & & & \text{each Call Option entitles to purchase} \\ \text{purchase of} & = & & \text{of x (Average Share Price during the} \\ & & & \text{subscription period plus value of the} \\ & & & \text{subscription right)} \\ & & & \text{Average Share Price during the} \\ & & & \text{subscription period} \end{aligned}$$

$$\begin{aligned} \text{adjusted exercise price} & = & & \text{preceding exercise price x Average} \\ & & & \text{Share Price during the subscription} \\ & & & \text{period} \\ & & & \text{Average Share Price during the} \\ & & & \text{subscription period plus value of the} \\ & & & \text{subscription right} \end{aligned}$$

The value of the subscription right shall be deemed to be equal to the average of the, for each trading day during the subscription period, calculated average volume-weighted average price paid on Nasdaq Stockholm. In the absence of a quoted paid price, the last quoted bid price shall be included as the closing price in the calculation. Days with no quotation of a price paid or bid price shall not be included in the calculation.

The adjusted number of shares and adjusted exercise price shown above are determined by a reputable independent valuation institute within two (2) Banking days after the expiry of the subscription period and shall be applied to purchases subsequently completed.

For purchase applications made during the period up until the adjustments are completed, the provisions of item C, final paragraph, shall apply correspondingly.

- (E) If the Company would, other than according to Items A-C above, **make an offering to shareholders** to, using the preferential rights pursuant to the principles in Chapter 13 § 1 of the Swedish Companies Act, acquire securities or rights of any type from the Company or decide that, pursuant to the aforementioned principles, distribute such securities or rights to shareholders free of charge, an adjusted number of shares to which each Call Option entitles to purchase of and an adjusted exercise price shall apply.

The adjustment is conducted by a reputable independent valuation institute in accordance with the following formulas:

$$\begin{aligned} \text{adjusted exercise price} &= \frac{\text{preceding exercise price} \times \text{Average Share Price during the application period}}{\text{Average Share Price during the application period plus the value of the right to participate in the offering}} \\ \text{adjusted number of shares for which each Call Option entitles to purchase of} &= \frac{\text{preceding number of shares for which each Call Option entitles to purchase of} \times (\text{Average Share Price during the application period plus the value of the purchase right})}{\text{Average Share Price during the application period}} \end{aligned}$$

Where the shareholders have received purchase rights and trading in these has taken place, the value of the right of participation in the offering shall be deemed to correspond to the value of the purchase right. The value of the subscription right shall be deemed to be equal to the average of the for each trading day during the subscription period calculated volume-weighted average price paid on Nasdaq Stockholm. In the absence of a quoted paid price, the last quoted bid price shall be included as the closing price in the calculation. Days with no quotation of a price paid or bid price shall not be included in the calculation.

Where the shareholders have not received purchase rights or in which such trading in purchase rights referred to in the preceding paragraph has not taken place, adjustment of the exercise price shall be done applying as far as possible the principles noted above in Item E, whereby the following shall apply. If a listing is implemented of the securities or rights offered to shareholders, the value of the right of participation in the offering shall be deemed to correspond to the average of the for each trading day during the subscription period calculated volume-weighted average price paid on Nasdaq Stockholm for each day during 25 trading days from the first day of listing, in appropriate cases less the price paid for these in connection with the offering. In the absence of a quoted paid price, the last quoted bid price shall be included as the closing price in the calculation. If neither a price paid nor a bid price is listed on a certain day or days, such days shall be disregarded in computing the value of the right of participation in the offering. The determined application period in the offering shall, in conjunction with the

adjustment of the exercise price pursuant to this paragraph, be deemed to correspond to the period of 25 trading days as noted above in this paragraph. If such listing does not take place, the value of the right of participation in the offering shall, as far as possible, be set on the basis of the change in market value for the Company's shares that can be deemed to have arisen as a result of the offering.

The number of shares and exercise price shall be adjusted by a reputable independent valuation institute as soon as possible after the expiration of the offer period and shall be applied in connection with the purchases completed after such determination has been made.

Purchase of shares may not take place during the application period set forth in the offering. If the expiration date for application for purchase occurs during the application period, the expiration date is to be moved to the first Banking day after the expiry of the application period.

- (F) If the Company resolves to pay a **cash dividend** to shareholders whereby they would receive dividends that, together with other dividends resolved during the same financial year, exceed 65 per cent of the net profit according to the most recently adopted annual report, an adjusted number of shares to which each Call Option entitles to purchase of and an adjusted exercise price shall be used in connection with application for purchase which occurs in such time that a share thereby received does not provide a right to receipt of such dividends. The adjustment shall be made on the basis of the portion of the aggregate dividends that exceeds 65 per cent of the net profit according to the most recently adopted annual report (extraordinary dividend). However, if extraordinary dividend is not reached a certain year, the remaining amount shall be regarded the following year before extraordinary dividend is deemed to be attained.

The adjustment shall be made by a reputable independent valuation institute according to the following formulas:

$$\text{adjusted exercise price} = \frac{\text{preceding exercise price} \times \text{Average Share Price from the date the share was listed ex right to extraordinary dividend}}{\text{Average Share Price increased with the value of the extraordinary dividend paid per share}}$$

$$\text{adjusted number of shares for which each Call Option entitles to purchase of} = \frac{\text{preceding number of shares for which each Call Option entitles to purchase of} \times (\text{Average Share Price increased with the extraordinary dividend paid per share})}{\text{Average Share Price}}$$

Should the Company decide on a **dividend in kind** to the shareholders involving an extraordinary dividend, an adjustment of the exercise price shall be made in accordance with the same principles as in the case of a cash dividend. The calculation

of the value of the dividend in kind to be used for the adjustment shall be performed by an independent valuation institute.

- (G) If a decision is made regarding a **partial demerger pursuant to Chapter 24 of the Swedish Companies Act** by means of which a part of the Company's assets and liabilities are taken over by one or several other companies without the Company being dissolved, an adjusted exercise price and an adjusted number of shares for which each Call Option entitles to purchase of shall be applied.

The adjustments are conducted by a reputable independent valuation institute pursuant to the following formulas:

$$\text{adjusted exercise price} = \frac{\text{preceding exercise price} \times \text{Average Share Price during a period of 25 trading days from the date the share was listed ex right to the demerger consideration}}{\text{Average Share Price during a period of 25 trading days calculated from the date the share was listed ex right to demerger consideration plus the value of the demerger consideration which is paid per share}}$$

$$\text{adjusted number of shares for which each Call Option entitles to purchase of} = \frac{\text{preceding number of shares for which each Call Option entitles to purchase of} \times (\text{Average Share Price during a period of 25 trading days calculated from the date the share is listed ex right to demerger consideration plus the value of the demerger consideration paid per share})}{\text{Average Share Price during a period of 25 trading days calculated from the date the share is listed ex right to demerger consideration}}$$

In the event the demerger consideration is paid in the form of shares or other securities listed on an exchange or other authorised marketplace, the value of the demerger consideration per share shall be deemed to correspond to the average on each trading day during the abovementioned period of 25 trading days calculated volume-weighted average price paid on Nasdaq Stockholm or other relevant market price. In the absence of a quoted paid price, the quoted bid price shall instead be included as the closing price in the calculation. Days with no quotation of a price paid or bid price shall not be included in the calculation.

Where the demerger consideration has the form of shares or other securities that are not listed, the value of the demerger consideration shall as far as possible be set on the basis of the change in market value of the Company's shares that can be deemed to have arisen as a result of paying the demerger consideration.

The adjusted exercise price and adjusted number of shares, as above, are determined by a reputable independent valuation institute within two (2) Banking days after the expiry of the aforementioned period of 25 trading days and shall be applied in subscriptions subsequently completed.

In conjunction with purchases that are completed during the period until the adjusted exercise price is set, the provisions in Item C, final paragraph above, shall apply correspondingly.

Holders shall not be able to claim any rights pursuant to these provisions against the company or companies who in conjunction with partial demerger take over assets and liabilities from the Company.

- (H) If the Company's share capital is **reduced** by means of repayment to shareholders, and this reduction is compulsory, an adjusted exercise price and an adjusted number of shares for which each Call Option entitles to purchase of shall apply.

The adjustments are conducted by a reputable independent valuation institute pursuant to the following formulas:

$$\text{adjusted exercise price} = \frac{\text{preceding exercise price x the Average Share Price during a period of 25 trading days from the date on which the shares are listed ex right to repayment}}{\text{Average Share Price during a period of 25 trading days calculated from the date when the shares are listed ex right to repayment plus the amount repaid per share}}$$

$$\text{adjusted number of shares for which each Call Option entitles to purchase of} = \frac{\text{preceding number of shares for which each Call Option entitles to purchase of x (Average Share Price during a period of 25 trading days calculated from the date the shares were listed ex right to repayment plus the amount repaid per share)}}{\text{Average Share Price during a period of 25 trading days calculated from the date the shares are listed ex right to repayment}}$$

In adjustments pursuant to the above and where a reduction is conducted through the redemption of shares, instead of the actual amount repaid per share, a calculated repayment amount shall be used as follows:

$$\text{calculated repayment amount per share} = \frac{\text{the actual amount repaid per redeemed share less the Average Share Price over a period of 25 trading days immediately prior to the}}$$

day when the share was listed ex right  
to participation in the reduction  
 the number of shares in the Company  
 providing the basis for the redemption  
 of one share less 1

The adjusted exercise price and adjusted number of shares, as above, are determined by a reputable independent valuation institute two (2) Banking days after the expiry of the aforementioned period of 25 trading days and shall be applied on subscriptions subsequently completed.

If the Company's share capital is reduced through the redemption of shares with payment to shareholders, and which reduction is not compulsory and in which, pursuant to a reputable independent valuation institute's assessment, such measures taking into account technical configuration and financial effects, may be compared with compulsory reduction, adjustment of the exercise price and number of shares for which each Call Option entitles to purchase of shall be done using as far as possible the principles stated above in this Item H.

- (I) If the Company conducts a **re-purchase of own shares** through an offering to all shareholders and in which, pursuant to a reputable independent valuation institute's opinion, the measures, on account of its technical configuration and financial effects, are equivalent to a mandatory reduction of the share capital, the adjustment of the exercise price and number of shares for which each Call Option entitles to purchase of shall be done using as far as possible the principles stated in Item H above.
- (J) If the Company conducts measures covered by Items A – I above or similar measures and if the application of the adjustment formula for this purpose, due to the technical configuration, that the adjustment formula is not adapted to the share class which the measure relates to, or other reasons, cannot be done or would lead to a situation in which the financial compensation received by the Holders in relation to shareholders would not be reasonable, a reputable independent valuation institute shall, provided that the Company's Board of directors provides written consent, conduct adjustment to ensure the result is reasonable.
- (K) Adjustment must not result in an increase in the exercise price or a reduction in the number of shares for which each Call Option entitles to purchase of in cases other than those stated in Item B. In adjustment pursuant to the above, the exercise price shall be rounded off to the nearest whole ten öre, with five öre being rounded upwards, and the number of shares rounded off to two decimals.
- (L) If the shares covered by the Call Option become subject to **buy-out of minority shareholders procedure** pursuant to Chapter 22 of the Swedish Companies Act, a reputable independent valuation institute shall, in cases in which the expiration date for notification of purchase is later than 30 days from the announcement of the request for redemption, set a new expiration date prior to the expiry of the aforementioned time.

- (M) The provisions concerning compulsory acquisition in Item L shall apply correspondingly if a general meeting of shareholders in the Company decides to approve a **merger plan**, according to which the Company is to become part of another company or a **demerger plan**, according to which all the Company's assets and liabilities are taken over by one or more limited liability companies and the Company thus is dissolved without **liquidation** or if a decision is made concerning the Company going into liquidation or **bankruptcy**. In such cases, the period of time is calculated from the public announcement of the merger, demerger, liquidation or bankruptcy.

## **8. SPECIAL UNDERTAKINGS FROM THE COMPANY**

The Company undertakes to consult with a reputable independent valuation institute in good time before the Company executes any measures stated in Section 7 above.

## **9. NOMINEES**

In respect of Call Options that are registered through a nominee pursuant to the Central Securities Depository and Financial Instruments Accounts Act (1998:1479), the nominee shall be regarded as the Holder for the purpose of these terms and conditions.

## **10. LIMITATION OF THE LIABILITY OF THE BANK AND EUROCLEAR**

In respect of the measures that are incumbent on the Bank and Euroclear – in relation to Euroclear taking into consideration the provisions of the Central Securities Depository and Financial Instruments Accounts Act (1998:1479) – neither the Bank nor Euroclear shall be liable for loss arising from legislation, actions by authorities, acts of war, strikes, blockades, boycotts, lockouts or similar circumstance. The provisions regarding strikes, blockades, boycotts and lockouts apply even when the Bank or Euroclear itself takes such measures or is the subject of such measures.

Neither the Bank nor Euroclear are liable in other cases to pay compensation arising if the Bank or Euroclear has displayed a normal level of care. In no circumstances is the Bank liable for indirect loss.

If obstacles arise that prevent the Bank or Euroclear from effecting transfer, payment or take other measures as a result of such circumstances as stated in the first paragraph, the measures may be postponed until such obstacle has ceased.

## **11. NOTICES**

Notices pertaining to the Call Options shall be issued to each registered Holder and other holder of rights listed on a securities account.

## **12. CONFIDENTIALITY**

The Bank or Euroclear may not provide unauthorised information to a third party regarding Holders.

The Company is entitled to receive the following information from Euroclear concerning a Holder's account in the Company's CSD register:

1. Name of the Holder, personal identity number or other identification number and postal address.
2. Number of Call Options.

### **13. AMENDMENT OF TERMS AND CONDITIONS**

The Bank is entitled on behalf of Holders to agree with the Company to amend these terms and conditions to the extent legislation, a court order or a decision by an authority requires or if otherwise – in the opinion of the Bank – for practical reasons it is necessary or desirable and the rights of Holders are not impaired to any material extent.

### **14. APPLICABLE LAW, ETC.**

The interpretation and application of these terms and conditions and related legal matters shall be subject to Swedish law. Legal proceedings arising from these terms and conditions shall be brought before the Stockholm District Court or such other forum whose authority is accepted by the Company.

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