

**Minutes from the Annual General Meeting of shareholders in Sectra AB (publ),  
reg. no 556064-8304, on 30 June 2011 at 4:00 pm at Collegium in Linköping.**

§ 1

The meeting was opened by the Chairman, Carl-Erik Ridderstråle, who welcomed the shareholders.

§ 2

It was resolved to appoint advokat Charlotte Levin to conduct the meeting in the capacity of chairman. It was noted that the chairman had appointed Erik Claesson to keep the minutes at the meeting.

§ 3

A list of shareholders present was prepared, **Appendix A**. It was resolved to approve the list as the voting list for today's meeting. It was noted that 69.41 per cent of the total votes and 50.65 per cent of the total shares were represented at the meeting.

§ 4

It was resolved to approve the agenda for the meeting, which had been distributed to the participants and which had previously been included in the notice to the meeting.

§ 5

It was resolved that the minutes should be verified by the chairman together with Per Carlsson representing the Swedish Shareholders' Association and Arne Lööv representing The Fourth Swedish National Pension Fund.

§ 6

It was noted that the notice to the meeting had been given within the time frame set out in the articles of association by way of an announcement in the Official Swedish Gazette (Sw. *Post och Inrikes Tidningar*) on 1 June 2011 and on the company's website on 31 May 2011. Furthermore, an advertisement with information that the notice had been given was published in Svenska Dagbladet on 1 June 2011.

It was resolved to approve the notice measurements and declare the meeting duly convened.

## § 7

The managing director Jan-Olof Brüer presented Sectra's operations for the previous year. The shareholders were invited to ask questions.

The annual report and the consolidated annual report were presented. The company's responsible auditor, Peter Bodin, presented the auditor's work and the Grant Thornton audit work for the current year.

## § 8

a. It was resolved to adopt the income statement and consolidated income statement for the period 2010-05-01 – 2011-04-30, and the balance sheet and consolidated balance sheet as of 30 April 2011.

b. It was resolved that the company's profits according to the adopted balance sheet as of 30 April 2011, shall be distributed in accordance with the proposal of the board of directors:

The following is at the disposal of the Annual General Meeting:

Fund for fair value	-37,527,929
Premium fund	7,647,266
Profit brought forward	174,249,641
Profit for the year	<u>50,757,914</u>
	195,126,892

The board of directors and the managing director propose that:

To be carried forward	195,126,892
-----------------------	-------------

c. It was resolved to discharge the members of the board of directors and the managing director from liability for their administration of the company's affairs during financial year 2010/2011.

It was noted that the resolution was passed unanimously and that neither members of the board of directors, who represented shares held by themselves or others, nor the managing director participated in this resolution.

## § 9

Thomas Ehlin, member of the election committee, presented the election committee's work and its proposals to the annual general meeting in relation to §§ 9 -12.

It was resolved that the board of directors shall, for the period until the close of the next annual general meeting, comprise of six (6) members without any deputy directors. Further, it was resolved to appoint the auditor for the period until the close of the next annual general meeting.

## § 10

It was resolved to pay a remuneration of SEK 300,000 to the chairman of the board and SEK 150,000 to each of the external members of the board.

Furthermore, it was decided that a remuneration of SEK 20,000 for the audit committee's work should be paid to each of the external members of the board and SEK 40,000 to the audit committee chairman. It was decided that no separate remuneration should be paid for work in the remuneration committee.

It was resolved that the remuneration to the auditor shall be paid pursuant to approved account.

## § 11

It was resolved to re-elect Erika Söderberg Johnson, Torbjörn Kronander, Christer Nilsson, Anders Persson, and Carl-Erik Ridderstråle and to elect Jakob Svärdström as ordinary members of the board for the period until the close of the next annual general meeting. Furthermore, Carl-Erik Ridderstråle was re-elected as chairman of the board.

Grant Thornton Sweden AB was appointed auditor for the period until the close of the next annual general meeting. Grant Thornton Sweden AB has appointed Peter Bodin as auditor in charge.

## § 12

It was resolved to appoint a nomination committee in accordance with the following principles. The chairman of the board shall, not later than 28 October 2011, contact the three largest shareholders in the company, each of which is then entitled to appoint a member to the committee. Should any of the three largest shareholders waive its right to appoint a member to the committee, the next shareholder in terms of size is offered the opportunity to appoint a member to the committee. In addition, the chairman of the board is a member of the committee. The chairman of the board convenes the committee to the first meeting. The member that represents the largest shareholder in the company based on voting rights shall be appointed as chairman of the committee. The committee's mandate period is until a new nomination committee is appointed. Member resigning prematurely from the nomination committee shall be replaced accordingly.

The composition of the nomination committee shall be disclosed publicly not later than six months prior to the annual general meeting.

The nomination committee's composition is based on the known shareholding in the company per 30 September 2011. If significant changes occur in ownership after the committee is formed, the composition of the committee can also be changes in accordance with the principles above. Changes in the committee shall be disclosed immediately.

The nomination committee shall prepare and to the annual general meeting propose:

- election of the chairman and other members to the company's board of directors;
- remuneration to be distributed between the chairman and other members of the board and possible remuneration for committee work;
- election of and remuneration to the auditors and deputy auditors (where appropriate);
- resolution concerning principles for the composition of the nomination committee; and
- chairman of the annual general meeting.

No remuneration shall be paid to members of the nomination committee.

### § 13

It was resolved that the principles relating to remuneration and other terms of employment for senior executives of the company that was adopted by the 2010 annual general meeting shall continue to apply for 2011. Senior executives of the company include the managing director and other members of the group senior management.

The remuneration to senior executives of the company shall be based on market terms and shall support the shareholders' interests. The remuneration shall, in the main, consist of a fixed salary element, a variable salary element, pension benefits and other benefits; for example, use of a company car. The pension benefits shall be in the form of premium.

The fixed salary shall be determined taking into account the executive's experience, responsibility and performance and shall be based on market conditions. The variable remuneration shall be in proportion to the executive's responsibility and authority. In addition, it shall have a maximum limit and be based on fulfilment of goals that promotes the Company's long-term value creation. Where appropriate, the variable portion shall be based on predetermined and measurable criteria. The company's costs for the variable portion for the managing director and other persons in company management shall not exceed 50 per cent of the fixed salary costs.

The period of notice shall be not more than 12 months on the employee's side. In the event that notice is issued by the company, the period of notice and the time during which severance pay is paid out shall not together exceed a total of 24 months.

The normal retirement age shall be 65. Pensions shall be on market terms and based on defined-contribution pension solutions. The pension premium shall be maximized at 25 per cent of the fixed and variable salary.

Directors with special competence shall receive remuneration on market terms for services performed outside his or her management assignment. Resolutions regarding such remuneration shall be dealt with by the board of directors, in which case the party concerned may not take part in the discussions or the related decision.

Issues related to remuneration to company management are handled by the managing director. Remuneration to the managing director shall be determined by the board of directors.

It was resolved that the board of directors shall be able to deviate from the guidelines for remuneration drawn up by the annual general meeting if there are special reasons for so doing in individual instances.

It was noted that Peter Nyström representing Ford Motor Company Defined Benefit Master Trust representing 2,789 B shares voted against the proposal.

#### § 14

It was unanimously resolved, in accordance with the proposal of the board of directors, that the board of directors shall be authorized to issue, on one or several occasions during the period until the close of the next annual general meeting, not more than 3,700,000 Class B shares for payment in cash, payment by set-off of claims or payment in kind and by set-off and payment in kind be able to disregard the shareholders' preferential rights. The issue price of the new shares shall be determined on the basis of the prevailing market price of the Class B shares at the time of the issue.

It was noted that the purpose of the authorization is to facilitate the utilization of newly issued shares in connection with the implementation or for the financing of acquisitions of companies or businesses or parts thereof and in connection with market investments.

#### § 15

It was unanimously resolved that, in accordance with the proposal of the board of directors, to authorize the board of directors, on one or several occasions during the period until the close of the next annual general meeting, to resolve on the acquisition shares of the company, up to a maximum amount that does not, at any time, exceed 10 per cent of the total number of shares in the company. Acquisitions of shares shall be made on either NASDAQ OMX Stockholm at a purchase price within the range of the Class B-share prices registered at any given time, meaning the spread between the maximum buying rate and the minimum selling rate, or by way of an offer to all holders of shares, whereby the acquisition shall be at a price, equal for Class A-shares and Class B-shares, which at the time of the decision corresponds to a minimum of the prevailing market price for the Class B-share and to a maximum of 150 per cent of the prevailing market price of Class B-share.

It was also resolved that the board of directors shall be authorized to resolve, on one or several occasions during the period until the close of the next annual general meeting, to dispose of all shares held by the company, via NASDAQ OMX Stockholm or in connection with the acquisition of companies or businesses or parts thereof, in connection with market investments, for hedging costs that may arise relating to the company's incentive programs and for a continuous adoption of the company's capital structure and thereby contributing to increased shareholders' value. Disposal of shares via NASDAQ OMX Stockholm may only be made at a price within the range of the share prices registered at any given time. The authorization includes a right to disregard the shareholders' preferential rights and that payment may be made in a form other than cash.

It is noted that the chairman of the board of directors Carl-Erik Ridderstråle emphasised that the board of directors does not intend to trade in the own share with the purpose of drive the share price.

## § 16

It was unanimously resolved, in accordance with the proposal of the board of directors, to issue convertibles, with a nominal value not exceeding SEK 35,000,000, to employees of the group in accordance with the following terms and conditions:

1. Each convertible shall have a nominal value of SEK 1, or multiples thereof.
2. The issue price for the convertibles shall correspond to the convertibles' nominal value.
3. The convertibles shall, with deviation of the shareholders' preferential rights, be subscribed for by the Group's employees according to **Appendix B**.
4. Subscription shall be made on a subscription list from September 26 - October 7, 2011.
5. Payment for the convertibles shall be made in cash not later than October 28, 2011.
6. The convertibles shall carry an annual interest, which is determined for each period and shall be STIBOR with addition for 2.25% and shall mature for payment on June 15, 2015.
7. The convertibles entitle the holder to convert to Class B shares. The conversion rate shall correspond to 135 per cent of the volume-weighted average of price paid for the company's shares on the NASDAQ OMX Stockholm during the period August 2 - 17, 2011. Holders are entitled to request conversion of their convertibles into shares, during the period May 25 - 29, 2015.
8. Assuming full subscription and full conversion of the convertibles, the share capital may increase by not more than SEK 875,000.
9. No excess subscription shall take place.
10. The new shares shall yield a right to dividend from the dividend record date which occurs immediately after the date of conversion was carried out.

In addition hereto, the terms and conditions according to **Appendix C** shall apply.

Moreover, it was resolved to authorize the board of directors, or any person nominated by the board of directors, to undertake such minor adjustments as may be required for the registration of the issue by the Swedish Companies Registration Office and Euroclear Sweden AB.

The convertibles may only be allocated so that the dilution effect assuming full conversion amounts to not more than one (1) per cent of the share capital at the date of the annual general meetings resolution, wherein the dilution due to the allocation of convertibles to external members of the board of directors according to the proposal by the shareholders shall be included.

The purpose of the deviation of the shareholders' preferential rights is to further strengthen the motivation of the employees regarding the Group's long-term business and financial development and to increase the motivation and the feeling of belonging to the company. The

board of directors considers it to be advantageous for the company and for the company's shareholders to enable employees to be shareholders in Sectra through this convertible program.

## § 17

It was with the required majority resolved, in accordance with the proposal of shareholders, to issue convertibles with a nominal value not exceeding SEK 3,500,000 to external members of the board of directors.

The following terms and conditions shall apply:

1. Each convertible shall have a nominal value of SEK 1, or multiples thereof.
2. The issue price for the convertibles shall correspond to the convertibles' nominal value.
3. The convertibles shall, with waiver of the shareholders' preferential rights, be subscribed for by the company's external members of the board of directors according to **Appendix D**.
4. Subscription shall be made on a subscription list from September 26 - October 7, 2011.
5. Payment for the convertibles shall be made in cash not later than October 28, 2011.
6. The convertibles shall carry an annual interest, which is determined for each period and shall be STIBOR with addition for 2.25% and shall mature for payment on June 15, 2016.
7. The convertibles entitle the holder to convert to Class B shares. The conversion rate shall correspond to 144 per cent of the volume-weighted average of price paid for the company's shares on the NASDAQ OMX Stockholm during the period August 2 - 17, 2011. Holders are entitled to request conversion of their convertibles into shares, during the period May 23 - 27, 2016.
8. Assuming full subscription and full conversion of the convertibles, the share capital may increase by not more than SEK 87,500.
9. No excess subscription shall take place.
10. The new shares shall yield a right to dividend from the dividend record date which occurs immediately after the date of conversion was carried out.

In addition hereto, the terms and conditions according to **Appendix E** shall apply.

Moreover, it was resolved to authorize the board of directors, or any person nominated by the board of directors, to undertake such minor adjustments as may be required for the registration of the issue by the Swedish Companies Registration Office and Euroclear Sweden AB.

The convertibles may only be allocated so that the dilution effect assuming full conversion amounts to not more than one (1) per cent of the share capital at the date of the annual general meetings resolution, wherein the dilution due to the allocation of convertibles to external members of the board of directors according to the proposal by the shareholders shall be included. If it becomes necessary to reduce the allocation of convertibles due to a dilution effect exceeding one (1) per cent of the share capital, the reduction shall be implemented so that the

reduction is proportional to the amount and signed with the same proportional reduction in each convertible issue.

The purpose of the deviation of the shareholders' preferential rights is to further strengthen the motivation of the external members of the board of directors regarding the Group's long-term business and financial development.

It was noted that Per Carlsson representing the Swedish Shareholders' Association representing 100 Class B shares and Peter Nyström representing Ford Motor Company Defined Benefit Master Trust representing 2,789 Class B, shares voted against the proposal.

## § 18

It was unanimously resolved, in accordance with the proposal of the board of directors, to grant up to 100,000 call options to the Group's employees in North America according to the previously adopted Global Share Option Plan, whereby the managing director may be granted up to 40,000 options and other employees up to 10,000 options each.

According to the Global Share Option Plan, call options ("stock options") may be issued by the company or any of its subsidiaries and each of the stock options shall entitle the holder to acquire one Class B share in Sectra. No premium is payable on allotment of a stock option. The exercise price for the stock options shall substantially correspond to 135 per cent of the volume-weighted average of the price paid for the company's shares on the NASDAQ OMX Stockholm at time of allotment.

The stock options may be exercised after three years from the date of allotment and under the condition that the employee is still employed within the Group. The stock options shall lapse three years and two months from the date of allotment.

The incentive program is carried out in order to further strengthen the employees' interest in the Group's long-term business and financial development and to increase the motivation and the feeling of belonging to Sectra. The board of directors considers it to be advantageous for the company and for the company's shareholders to enable employees in North America to be shareholders in Sectra.

Moreover, in order to secure the obligations under the warrants options it was resolved to authorise the board of directors to issue on one or several occasions during the period until the close of the next annual general meeting, not more than 100,000 warrants, which shall entitle to subscription of not more than 100,000 Class B shares in the company. With waiver of the shareholders' preferential rights, wholly owned subsidiaries in the Group shall be entitled to subscribe for the warrants.

The reason for the deviation from shareholders' preferential rights is to ensure fulfilment of the option undertakings according to the incentive program described above.

§ 19

It was noted that there were no other questions.

§ 20

The chairman thanked everyone for their attention and declared the annual general meeting closed.

-----

Linköping as above

Secretary of the meeting

Verified

Erik Claesson

Charlotte Levin, chairman

Verified

Verified

Per Carlsson

Arne Lööv

## **Employees' right to subscribe and allotment guidelines for the Board of Directors**

The convertibles shall, with disapplication of the shareholders' preferential rights, be subscribed for by all individuals who as of 30 September 2011 are permanent in the Sectra Group. At allotment the Board of Directors shall observe the following.

Each employee shall be allotted convertibles at a nominal value in total of no more than 1,000 times the conversion rate, which shall be calculated according to section 7 in the Board of Directors' proposal. In addition, employees with special competence or otherwise of special importance for the development of the Sectra Group (key persons), shall be allotted, according to resolutions by the Board of Directors, convertibles to an amount of no more than 25,000 times the calculated conversion rate.

If the new issue is not subscribed in full, each employee shall be allotted additional convertibles at a nominal value of a total of no more than 5,000 times the calculated conversion rate, first to the key persons.

## Terms and Conditions for Sectra AB's Convertibles 2011/2015 of SEK 35,000,000

### § 1 Definitions

In the terms and conditions the following designations shall have the meaning presented below.

"ABL"	the Swedish Companies Act (2005:551);
"reconciliation account"	Securities account at Euroclear where each convertible holder's possession of convertibles or possession of shares acquired by convertibles are registered.
"share"	share of class B in the Company;
"banking day"	a day which is not a Sunday, or other public holiday or, with respect to the payment of promissory notes, is not equated with a public holiday in Sweden;
"the Bank"	a bank or a securities institute, which the Company from time to time shall contract with to perform the undertakings of the Bank under these terms and conditions;
"the Company"	Sectra AB (publ), Registration No. 556064-8304;
"Euroclear"	Euroclear Sweden AB (the Swedish Central Securities Depository and Clearing Organisation);
"conversion"	the exchange of a convertible for new shares in the Company;
"conversion price"	the price at which conversion may occur;
"convertible "	such convertible with conversion rights as referred to in Chapter 15 of the Swedish Companies Act (2005:551);
"Holder"	a holder of a convertible; and
"stibor"	the daily interest rate quoted at 11 a.m. two banking days before the applicable interest period for loans in SEK for a 12 months period at Reuters web-page "SIOR" (or via a similar system or web-page which replaces such system or web-page) or, if such quotation is not available, the interest rate at which Swedish banks offer to lend for a period of 12 months

at the interbank market an amount equivalent to the total of the convertible debt.

## **§ 2 Loan amount, maturity and interest rate**

The loan amount shall not exceed SEK thirty-five million (35,000,000). The loan matures on 15 June 2015, except to the extent of prior conversions. The loan carries interest from 28 October 2011 and is payable each year on 30 April, commencing on 30 April 2012, as well as on the maturity date of the loan.

Each interest payment comprises interest for a period of 12 months calculated on the basis of the actual number of days ("Act")/360 (Act/360) with the exception for the first interest payment which only comprises the period as from 28 October until and including 30 April 2012 and the last interest payment which only comprises the period from the last maturity date up to and including the maturity date of the loan and including the maturity date of the loan. As stated in Section 7 below, upon conversion the right to receive interest will fall off as from the previous interest maturity date.

The interest rate is settled for each interest period and shall amount to STIBOR with addition for 2.25%.

The Company hereby assumes the loan note and undertakes to make payments in accordance with the conditions stated herein.

## **§ 3 Account operator, registration, etc.**

The loan shall be registered by Euroclear on Securities Accounts in accordance with Chapter 4 of the Swedish Financial Instruments (Accounts) Act (SFS 1998:1479). No certificates will be issued.

Each convertible shall have a nominal value of SEK one (1) or multiples thereof.

The convertibles will be registered on behalf of each holder in the reconciliation account in the Company's securities account.

## **§ 4 Subordination**

In the event the Company is placed in liquidation or insolvent liquidation, the convertibles shall entitle the holders thereof to payment from the Company's assets after the Company's non-prioritised creditors and shall be ranked *pari passu* with other subordinated obligations, which are not expressly subordinated to this loan.

The Company undertakes, for such time as any creditors hold convertibles pursuant to these terms and conditions, not to assume subordinated obligations which, in the event of the Company's liquidation or insolvent liquidation, shall entitle such creditors to payment from the Company's assets prior to payment pursuant to this subordinated loan.

## **§ 5 Payment of interest and repayment of principal**

The interest and principal will be paid by Euroclear to parties who, on the fifth banking day prior to the respective due date for payment or on the banking day more close to the due date for payment that may generally be applied on the Swedish securities market (the record date for payment) is registered in an account in the Company's Euroclear register as the holder or as otherwise entitled to receive interest and payment of principal.

If the holder, or a person who is registered in an account in the Company's Euroclear register as otherwise entitled to receive interest and payment of principal, has via an account-operating institute registered that the interest and payment of principal should be deposited in a specified bank account, such deposit will be made by Euroclear on the due date for payment. In the absence of such agreement, Euroclear will transmit the interest payment and payment of principal on that date to the address of the appropriate party as recorded at Euroclear on the record date for payment. If the due date for payment is a day that is not a banking day, the payment will not be deposited or transmitted until the immediately following banking day.

If Euroclear, due to delay on the part of the Company or to other hindrance, be unable to make the interest or principal payment when due, the payment will be made by Euroclear as soon as such hindrance has been removed to the party who, on the record date for payment, was registered as the holder or listed as entitled to receive interest and payment of principal.

Interest is payable only up to and including each respective due date for payment even if such day shall fall on a day that is not a banking day and even if the payment is delayed by such hindrances as are described in the conditions regarding limitation in responsibility of the bank and Euroclear below. In the event that the Company shall fail to make funds available to Euroclear in time for payment of the principal or interest due on the relevant due date for payment, whether or not there are hindrances in the liability of the bank or Euroclear as stated below, interest shall be payable on the past due date for payment, up to and including the banking day upon which, no later than 10:00 a.m., funds have been made available to Euroclear.

## **§ 6 Conversion**

Holders shall have the right, during the period 25 – 29 May 2015, to request conversion of their convertibles into shares. The conversion price shall correspond to 135 percent of the volume-weighted average of price paid for the company's shares on the NASDAQ OMX Stockholm during the period 2 - 17 August 2011. Request for conversion shall be made to the company on a registration form specified by the company or to the one that the company provides on an established registration form.

One new share will be received for each full amount equivalent to the conversion price of the total principal value of this convertible, registered in the applicable account for convertibles, which one and the same holder wishes to convert at the same time. If this amount is not evenly divisible by the conversion price, the surplus amount shall be paid in cash. The conversion price may be adjusted in the circumstances described below.

Conversion is effected by the new shares being registered in the Company's share register as interim. Any surplus cash amount as specified above shall thereafter be paid. After the registration has been made with the Swedish Companies Registration Office, the registration in the reconciliation account will become final.

**§ 7 Interest and dividends in connection with conversion**

At conversion right to accrued interest cease with respect to the period from the interest-payment date immediately prior to conversion.

Shares issued upon conversion carry rights to dividends commencing on the record date for dividends which falls immediately after the day on which conversion is effected.

**§ 8 Adjustment of conversion price, etc.**

The following shall apply with the respect to the rights of holders in the situations described below.

Subsection A. If the Company effects a bonus issue of shares conversion requested on such date that the thereby received share do not carry right to a bonus share, an adjusted conversion price shall be applicable in accordance with the following.

$$A = \frac{B * C}{D}$$

- A = adjusted conversion price
- B = preceding conversion price
- C = number of shares prior the bonus issue
- D = number of shares following the bonus issue

The Company has the right to wait with conversion until after the record date for the issue if it facilitates accomplishment of the issue.

Subsection B. If the Company effects a consolidation or a split of its shares, subsection A above shall apply. The date on which the consolidation or split is carried out shall in such case be considered to be on an equal footing with the record date of the bonus issue.

Subsection C. If the Company issues new shares – with preferential rights to its shareholders to subscribe for new shares for cash – an adjusted conversion price shall apply in accordance with the following if conversion is requested on such a date that rights to participate in the new issue do not accrue,

$$A = \frac{B * C}{D}$$

- A = adjusted conversion price

- B = preceding conversion price
- C = the average share price
- D = the average share price increased by the theoretical value of the subscription right

The average price of the share is the average of the mean of the highest and lowest prices paid each trading day in transactions as recorded on the NASDAQ OMX Stockholm during the subscription period. In the absence of a quotation of paid price, the last bid price quoted shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from calculation of the average share price.

The theoretical value of subscription rights is calculated in accordance with the following formula:

$$A = \frac{B * (C - D)}{E}$$

- A = the theoretical value of the subscription right
- B = maximum number of shares that can be issued according to the resolution approving the new issue
- C = average price of the share
- D = the price at which the shares are being issued
- E = number of shares outstanding prior to the resolution whereby new shares are issued

If the subscription right has a negative value, the theoretical value of the subscription rights shall be fixed at zero.

The Company has the right to wait with conversion until after the record date if it facilitates accomplishment of the issue.

The Company likewise has the right to give all holders the same preferential rights that according to the resolution belong to the shareholders. Notwithstanding conversion has not been carried out holders shall be considered owners of the number of shares that the holder would have received if conversion had been carried out to the conversion price at the date of the resolution to issue. The fact that the holder would have been able to receive a cash sum in accordance with above, shall not result in any right now in question. Adjustment of the conversion price shall not take place if the Company should decide to give the holders preferential right in accordance with these conditions.

Subsection D. If the Company effects an issue as referred to in Chapter 15 of the Swedish Companies Act – with preferential rights for the shareholders to subscribe for convertibles in return for cash payment - an adjusted conversion price shall apply in accordance with the

following if conversion is requested on such date that right to participate in the new issue do not accrue,

$$A = \frac{B * C}{D}$$

- A = adjusted conversion price
- B = preceding conversion price
- C = average share price
- D = average share price increased by the value of subscription rights

The average share price is calculated as stated in subsection C. above.

The value of the subscription right shall be considered to correspond to the average of the mean of the highest and the lowest prices paid for such rights each trading day in transactions as recorded on the NASDAQ OMX Stockholm during the subscription period. In the absence of a quotation of a paid price, the last bid price quoted shall be included in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from calculation of the value of subscription rights.

The Company has the right to wait with carrying out conversion until after the record date for the issue if it facilitates accomplishment of the issue.

The Company likewise has the right to give all holders the same preferential rights that accrue to the shareholders according to the resolution. In this case every holder shall, notwithstanding conversion has not been carried out, be considered owner of the number of shares the holder would have received if conversion had been carried out at the existing conversion price at the time of the resolution to issue. The circumstance that the holder also could have been able to receive a cash sum in accordance with the above mentioned shall not result in any right now at hand. No adjustment of the conversion price shall take place if the Company should resolve to give the holders preferential rights in accordance with those conditions.

Subsection E. Should the Company, in cases other than those set forth in subsections A. through D. above, make an offer to its shareholders to acquire on a preferential basis securities or rights of any type from the Company in accordance with the principles stated in Chapter 13, § 1 of the Swedish Companies Act or decide to distribute, in accordance with the above mentioned principles, such securities or rights to shareholders without consideration, an adjusted conversion price according to below shall be applied in connection with conversions requested at any time such that the received do not carry rights to participate in the offer or distribution.

$$A = \frac{B * C}{D}$$

- A = adjusted conversion price

- B = preceding conversion price
- C = average share price
- D = average share price increased by the value of rights to participate in the offer or distribution

The average share price is calculated during the specified subscription period in the offer as stated in subsection C. above.

In the event that shareholders receive purchase rights and trading of such rights has occurred, the value of the right to participate in the offer shall be considered to correspond to the average of the mean of the highest and lowest prices paid for such rights each trading day in transactions as recorded on the NASDAQ OMX Stockholm during the subscription period. In the absence of a quotation of a paid price, the last price quoted shall be included in the transaction. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from the calculation of value of the purchase rights.

In the event that shareholders have not received purchase rights or if such trading in purchase rights as referred to in the preceding paragraph has not occurred, the adjustment of the conversion price shall be calculated by applying as far as possible the principles set forth in subsection E. herein. The following shall thereby apply.

If a listing occurs of the securities or rights offered to the shareholders, the value of the right to participate in the offer shall be considered to correspond to the average of the prices paid for such securities or rights on each trading day during 25 days from and including the first day for listing calculated as the mean of the highest and lowest paid prices recorded for transactions in these securities or rights on the NASDAQ OMX Stockholm, less any consideration that is paid for these in conjunction with the offer. In the absence of a quotation of price, the last bid price quoted shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from calculation of the average price. When a recalculation of the conversion price is made according to this paragraph, the above mentioned 25 trading days shall be considered to correspond to the application period in the offer according to above.

Should listing not occur, the value of the right to participate in the offer shall be determined as far as possible on the change in the market price of the Company's shares that can be considered to have arisen as a consequence of the offer.

The Company has the right to wait with conversion until after the record date for the offer if it facilitates accomplishment of the offer.

The Company likewise has the right to give all holders the same preferential rights, as according to the resolution is granted to the shareholders. In this case every holder, notwithstanding a conversion has not been carried out, shall be considered owner of the number of shares the holder would have had received if the conversion had been carried out at the existing conversion price at the time of the resolution of the offer. The fact that the holder also could have been able to receive a cash sum according to the above shall not result in any right now at hand. If the Company should resolve to give the holders

preferential rights in accordance with those conditions, no adjustment of the conversion price shall be made.

Subsection F. If a cash dividend to shareholders is decided, such that the shareholders receive, combined with other dividends paid during the same fiscal year, a total dividend exceeding ten (10) percent of the average price of the share during a period of 25 trading days immediately preceding the day on which the Board of Directors announced its intention to propose that the General Meeting of the Shareholders should approve such dividend an adjusted conversion price shall be applied for conversions requested at such time that the shares received in such event do not carry rights to receive the such dividend. The adjustment shall be based on the extraordinary dividend, i.e. on such part of the total dividend that exceeds the above mentioned percentage of the average price of the shares during the mentioned period. The adjustment shall be made according to the following.

$$A = \frac{B * C}{D}$$

- A = adjusted conversion price
- B = preceding conversion price
- C = average share price
- D = average share price increased by the extraordinary dividend paid per share

The average price of the share shall be considered to correspond to the average of the mean of the highest and lowest prices paid each trading day during the above stated period of 25 trading days in accordance with the official price list of the NASDAQ OMX Stockholm. In the absence of a quotation of a paid price, the last bid price quoted shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from the calculation.

The Company has the right to wait with conversion until after the record date for the dividends if it facilitates accomplishment of the dividend.

Subsection G. If the Company's share capital is reduced through a repayment to its shareholders the following adjusted conversion price shall be applied.

$$A = \frac{B * C}{D}$$

- A = adjusted conversion price
- B = preceding conversion price
- C = average share price
- D = average share price increased by the amount being repaid per share

The average share price is calculated under a period of 25 trading days from and including the day the share is listed without right to repayment as stated in subsection C.

The Company has the right to wait with conversion until after the resolution of repayment of share capital to shareholders has been registered at the Companies Registration Office, if it facilitates the accomplishment of the resolution of repayment of share capital.

Subsection H. Should the Company take action in accordance with the above and should the application of the conversion formula established for such action with reference to technical design of such action or for any other reason, not be possible, or would it result in the holders receiving, in relation to the shareholders, economic compensation that is not reasonable, the Board of Directors of the Company has the right to make adjustment of the conversion price as the Board of Directors determines appropriate to ensure that the adjustment of the conversion price leads to a reasonable result.

Subsection I. In adjusting the conversion price as described above, the price shall be rounded to units of 10 öre, with 5 öre rounded upwards.

Subsection J. If it is decided that the Company is to enter into liquidation pursuant to Chapter 25 of the Swedish Companies Act, conversion may not be requested thereafter, regardless of the grounds for liquidation; the right to request conversion ceases simultaneously with the decision to liquidate, notwithstanding the fact that the decision may not have come into legal force. However, the holder has the right, in such cases, to demand immediate payment of the principal amount of the convertible plus accrued interest to the date of payment. If the decision to liquidate is made at a General Meeting of Shareholders, this right becomes effective on the day following the Meeting or otherwise on the day following the date on which the court order or liquidation has come into legal force. Within a week thereafter, the Company, as provided below, shall notify the holders in writing, advising them of their right to immediate payment.

Not later than two months before the General Meeting of the Shareholders determines whether the Company should enter into voluntary liquidation, as provided in Chapter 25 of the Swedish Companies Act, the holders shall be informed, as provided below, of the planned liquidation. The notice shall include a reminder that conversion may not be requested after the Meeting has voted to liquidate.

If the Company gives notice of a planned liquidation as stated above, holders are notwithstanding the provisions above regarding the earliest time for requesting conversion – entitled to request conversion from the date when the notice was issued, provided that conversion can be effected not later than the tenth calendar day prior to the General Meeting of Shareholders at which the issue of the Company's liquidation is to be considered.

Subsection K. If the General Meeting of Shareholders shall approve a merger agreement, in accordance with Chapter 23, § 15, of the Swedish Companies Act whereby the Company would be absorbed by another Company, conversion may not thereafter be requested.

However, the holder has the right during a period of two months from the date of such approval to demand immediate payment of the principal amount of the convertible, plus interest.

The Company shall notify holders, advising them of this right, not later than one week following the beginning of such period. Nothing contained herein shall impair rights that may legally accrue to the holders in their capacity as holders in conjunction with a merger.

Not later than two months prior to the time the Company takes a final decision on the matter of a merger as described above, the holders shall be informed by notice of such merger plans. The notice shall present a report on the principal terms of the planned merger agreement and shall remind the holders that conversion may not be requested once the merger has been fully approved in accordance with that stated in the first paragraph above.

Should the Company give notice of the planned merger as stated above, the holders shall, notwithstanding the provisions regarding the earliest time for requesting conversion, have the right to request conversion from the date when the notice of the merger plans was issued, provided that conversion can be effected not later than the tenth calendar day prior to the General Meeting of Shareholders at which the merger agreement, whereby the Company shall become part of another company, is to be approved.

Subsection L. Should the Board of Directors, in accordance with Chapter 23, § 28 of the Swedish Companies Act, conclude a merger agreement whereby the Company shall be absorbed by the parent company, or the Company's shares become subject to compulsory acquisition pursuant to Chapter 22, § 1 of the same act, the following shall apply.

If a Swedish limited liability stock company owns all shares outstanding in the Company, and the Board of Directors announces its intention of concluding a merger agreement in accordance with the stipulations in the Act cited in the preceding paragraph, the Company shall in the event that the final day for conversion pursuant to above occurs after such announcement, determine a new closing day, i.e. a new final day for requests for conversion. The closing date shall fall within 60 days from the date of the announcement.

If a Swedish parent company owns, solely or together with its subsidiaries, more than ninety (90) percent of the votes for all the shares in the Company and the parent company announces its intention to require such compulsory acquisition, the provisions set forth in the preceding paragraph regarding the closing date shall be applied correspondingly.

However, holders have the right during a period of 60 days from the date of such announcement stated above in this subsection to demand immediate payment of the nominal amount of the convertibles, plus interest accrued to and including the date of payment.

If public notice has been given in accordance with what has been stated above in this Subsection, notwithstanding the provisions of § 6 above with respect to the earliest date to request conversion, the holders shall have the right to request conversion up to and including the closing date. At least four weeks prior to the closing date, the Company shall, by giving notice in accordance with below, notify holders of such right and that conversion may not be requested after the closing date. In addition, the holders shall be notified of their right to request immediate payment in accordance with that stated in the preceding paragraph.

Subsection M. Notwithstanding the provisions above to the effect that conversion may not be requested after a decision is made to liquidate, approval is given for a merger agreement of the expiration of a new closing date upon merger, rights to request conversion shall be reinstated in cases when the liquidation is revoked or the agreement to merge is not implemented.

Subsection N. In the event the Company goes into bankruptcy, conversion may not be requested from that point onwards. If, however, the bankruptcy decision is revoked by a higher court of law, conversion may again be requested.

Subsection O. If the General Meeting would approve a demerger agreement pursuant to Chapter 24 § 17 of the Swedish Companies Act, whereby the Company shall demerge a part of the Company's assets and liabilities acquired by one or several other limited liability companies for a consideration for the shareholders of the Company, a recalculated conversion is applied in accordance with the principles for extraordinary dividend in section G above. The recalculation shall be based on the part of the company's assets or liabilities which will be acquired by the transferor company.

If all the Company's assets and liabilities are acquired by one or several other limited liability companies for a consideration for the shareholders of the Company, the liquidation rules in section M above shall be applicable, meaning *inter alia* that the right to demand subscription expires at the same time as the registration pursuant to Chapter 24 § 27 of the Swedish Companies Act. The holder is therefore to be notified at the latest four weeks before the demerger plan is submitted to the General Meeting.

## **§ 9 Special undertaking by the Company**

The Company agrees not to undertake any measure that would result in an adjustment of the conversion price to an amount less than the quota of each share in the Company.

## **§ 10 Statute of limitations**

All rights to payment of principal shall cease ten years after the maturity date of the convertibles. The right to receive interest payments shall cease three years after the respective interest payment due date. Funds allocated for payments for which rights cease to exist accrue to the Company.

## **§ 11 Notification**

Notices concerning this loan shall be given to a holder, which address is known to the Company.

## **§ 12 Confidentiality**

Unless so authorized the Company, the Bank or Euroclear may not provide information on holders to third parties. The Company has the right to obtain information on holders from the debt register kept by Euroclear.

**§ 13 Limitation of liability**

With respect to the actions incumbent on Euroclear, the Bank or the Company - Euroclear, the Bank or the Company shall not be deemed liable for loss due to Swedish or foreign legal decrees, Swedish or foreign action by public authorities, acts of war, strikes, blockades, boycotts, lockouts or other similar causes. The reservations with respect to strikes, blockades, boycotts and lockouts apply even if Euroclear, the Bank or the Company itself undertakes, or is the object of, such actions. Neither Euroclear, the Bank nor the Company shall be obligated to provide compensation for loss arising in other situations if Euroclear, the Bank or the Company respectively has exercised normal prudence and are not in any case liable for indirect damages.

If a payment or any other action is stopped by circumstances such as those described in the first paragraph, such action may be deferred until the hindrance has ceased to exist. In the event of deferred payment, the Company shall pay interest at the interest rate applicable on the due date.

**§ 14 Governing law, etc.**

These terms and conditions and any legal matters relating to the convertibles shall be governed by Swedish law. Any legal proceedings relating to the convertibles shall be instituted in the District Court of Linköping (Sw: Linköpings tingsrätt).

---

**Board members with the right to subscribe and guidelines for allotment for the Board of Directors**

The convertible shall, with disapplication of the shareholders' preferential rights, be subscribed for by members of the Board of Directors in Sectra AB (publ) who are not at the same time employed within the Sectra Group. At allotment each member of the Board shall be allotted convertibles at a nominal value in total of no more than 25,000 times the conversion rate, which shall be calculated according to item 7 in the proposal from the shareholders. If the new issue is not subscribed in full, each Board member shall be allotted additional convertibles at a nominal value of a total of no more than 5,000 times the calculated conversion rate.

## Terms and Conditions for Sectra AB's Convertibles 2011/2016 of SEK 3,500,000

### § 1 Definitions

In the terms and conditions the following designations shall have the meaning presented below.

"ABL"	the Swedish Companies Act (2005:551);
"reconciliation account"	Securities account at Euroclear where each convertible holder's possession of convertibles or possession of shares acquired by convertibles are registered.
"share"	share of class B in the Company;
"banking day"	a day which is not a Sunday, or other public holiday or, with respect to the payment of promissory notes, is not equated with a public holiday in Sweden;
"the Bank"	a bank or a securities institute, which the Company from time to time shall contract with to perform the undertakings of the Bank under these terms and conditions;
"the Company"	Sectra AB (publ), Registration No. 556064-8304;
"Euroclear "	Euroclear Sweden AB (the Swedish Central Securities Depository and Clearing Organisation);
"conversion"	the exchange of a convertible for new shares in the Company;
"conversion price"	the price at which conversion may occur;
"convertible "	such convertible with conversion rights as referred to in Chapter 15 of the Swedish Companies Act (2005:551);
"Holder"	a holder of a convertible; and
"stibor"	the daily interest rate quoted at 11 a.m. two banking days before the applicable interest period for loans in SEK for a 12 months period at Reuters web-page "SIOR" (or via a similar system or web-page which replaces such system or web-page) or, if such quotation is not available, the interest rate at which Swedish banks offer to lend for a period of 12 months

at the interbank market an amount equivalent to the total of the convertible debt.

## **§ 2 Loan amount, maturity and interest rate**

The loan amount shall not exceed SEK three million, five hundred thousand (3,500,000). The loan matures on 15 June 2016, except to the extent of prior conversions. The loan carries an interest from 28 October 2011 and is payable each year on 30 April, commencing on 30 April 2012, as well as on the maturity date of the loan.

Each interest payment comprises interest for a period of 12 months calculated on the basis of the actual number of days ("Act")/360 (Act/360) with the exception for the first interest payment which only comprises the period as from 28 October until and including 30 April 2012 and the last interest payment which only comprises the period from the last maturity date up to and including the maturity date of the loan and including the maturity date of the loan. As stated in Section 7 below, upon conversion the right to receive interest will fall off as from the previous interest maturity date.

The interest rate is settled for each interest period and shall amount to STIBOR with addition for 2.25%.

The Company hereby assumes the loan note and undertakes to make payments in accordance with the conditions stated herein.

## **§ 3 Account operator, registration, etc.**

The loan shall be registered by Euroclear on Securities Accounts in accordance with Chapter 4 of the Swedish Financial Instruments (Accounts) Act (SFS 1998:1479). No certificates will be issued.

Each convertible shall have a nominal value of SEK one (1) or multiples thereof.

The convertibles will be registered on behalf of each holder in the reconciliation account in the Company's securities account.

## **§ 4 Subordination**

In the event the Company is placed in liquidation or insolvent liquidation, the convertibles shall entitle the holders thereof to payment from the Company's assets after the Company's non-prioritised creditors and shall be ranked pari passu with other subordinated obligations, which are not expressly subordinated to this loan.

The Company undertakes, for such time as any creditors hold convertibles pursuant to these terms and conditions, not to assume subordinated obligations which, in the event of the Company's liquidation or insolvent liquidation, shall entitle such creditors to payment from the Company's assets prior to payment pursuant this subordinated loan.

## **§ 5 Payment of interest and repayment of principal**

The interest and principal will be paid by Euroclear to parties who, on the fifth banking day prior to the respective due date for payment or on the banking day more close to the due date for payment that may generally be applied on the Swedish securities market (the record

date for payment) is registered in an account in the Company's Euroclear register as the holder or as otherwise entitled to receive interest and payment of principal.

If the holder, or a person who is registered in an account in the Company's Euroclear register as otherwise entitled to receive interest and payment of principal, has via an account-operating institute registered that the interest and payment of principal should be deposited in a specified bank account, such deposit will be made by Euroclear on the due date for payment. In the absence of such agreement, Euroclear will transmit the interest payment and payment of principal on that date to the address of the appropriate party as recorded at Euroclear on the record date for payment. If the due date for payment is a day that is not a banking day, the payment will not be deposited or transmitted until the immediately following banking day.

If Euroclear, due to delay on the part of the Company or to other hindrance, be unable to make the interest or principal payment when due, the payment will be made by Euroclear as soon as such hindrance has been removed to the party who, on the record date for payment, was registered as the holder or listed as entitled to receive interest and payment of principal.

Interest is payable only up to and including each respective due date for payment even if such day shall fall on a day that is not a banking day and even if the payment is delayed by such hindrances as are described in the conditions regarding limitation in responsibility of the bank and Euroclear below. In the event that the Company shall fail to make funds available to Euroclear in time for payment of the principal or interest due on the relevant due date for payment, whether or not there are hindrances in the liability of the bank or Euroclear as stated below, interest shall be payable on the past due date for payment, up to and including the banking day upon which, no later than 10:00 a.m., funds have been made available to Euroclear.

## **§ 6 Conversion**

Holders shall have the right, during the period 23 – 27 May 2016, to request conversion of their convertibles into shares. The conversion price shall correspond to 144 percent of the volume-weighted average of price paid for the company's shares on the NASDAQ OMX Stockholm during the period 2 - 17 August 2011. Request for conversion shall be made to the company on a registration form specified by the company or to the one that the company provides on an established registration form.

One new share will be received for each full amount equivalent to the conversion price of the total principal value of this convertible, registered in the applicable account for convertibles, which one and the same holder wishes to convert at the same time. If this amount is not evenly divisible by the conversion price, the surplus amount shall be paid in cash. The conversion price may be adjusted in the circumstances described below.

Conversion is effected by the new shares being registered in the Company's share register as interim. Any surplus cash amount as specified above shall thereafter be paid. After the registration has been made with the Swedish Companies Registration Office, the registration in the reconciliation account will become final.

## **§ 7 Interest and dividends in connection with conversion**

At conversion right to accrued interest cease with respect to the period from the interest-payment date immediately prior to conversion.

Shares issued upon conversion carry rights to dividends commencing on the record date for dividends which falls immediately after the day on which conversion is effected.

**§ 8 Adjustment of conversion price, etc.**

The following shall apply with the respect to the rights of holders in the situations described below.

Subsection A. If the Company effects a bonus issue of shares conversion requested on such date that the thereby received share do not carry right to a bonus share, an adjusted conversion price shall be applicable in accordance with the following.

$$A = \frac{B * C}{D}$$

- A = adjusted conversion price
- B = preceding conversion price
- C = number of shares prior the bonus issue
- D = number of shares following the bonus issue

The Company has the right to wait with conversion until after the record date for the issue if it facilitates accomplishment of the issue.

Subsection B. If the Company effects a consolidation or a split of its shares, subsection A above shall apply. The date on which the consolidation or split is carried out with Euroclear shall in such case be considered to be on an equal footing with the record date of the bonus issue.

Subsection C. If the Company issues new shares – with preferential rights to its shareholders to subscribe for new shares for cash – an adjusted conversion price shall apply in accordance with the following if conversion is requested on such a date that rights to participate in the new issue do not accrue,

$$A = \frac{B * C}{D}$$

- A = adjusted conversion price
- B = preceding conversion price
- C = the average share price
- D = the average share price increased by the theoretical value of the subscription right

The average price of the share is the average of the mean of the highest and lowest prices paid each trading day in transactions as recorded on the NASDAQ OMX Stockholm during the subscription period. In the absence of a quotation of paid price, the last bid price quoted shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from calculation of the average share price.

The theoretical value of subscription rights is calculated in accordance with the following formula:

$$A = \frac{B * (C - D)}{E}$$

- A = the theoretical value of the subscription right
- B = maximum number of shares that can be issued according to the resolution approving the new issue
- C = average price of the share
- D = the price at which the shares are being issued
- E = number of shares outstanding prior to the resolution whereby new shares are issued

If the subscription right has a negative value, the theoretical value of the subscription rights shall be fixed at zero.

The Company has the right to wait with conversion until after the record date if it facilitates accomplishment of the issue.

The Company likewise has the right to give all holders the same preferential rights that according to the resolution belong to the shareholders. Notwithstanding conversion has not been carried out holders shall be considered owners of the number of shares that the holder would have received if conversion had been carried out to the conversion price at the date of the resolution to issue. The fact that the holder would have been able to receive a cash sum in accordance with above, shall not result in any right now in question. Adjustment of the conversion price shall not take place if the Company should decide to give the holders preferential right in accordance with these conditions.

Subsection D. If the Company effects an issue as referred to in Chapter 15 of the Swedish Companies Act – with preferential rights for the shareholders to subscribe for convertibles in return for cash payment - an adjusted conversion price shall apply in accordance with the following if conversion is requested on such a such date that right to participate in the new issue do not accrue,

$$A = \frac{B * C}{D}$$

- A = adjusted conversion price
- B = preceding conversion price
- C = average share price
- D = average share price increased by the value of subscription rights

The average share price is calculated as stated in subsection C. above.

The value of the subscription right shall be considered to correspond to the average of the mean of the highest and the lowest prices paid for such rights each trading day in transactions as recorded on the NASDAQ OMX Stockholm during the subscription period. In the absence of a quotation of a paid price, the last bid price quoted shall be included in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from calculation of the value of subscription rights.

The Company has the right to wait with carrying out conversion until after the record date for the issue if it facilitates accomplishment of the issue.

The Company likewise has the right to give all holders the same preferential rights that accrue to the shareholders according to the resolution. In this case every holder shall, notwithstanding conversion has not been carried out, be considered owner of the number of shares the holder would have received if conversion had been carried out at the existing conversion price at the time of the resolution to issue. The circumstance that the holder also could have been able to receive a cash sum in accordance with the above mentioned shall not result in any right now at hand. No adjustment of the conversion price shall take place if the Company should resolve to give the holders preferential rights in accordance with those conditions.

Subsection E. Should the Company, in cases other than those set forth in subsections A. through D. above, make an offer to its shareholders to acquire on a preferential basis securities or rights of any type from the Company in accordance with the principles stated in Chapter 13, § 1 of the Swedish Companies Act or decide to distribute, in accordance with the above mentioned principles, such securities or rights to shareholders without consideration, an adjusted conversion price according to below shall be applied in connection with conversions requested at any time such that the received do not carry rights to participate in the offer or distribution.

$$A = \frac{B * C}{D}$$

- A = adjusted conversion price
- B = preceding conversion price
- C = average share price
- D = average share price increased by the value of rights to participate in the offer or distribution

The average share price is calculated during the specified subscription period in the offer as stated in subsection C. above.

In the event that shareholders receive purchase rights and trading of such rights has occurred, the value of the right to participate in the offer shall be considered to correspond to the average of the mean of the highest and lowest prices paid for such rights each trading day in transactions as recorded on the NASDAQ OMX Stockholm during the subscription period. In the absence of a quotation of a paid price, the last price quoted shall be included in the transaction. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from the calculation of value of the purchase rights.

In the event that shareholders have not received purchase rights or if such trading in purchase rights as referred to in the preceding paragraph has not occurred, the adjustment of the conversion price shall be calculated by applying as far as possible the principles set forth in subsection E. herein. The following shall thereby apply.

If a listing occurs of the securities or rights offered to the shareholders, the value of the right to participate in the offer shall be considered to correspond to the average of the prices paid for such securities or rights on each trading day during 25 days from and including the first day for listing calculated as the mean of the highest and lowest paid prices recorded for transactions in these securities or rights on the NASDAQ OMX Stockholm, less any consideration that is paid for these in conjunction with the offer. In the absence of a quotation of price, the last bid price quoted shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from calculation of the average price. When a recalculation of the conversion price is made according to this paragraph, the above mentioned 25 trading days shall be considered to correspond to the application period in the offer according to above.

Should listing not occur, the value of the right to participate in the offer shall be determined as far as possible on the change in the market price of the Company's shares that can be considered to have arisen as a consequence of the offer.

The Company has the right to wait with conversion until after the record date for the offer if it facilitates accomplishment of the offer.

The Company likewise has the right to give all holders the same preferential rights, as according to the resolution is granted to the shareholders. In this case every holder, notwithstanding a conversion has not been carried out, shall be considered owner of the number of shares the holder would have had received if the conversion had been carried out at the existing conversion price at the time of the resolution of the offer. The fact that the holder also could have been able to receive a cash sum according to the above shall not result in any right now at hand. If the Company should resolve to give the holders preferential rights in accordance with those conditions, no adjustment of the conversion price shall be made.

Subsection F. If a cash dividend to shareholders is decided, such that the shareholders receive, combined with other dividends paid during the same fiscal year, a total dividend exceeding ten (10) percent of the average price of the share during a period of 25 trading days immediately preceding the day on which the Board of Directors announced its intention to propose that the General Meeting of the Shareholders should approve such dividend an adjusted conversion price shall be applied for conversions requested at such time that the shares received in such event do not carry rights to receive the such dividend. The adjustment shall be based on the extraordinary dividend, i.e. on such part of the total dividend that exceeds the above mentioned percentage of the average price of the shares during the mentioned period. The adjustment shall be made according to the following.

$$A = \frac{B * C}{D}$$

A = adjusted conversion price

B = preceding conversion price

- C = average share price  
D = average share price increased by the extraordinary dividend paid per share

The average price of the share shall be considered to correspond to the average of the mean of the highest and lowest prices paid each trading day during the above stated period of 25 trading days in accordance with the official price list of the NASDAQ OMX Stockholm. In the absence of a quotation of a paid price, the last bid price quoted shall be used in the calculation. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from the calculation.

The Company has the right to wait with conversion until after the record date for the dividends if it facilitates accomplishment of the dividend.

Subsection G. If the Company's share capital is reduced through a repayment to its shareholders the following adjusted conversion price shall be applied.

$$A = \frac{B * C}{D}$$

- A = adjusted conversion price  
B = preceding conversion price  
C = average share price  
D = average share price increased by the amount being repaid per share

The average share price is calculated under a period of 25 trading days from and including the day the share is listed without right to repayment as stated in subsection C.

The Company has the right to wait with conversion until after the resolution of repayment of share capital to shareholders has been registered at the Companies Registration Office, if it facilitates the accomplishment of the resolution of repayment of share capital.

Subsection H. Should the Company take action in accordance with the above and should the application of the conversion formula established for such action with reference to technical design of such action or for any other reason, not be possible, or would it result in the holders receiving, in relation to the shareholders, economic compensation that is not reasonable, the Board of Directors of the Company has the right to make adjustment of the conversion price as the Board of Directors determines appropriate to ensure that the adjustment of the conversion price leads to a reasonable result.

Subsection I. In adjusting the conversion price as described above, the price shall be rounded to units of 10 öre, with 5 öre rounded upwards.

Subsection J. If it is decided that the Company is to enter into liquidation pursuant to Chapter 25 of the Swedish Companies Act, conversion may not be requested thereafter, regardless of the grounds for liquidation; the right to request conversion ceases simultaneously with the decision to liquidate, notwithstanding the fact that the decision may not have come into legal force. However, the holder has the right, in such cases, to demand immediate payment of

the principal amount of the convertible plus accrued interest to the date of payment. If the decision to liquidate is made at a General Meeting of Shareholders, this right becomes effective on the day following the Meeting or otherwise on the day following the date on which the court order or liquidation has come into legal force. Within a week thereafter, the Company, as provided below, shall notify the holders in writing, advising them of their right to immediate payment.

Not later than two months before the General Meeting of the Shareholders determines whether the Company should enter into voluntary liquidation, as provided in Chapter 25 of the Swedish Companies Act, the holders shall be informed, as provided below, of the planned liquidation. The notice shall include a reminder that conversion may not be requested after the Meeting has voted to liquidate.

If the Company gives notice of a planned liquidation as stated above, holders notwithstanding the provisions above regarding the earliest time for requesting conversion – entitled to request conversion from the date when the notice was issued, provided that conversion can be effected not later than the tenth calendar day prior to the General Meeting of Shareholders at which the issue of the Company's liquidation is to be considered.

Subsection K. If the General Meeting of Shareholders shall approve a merger agreement, in accordance with Chapter 23, § 15, of the Swedish Companies Act whereby the Company would be absorbed by another Company, conversion may not thereafter be requested.

However, the holder has the right during a period of two months from the date of such approval to demand immediate payment of the principal amount of the convertible, plus interest.

The Company shall notify holders, advising them of this right, not later than one week following the beginning of such period. Nothing contained herein shall impair rights that may legally accrue to the holders in their capacity as holders in conjunction with a merger.

Not later than two months prior to the time the Company takes a final decision on the matter of a merger as described above, the holders shall be informed by notice of such merger plans. The notice shall present a report on the principal terms of the planned merger agreement and shall remind the holders that conversion may not be requested once the merger has been fully approved in accordance with that stated in the first paragraph above.

Should the Company give notice of the planned merger as stated above, the holders shall, notwithstanding the provisions regarding the earliest time for requesting conversion, have the right to request conversion from the date when the notice of the merger plans was issued, provided that conversion can be effected not later than the tenth calendar day prior to the General Meeting of Shareholders at which the merger agreement, whereby the Company shall become part of another company, is to be approved.

Subsection L. Should the Board of Directors, in accordance with Chapter 23, § 28 of the Swedish Companies Act, conclude a merger agreement whereby the Company shall be absorbed by the parent company, or the Company's shares become subject to compulsory acquisition pursuant to Chapter 22, § 1 of the same act, the following shall apply.

If a Swedish limited liability stock company owns all shares outstanding in the Company, and the Board of Directors announces its intention of concluding a merger agreement in accordance with the stipulations in the Act cited in the preceding paragraph, the Company

shall in the event that the final day for conversion pursuant to above occurs after such announcement, determine a new closing day, i.e. a new final day for requests for conversion. The closing date shall fall within 60 days from the date of the announcement.

If a Swedish parent company owns, solely or together with its subsidiaries, more than ninety (90) percent of the votes for all the shares in the Company and the parent company announces its intention to require such compulsory acquisition, the provisions set forth in the preceding paragraph regarding the closing date shall be applied correspondingly.

However, holders have the right during a period of 60 days from the date of such announcement stated above in this subsection to demand immediate payment of the nominal amount of the convertibles, plus interest accrued to and including the date of payment.

If public notice has been given in accordance with what has been stated above in this Subsection, notwithstanding the provisions of § 6 above with respect to the earliest date to request conversion, the holders shall have the right to request conversion up to and including the closing date. At least four weeks prior to the closing date, the Company shall, by giving notice in accordance with below, notify holders of such right and that conversion may not be requested after the closing date. In addition, the holders shall be notified of their right to request immediate payment in accordance with that stated in the preceding paragraph.

Subsection M. Notwithstanding the provisions above to the effect that conversion may not be requested after a decision is made to liquidate, approval is given for a merger agreement of the expiration of a new closing date upon merger, rights to request conversion shall be reinstated in cases when the liquidation is revoked or the agreement to merge is not implemented.

Subsection N. In the event the Company goes into bankruptcy, conversion may not be requested from that point onwards. If, however, the bankruptcy decision is revoked by a higher court of law, conversion may again be requested.

Subsection O. If the General Meeting would approve a demerger agreement pursuant to Chapter 24 § 17 of the Swedish Companies Act, whereby the Company shall demerge a part of the Company's assets and liabilities acquired by one or several other limited liability companies for a consideration for the shareholders of the Company, a recalculated conversion is applied in accordance with the principles for extraordinary dividend in section G above. The recalculation shall be based on the part of the company's assets or liabilities which will be acquired by the transferor company.

If all the Company's assets and liabilities are acquired by one or several other limited liability companies for a consideration for the shareholders of the Company, the liquidation rules in section M above shall be applicable, meaning *inter alia* that the right to demand subscription expires at the same time as the registration pursuant to Chapter 24 § 27 of the Swedish Companies Act. The holder is therefore to be notified at the latest four weeks before the demerger plan is submitted to the General Meeting.

## **§ 9 Special undertaking by the Company**

The Company agrees not to undertake any measure that would result in an adjustment of the conversion price to an amount less than the quota of each share in the Company.

**§ 10 Statute of limitations**

All rights to payment of principal shall cease ten years after the maturity date of the convertibles. The right to receive interest payments shall cease three years after the respective interest payment due date. Funds allocated for payments for which rights cease to exist accrue to the Company.

**§ 11 Notification**

Notices concerning this loan shall be given to a holder, whose address is known to the Company.

**§ 12 Confidentiality**

Unless so authorized by the Company, the Bank or Euroclear may not provide information on holders to third parties. The Company has the right to obtain information on holders from the debt register kept by Euroclear.

**§ 13 Limitation of liability**

With respect to the actions incumbent on Euroclear, the Bank or the Company - Euroclear, the Bank or the Company shall not be deemed liable for loss due to Swedish or foreign legal decrees, Swedish or foreign action by public authorities, acts of war, strikes, blockades, boycotts, lockouts or other similar causes. The reservations with respect to strikes, blockades, boycotts and lockouts apply even if Euroclear, the Bank or the Company itself undertakes, or is the object of, such actions. Neither Euroclear, the Bank nor the Company shall be obligated to provide compensation for loss arising in other situations if Euroclear, the Bank or the Company respectively has exercised normal prudence and are not in any case liable for indirect damages.

If a payment or any other action is stopped by circumstances such as those described in the first paragraph, such action may be deferred until the hindrance has ceased to exist. In the event of deferred payment, the Company shall pay interest at the interest rate applicable on the due date.

**§ 14 Governing law, etc.**

These terms and conditions and any legal matters relating to the convertibles shall be governed by Swedish law. Any legal proceedings relating to the convertibles shall be instituted in the District Court of Linköping (Sw: Linköpings tingsrätt).