

# TERMS AND CONDITIONS FOR WARRANTS ENTITLING TO SUBSCRIPTION FOR NEW SERIES B SHARES IN BTS GROUP AB (publ)

## Section 1. Definitions

As used in these terms and conditions, the following terms shall have the meanings set forth below:

“bank”	a bank or other similar valuation institute designated by the company;
“banking day”	a day, which is not a Sunday, or other public holiday, or with respect to payment of debt instruments, is not deemed to be the equivalent of a public holiday in Sweden;
“company”	BTS Group AB (publ), 556566-7119;
“employee stock option”	a right to in the future acquire series B shares in the company which is intended to be granted to the management and key persons in the BTS group under the Employee Stock Option Plan 2009/2013;
“Euroclear”	Euroclear Sweden AB;
“holder”	the holder of warrants;
“share”	series B share in the company;
“subscription”	such subscription of new shares in the company as referred to in the Swedish Companies Act (2005:551), Chapter 14;
“subscription price”	the price at which subscription for new shares may be made; and
“warrant”	undertaking by the company regarding the right to subscribe for shares in the company in exchange for payment in cash in accordance with these terms and conditions, where each warrant entitles the holder to subscribe for one new series B share during the period from and including 1 June 2009 and until 30 June 2013.

---

**Section 2. Warrants, registrations, account operating institute and undertaking.**

The number of warrants shall at a maximum be nine hundred forty three thousand five hundred (943, 500).

The warrants shall either be registered by Euroclear in a securities register according to the Swedish Financial Instruments Accounts Act (1998:1479), Chapter 4, in which case no physical securities will be issued, or, as the board of the company may determine, be represented by warrant certificates made out to the holder.

If the warrants are registered by Euroclear, the warrants shall be registered in a securities account in the securities register of the company on behalf of the holder and registrations regarding the warrants as a result of measures pursuant to sections 4, 5, 6, 7, 9 and 11 below be carried out by the bank. Other registration measures regarding the account may, if the warrants are registered by Euroclear, be carried out by the bank or another account-operating institute.

The company undertakes, in respect of each holder, that the holder is granted the right to subscribe for shares in the company in exchange for payment in cash according to the terms and conditions set forth below.

**Section 3. Right to subscribe for new shares, subscription price**

Each warrant entitles the holder to subscribe for one (1) new series B share in the company, at a subscription price amounting to 130 per cent of a for each trading day calculated as the volume-weighted average price paid for the company's series B shares on NASDAQ OMX Stockholm during a period of 10 trading days prior to the date of grant of the Employee Stock Options.

In the absence of a quotation of price paid during these days, the bid price quoted as closing price shall be included in the calculation instead. If neither a price paid nor a bid price is quoted on a given day, that day shall be excluded from the calculation. The resulting calculated subscription price shall be rounded off to the nearest ten öre, whereas 4 öre shall be rounded down, and 5 öre shall be rounded up.

Adjustment of the subscription price as well as the number of new shares which each warrant entitles the holder to subscribe for may take place under those circumstances set forth in section 7 below. Subscription may only be made for the whole number of shares to which the total number of warrants entitles to, and, if the warrants are registered by Euroclear, that are registered on a certain securities account and that one and the same holder wants to use at the same time.

Any excess warrant or excess part thereof, which is not possible to utilize at such subscription, shall, if the warrants are registered by Euroclear, if possible, be sold through the bank on behalf of the subscriber in connection with application for subscription, and payment of an amount in cash reduced by the costs of the bank shall be made as soon as possible thereafter.

#### **Section 4. Application for subscription and payment**

Applications for subscription for shares may be made during the period from and including 1 June 2009 and until 30 June 2013, or from and including the earlier date described in section 8 paragraph K, L and M, below.

Notice to subscribe shall be made in writing to the Company.

Notice to subscribe is binding upon the holder and may not be withdrawn.

To make an application for subscription, a completed application, on a specified form shall for the purpose of registration be submitted to the bank or another account-operating institute to be forwarded to the bank.

Applications for subscription that are binding and may not be revoked by the subscriber, shall be received by the company at the latest at 4 pm (Swedish Time) the day of exercise, however at the latest at 4 pm (Swedish Time) on the final day of the warrants as above. Exercise after 4 pm a certain day, shall be considered received by the company the following day.

When an application for subscription is made, payment shall be made at the time of the application in a lump sum in cash in respect of the number of shares covered by the application for subscription.

If the warrants shall not be registered by Euroclear, the warrant certificate shall be submitted to the company upon such notice.

If the warrants shall be registered by Euroclear, such notice shall be made in accordance with the procedures that in each time are applied by the bank.

#### **Section 5. Recording in share register etc.**

Following payment of subscribed shares allotment will be effected through recording the new shares in the share register of the company as interim shares. Following registration at the Swedish Companies Registration Office, registration on the securities accounts becomes final. As set forth in sections 6 and 7 below, the time for such final registration may be postponed under certain circumstances.

#### **Section 6. Dividends in respect of new shares**

Shares that are issued upon subscription shall carry rights to dividends as of the first record date for dividends which has been established after subscription is executed or the day when the shareholder is registered in the share register and thereby entitled to receive dividend that occurs next to subscription has been executed.

Final registration on the securities accounts occurs first after the record day for dividends the year subscription is being executed. In case dividend, referring to one

financial year is paid on more than one occasion, final registration on securities account shall however be made after the last record day for such dividend.

### Section 7. Adjustment of subscription price etc.

The following shall apply with respect to the rights vested in holders in the event of the circumstances listed below.

- A. Where the company carries out a bonus issue of shares, subscription shall be effected – where an application for subscription is made at such time that it cannot be effected on or before the seventeenth calendar day prior to the general meeting of shareholders that resolves to carry out the share issue – after a resolution has been adopted by the shareholders' meeting in respect thereof. Shares which are issued as a result of subscriptions effected after adoption of a resolution to carry out the share issue shall be recorded on an interim basis on the securities account, which means that the holders of such shares are not entitled to participate in the issue. Final registration on a securities account shall take place after the record date for the bonus issue. In connection with subscriptions that are effected after the adoption of the resolution to carry out the bonus issue, an adjusted subscription price and an adjusted number of shares to which each warrant entitles the holder to purchase shall be applied. The adjustments shall be made in accordance with the following formulas:

$$\text{adjusted subscription price} = \frac{\text{previous subscription price} \times \text{number of shares prior to the bonus issue}}{\text{number of shares after the bonus issue}}$$

$$\text{adjusted number of shares that each warrant entitles the holder to subscribe for} = \frac{\text{previous number of shares that each warrant entitles the holder to subscribe for} \times \text{number of shares after the bonus issue}}{\text{number of shares prior to the bonus issue}}$$

The adjusted subscription price and number of shares in accordance with the above, shall be determined by the company, or, if the warrants are registered by Euroclear, by the bank as soon as possible following the adoption by the general meeting of shareholders of the resolution to carry out the bonus issue, but shall apply only after the record date for the bonus issue.

- B. Where the company carries out a share consolidation or a share split and the subscription is carried out after the resolution on the consolidation or the split has been registered in the companies register, an adjusted subscription price and an adjusted number of shares that each warrant entitles the holder to

subscribe for shall apply. The adjustments shall be made in accordance with the following formulas:

$$\text{adjusted subscription price} = \frac{\text{previous subscription price} \times \text{number of shares prior to the consolidation or the split}}{\text{number of shares after the consolidation or the split}}$$

$$\text{adjusted number of shares that each warrant entitles the holder to subscribe for} = \frac{\text{previous number of shares that each warrant entitles the holder to subscribe for} \times \text{number of shares after the consolidation or the split}}{\text{number of shares after the consolidation or the split}}$$

The adjusted subscription price and the adjusted number of shares that each warrant entitles the holder to subscribe as described above, are established by the bank as soon as possible after the resolution on the consolidation or the split has been registered in the companies register and has been executed by Euroclear.

At the latest three (3) weeks before the general meeting resolves upon the consolidation or the split according to above, the holders shall be notified in accordance with Section 10 that the board intends to propose the general meeting to resolve upon the consolidation or the split. The notification shall comprise a summary of the board's proposal and also state the latest date on which the application for subscription has to be filed for the subscription to be executed. Applications for subscriptions after the valid date will be executed after the bank has executed the adjustment according to this section (B), where if the warrants are registered by Euroclear in a securities account only even integer numbers of shares will be booked on the holder's reconciliation account, or if the warrants are represented by warrant certificate, be entered into the company's securities register. See further Section 3 on surplus part of the share.

- C. Where the company carries out a new issue of shares – subject to the pre-emptive rights for shareholders to subscribe for new shares in exchange for cash payment, or payment through set-off of claims against the company – the following shall apply with respect to the right to participate in the issue held by shareholders whose shares were issued as a consequence of subscription pursuant to the exercise of a warrant:
1. Where the board of directors resolves to carry out the share issue subject to approval of the general meeting of shareholders or pursuant to authorization of the shareholders' meeting, the resolution of the share

issue shall set forth the last date on which shares issued pursuant to subscription entitle the holders to participate in the share issue.

2. Where the general meeting of shareholders resolves to carry out the share issue, subscription shall be effected, where application for subscription is made at such time that it cannot be effected on or before the seventeenth calendar day prior to the general meeting of shareholders that resolves to carry out the share issue, after adjustment by the company, or, if the warrants are registered by Euroclear, by the bank, in accordance with the penultimate paragraph of this subsection C. Shares which are issued based upon such subscriptions shall be recorded on an interim basis on the securities account which means that the holders of such shares are not entitled to participate in the issue.

In connection with subscriptions which are effected at such time that no right to participate in the issue of new shares arises, an adjusted subscription price and an adjusted number of shares that each warrant entitles the holder to subscribe for shall be applied. The adjustments shall be made in accordance with the following formulas:

$$\text{adjusted subscription price} = \frac{\text{previous subscription price} \times \text{average market price of the share during the subscription period set forth in the resolution approving the issue (average share price)}}{\text{average share price increased by the theoretical value of the subscription right calculated on the basis thereof}}$$

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

The average share price shall be deemed to be equivalent to the average of the mean of the highest and lowest prices paid for each trading day during the subscription period in transactions according to NASDAQ OMX Stockholm's official price list. In absence of a quotation of paid price, the last bid price quoted for such date shall be used in the calculation instead. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from the calculation.

The theoretical value of the subscription right shall be calculated in accordance with the following formula:

$$\text{value of subscription right} = \frac{\text{maximum number of new shares that may be issued according to the resolution approving the issue} \times (\text{average share price reduced by the subscription price for the new share})}{\text{number of shares prior to the adoption of the resolution approving the issue}}$$

In the event a negative value is arrived at in connection with the above stated calculation, the theoretical value of the subscription right shall be deemed to be zero.

The adjusted subscription price and adjusted number of shares calculated as set forth above shall be determined by the company, or, if the warrants are registered by Euroclear, by the bank, two banking days following the expiration of the subscription period and shall apply to purchases made after such time.

During the period prior to the determination of the adjusted subscription price and the adjusted number of shares that each warrant entitles the holder to subscribe for, subscription shall only be effected on a preliminary basis, whereupon the number of shares that each warrant entitled the holder to subscribe for prior to adjustment shall be recorded on the securities account on an interim basis. In addition, a separate note shall be made that each warrant, after adjustment pursuant to section 3 above, may entitle the holder to subscribe for additional shares and/or an amount in cash. Final registration on the securities account shall be effected following adjustment.

- D. Where the company carries out an issue of warrants according to the Swedish Companies Act, Chapter 14, or issue of convertible bonds according to the Swedish Companies Act, Chapter 15 – in both cases subject to pre-emption rights for shareholders, for payment in cash or for payment through set-off of claims against the company, or, in case of warrants, without consideration – the provisions contained in subsection C, first paragraph, subsections 1 and 2, shall apply correspondingly, with respect to the rights to participate in the issue as a result of subscription pursuant to the exercise of a warrant.

In connection with subscriptions effected at such time that no right to participate in the share issue arises, an adjusted subscription price and an adjusted number of shares that each warrant entitles the holder to subscribe for shall be applied. The adjustments shall be made in accordance with the following formulas:

---

adjusted subscription price = 
$$\frac{\text{previous subscription price} \times \text{average market price of the share during the subscription period specified in the resolution approving the issue (average share price)}}{\text{average share price increased by the value of the subscription right}}$$

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

The average share price shall be calculated in accordance with subsection C set forth above.

The value of a subscription right shall be deemed to be equal to the average mean of the highest and lowest prices paid for such rights each trading day during the subscription period in transactions quoted on NASDAQ OMX Stockholm's official price list. In the absence of a quotation of paid price, the last bid price quoted for such date shall be used in the calculation. If neither a selling price nor a bid price is quoted on a given day, that day shall be excluded from the calculation.

The adjusted subscription price and adjusted number of shares set forth above shall be determined by the company, or, if the warrants are registered by Euroclear, by the bank, two banking days following expiration of the subscription period and shall be applied to subscriptions made after such time.

Where applications for subscription are made during the period prior to the determination of the adjusted subscription price and adjusted number of shares, the provisions set forth in subsection C last paragraph above, shall apply correspondingly.

- E. In the event the company, under other circumstances than those set forth in subsections A – D above, directs an offer to shareholders based on preemptive rights in accordance with the principles set forth in the Swedish Companies Act, Chapter 13, section 1, to purchase securities or rights of any sort from the company or where the company resolves, in accordance with the above stated provisions, to distribute such securities or rights without consideration (the offer), an adjusted subscription price and an adjusted number of shares that each warrant entitles the holder to subscribe for shall be applied in connection with subscriptions which are effected at such time that the shares subscribe for as a consequence thereof do not entitle the holder to participate in the offer. Adjustments shall be made in accordance with the following formulas:

$$\begin{aligned} \text{adjusted subscription price} &= \frac{\text{previous subscription price} \times \text{average market price of the share during the application period specified in the offer (average share price)}}{\text{average share price increased by the value of right to participation in the offer (value of the right to purchase)}} \\ \text{adjusted number of shares which each warrant entitles the holder to subscribe for} &= \frac{\text{previous number of shares which each warrant entitled the holder to subscribe for} \times \text{(average share price increased by the value of the purchase right)}}{\text{average share price}} \end{aligned}$$

The average share price shall be calculated in accordance with the provisions set forth in subsection C above.

In the event the shareholders have received purchase rights and trading of such rights has taken place, the value of the right to participate in the offer shall be deemed to be equal to the value of the purchase right. In such context, the value of the purchase right shall be deemed to be the average mean of the highest and lowest prices paid each trading day during the application period in transactions quoted on NASDAQ OMX Stockholm's official price list. In the absence of a quotation of paid price, the last bid price quoted for such date shall be used in the calculation instead. If neither a selling price nor a bid price is quoted on a given day, that day shall be excluded from the calculation.

In the event the shareholders have not received purchase rights or such trading in purchase rights as referred to in the preceding paragraph has otherwise not taken place, an adjustment of the subscription price and the number of shares shall be calculated upon the application, to the extent possible, of the principles set forth above in this subsection E, whereupon the following shall apply. Where a listing is carried out in respect of the securities or rights that are offered to the shareholders, the value of the right to participate in the offer shall be deemed to be the average of the prices paid on each trading day during 25 trading days from and including the first day of listing calculated as the average mean of the highest and lowest paid prices in these securities or rights on the NASDAQ OMX Stockholm, where applicable reduced by any consideration that has been paid for these in connection with the offer. In the absence of a quotation of paid price, the last bid price quoted shall be used in the calculation instead. If neither a selling price nor a bid price is quoted on certain given day or days, such day shall be excluded from calculation of the value of the right to participate in the offer. When adjustment of the subscription price and number of shares is made according to this

---

paragraph, the above mentioned period of 25 trading days shall be deemed to correspond to the application period determined in the offer.

In the event such listing of the securities and rights offered to the shareholders should not occur, the value of the right to participate in the offer shall as far as possible be determined based upon the change in the market price of the company's shares that is deemed to have arisen as a consequence of the offer.

The adjusted subscription price and adjusted number of shares in accordance with the above shall be determined by the company, or, if the warrants are registered by Euroclear, by the bank, as soon as possible following expiration of the offer and shall be applied to subscriptions effected after such determination has been made.

In the event applications for subscription are made during the period prior to the time at which the adjusted subscription price and adjusted number of shares have been determined, the provisions above set forth in subsection C last paragraph, shall apply correspondingly.

- F. In the event the company conducts a new share issue or an issue according to the Swedish Companies Act, Chapter 14 or 15 – subject to pre-emptive rights for shareholders to subscribe for new shares in exchange for payment in cash or for payment through set-off of claims against the company, or, in case of warrants, without consideration – the company shall be entitled to grant all holders the same pre-emptive rights which vest in the shareholders according to the resolution. In this connection, each holder, thus irrespective of whether subscription has been effected, shall be deemed to be the owner of the number of shares that the holder would have received, if subscription had been effected in respect of the number of shares which each warrant entitled the holder to subscribe for at the time of the resolution to carry out the share issue. The fact that the holder also may have been entitled to receive an amount in cash in accordance with section 3 above shall not result in any right as far as now concerned.

In the event the company resolves to direct an offer to the shareholders such as specified in subsection E above, the provisions of the preceding paragraph shall apply correspondingly. However, the number of shares of which each holder shall be deemed to be the owner of shall, in such circumstances, be determined on the basis of the number of shares that the warrants would have entitled the holder to subscribe for at the time of the resolution to carry out the offer.

In the event the company resolves to grant the holders pre-emptive rights in accordance with the provisions set forth in this subsection F, no adjustment as set out above in subsections C, D or E shall be carried out.

- G. In the event it is decided to pay a cash dividend to shareholders such that the shareholders receive, combined with other dividends paid during the same fiscal year, a total dividend exceeding five (5) per cent of the average price of the share during a period of 25 trading days immediately preceding the day on which the company's board of directors announced its intention to propose that the general meeting of shareholders shall approve such a dividend, an adjusted subscription price and an adjusted number of shares which each warrant entitles the holder to subscribe for shall be applied for subscriptions requested at such time where the shares received in such event do not carry rights to receive such dividend. The adjustments shall be based upon such part of the total dividend that exceeds five (5) per cent of the average price of the shares during the above period (extraordinary dividend). Adjustments shall be made in accordance with the following formulas:

$$\text{adjusted subscription price} = \frac{\text{previous subscription price} \times \text{the average market price of the share during a period of 25 trading days calculated from and including the day the share is listed ex rights to the extraordinary dividend (average share price)}}{\text{average share price increased by the extraordinary dividend paid per share}}$$

$$\text{adjusted number of shares which each warrant entitles the holder to subscribe for} = \frac{\text{previous number of shares which each warrant entitled the holder to subscribe for} \times (\text{the average share price increased by the extraordinary dividend paid per share})}{\text{average share price}}$$

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 NASDAQ OMX Stockholm's official price list. In the absence of a quotation of paid price, the last bid price quoted for such date shall be used in the calculation instead. If neither a paid price nor a bid price is quoted on a given day, that day shall be excluded from the calculation.

The adjusted subscription price and number of shares calculated in accordance with the above shall be determined by the company, or, if the warrants are registered by Euroclear, by the bank, two banking days after the expiration of such period of 25 trading days calculated from the date on which the shares are listed without a right to extraordinary dividend and shall apply to subscriptions effected after such time.

In the event an application for subscription has been made but final registration on a securities account has not occurred as a result of the rules in section 6 above, it shall be specifically noted that each warrant, after

adjustments, may entitle to further shares and/or an amount in cash according to section 3 above. Final registration on a securities account shall be made after the adjustments have been determined, however, at the earliest at the time specified in section 6 above.

- H. In the event the company's share capital is reduced through a repayment to shareholders, and the reduction is compulsory, an adjusted subscription price and an adjusted number of shares which each warrant entitles the holder to subscribe for shall be applied.

The adjustments shall be made in accordance with the following formulas:

$$\text{adjusted subscription price} = \frac{\text{previous subscription price} \times \text{average market price of the shares during a period of 25 trading days calculated from and including the day on which the share was listed without any right to participate in the distribution (average share price)}}{\text{average share price increased by the amount repaid for each share}}$$

$$\text{adjusted number of shares which each warrant entitles the holder to subscribe for} = \frac{\text{previous number of shares which each warrant entitles the holder to subscribe for} \times (\text{average share price increased by the amount repaid for each share})}{\text{average share price}}$$

The average share price shall be calculated in accordance with the provisions set forth in subsection C above.

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

$$\text{calculated amount to be repaid for each share} = \frac{\text{the actual amount repaid for each redeemed share reduced by the average market price of the share during a period of 25 trading days immediately prior to the day on which the share is listed without any right to participate in the reduction (average share price)}}{\text{the number of shares of the company that entitles to the redemption of one share, reduced by 1}}$$

---

The average share price shall be calculated in accordance with the provisions set forth in subsection C above.

The adjusted subscription price and adjusted number of shares pursuant to the above shall be determined by the company, or, if the warrants are registered by Euroclear, by the bank, two banking days after the expiration of the above-stated period of 25 trading days, and shall apply to subscriptions effected after such time.

Subscriptions shall not be effected during the period from the date of the resolution to reduce the share capital up to and including the date on which the adjusted subscription price and the adjusted number of shares are determined in accordance with what has been set forth above.

In case the company's share capital is reduced through redemption of shares with repayment to the shareholders, where such reduction is not compulsory, or in case the company – without reducing the share capital - should carry out a repurchase of its own shares but where, in the company's opinion, the measure due to its technical structure and financial effects, is equivalent to a compulsory reduction, the adjustments of the subscription price and the number of shares that each warrant entitles the holder to subscribe for shall be made by the company, or, if the warrants are registered by Euroclear, by the bank, in accordance with, to the extent possible, the principles stated above in this subsection H.

- I. In the event the company carries out measures set forth in this section 7, or another measure with similar effect, and if the application of the intended adjustment formula, according to the company's opinion, with regard to the technical structure or for another reason, may not be possible or result in the economic compensation the holders shall receive becoming unreasonable in relation to the shareholders, the company, or, if the warrants are registered by Euroclear, the bank, shall make the adjustments of the subscription price and the number of shares that each warrant entitles the holder to subscribe for, for the purpose of the adjustments leading to a reasonable result.
- J. In conjunction with adjustments in accordance with the above, the subscription price shall be rounded to the nearest SEK 0.10, whereupon SEK 0.05 shall be rounded upwards, and the number of shares shall be rounded to two decimal places.
- K. In the event it is resolved to place the company in liquidation according to the Swedish Companies Act, Chapter 25, regardless of the grounds for liquidation, applications for subscription may not thereafter be made. The right to make applications for subscription shall terminate in conjunction with the resolution to place the company in liquidation regardless of whether such resolution has entered into effect.

---

Not later than two months prior to a determination by the general meeting of shareholders as to whether the company shall be placed into voluntary liquidation according to the Swedish Companies Act, Chapter 25, section 1, notice shall be given to holders in accordance with section 10 below in respect of the intended liquidation. The notice shall state that applications for subscription may not be made following the adoption of a resolution by the general meeting of shareholders to place the company in liquidation.

In the event the company gives notice of an intended liquidation in accordance with the above, each holder – irrespective of what is set forth in section 4 above regarding the earliest time at which applications for subscription may be made – shall be entitled to apply for subscription from the day on which notice is given, provided it is possible to effect subscription not later than the tenth calendar day prior to the general meeting of shareholders at which the issue of the company's liquidation shall be addressed.

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

Not later than two months prior to a final determination by the company in respect of a merger as set forth above, notice shall be given to holders in accordance with section 10 below in respect of the intended merger. The notice shall set forth the principal contents of the intended merger plan and each holder shall be notified that subscription may not be made following a final decision regarding the merger in accordance with the provisions set forth in the preceding paragraph.

In the event the company gives notice regarding a planned merger in accordance with the above, each holder – irrespective of what is set forth in section 4 above regarding the earliest time at which applications for subscription may be made – shall be entitled to apply for subscription from the date on which notice is given regarding the intended merger, provided that it is possible to effect subscription not later than five weeks prior to the general meeting of shareholders at which the merger plan, pursuant to which the company is to be merged into another company, is to be approved.

- M. Where the company's board of directors prepares a merger plan in accordance with the Swedish Companies Act, Chapter 23, section 28, pursuant to which the company is to be merged into another company, or where the company's shares are subject to compulsory purchase procedures according to the above stated act, Chapter 22, the following shall apply.

Where a Swedish limited company owns all shares outstanding in the company, and where the board of directors publishes its intention to prepare a merger plan in accordance with the legislation referred to in the preceding paragraph, the company shall, provided that the final day for application for

---

subscription pursuant to section 4 above occurs after such publication, determine a new final day for application for subscription (expiration date). The expiration date must occur within 60 days of the publication.

Where a shareholder (the majority holder), alone or together with its subsidiaries, owns such a proportion of the company's shares that the majority holder, in accordance with the from time to time applicable legislation, may invoke a compulsory purchase of the company's shares, and where the majority holder publishes its intention to invoke compulsory purchase procedures, the provisions set forth in the preceding paragraph regarding the expiration date shall apply correspondingly. In the event a new expiration date should be determined in accordance with this paragraph, the company shall determine an adjusted subscription price pursuant to Black & Scholes' valuation method for warrants or an equivalent accepted valuation method, whereby the holders shall be compensated for the value of the shortened duration of the warrant.

If publication has been made in accordance with the above set forth in this subsection M, each holder – irrespective of what is set forth in section 4 above regarding the earliest time at which applications for subscription may be made – shall be entitled to such application to and including the expiration date. Not later than four weeks prior to the expiration date, the company shall notify the holders pursuant to section 10 below in respect of such right and that applications for subscription may not be made after the expiration date.

- N. Notwithstanding the provisions set forth in subsections K, L and M above that applications for subscription may not be made following the adoption of a resolution to place the company in liquidation, the approval of a merger plan, or the expiry of a new expiration date in conjunction with a merger, the right to make an application for subscription shall apply in circumstances where the liquidation is terminated or the merger is not carried out.
- O. In the event the company is placed in insolvent liquidation, applications for subscription may not thereafter be made. Where, however, the decision to place the company in insolvent liquidation is revoked by a court of higher instance, applications for subscription may be made.
- P. Where the general meeting adopts a resolution to approve a division plan pursuant to the Swedish Companies Act Chapter 24, section 17, pursuant to which a proportion of the assets and liabilities of the company are taken over by one or more other companies against consideration to the company's shareholders shall, provided that the division is registered at the Swedish Companies Registration Office, notice to subscribe made in such time as the thereof obtained share not entitles to consideration from the company, or, if the warrants are registered by Euroclear, from the bank, lead to adjustments of the subscription price and the number of shares that each warrant entitles the holder to subscribe for shall be made. The provisions of sub section F above shall then apply correspondingly as far as possible.

Where all assets and liabilities of the companies are taken over by two or more other companies, on paying consideration to the shareholders of the company, the provisions of sub section J below shall apply accordingly as far as possible. This means, *inter alia*, that the right to demand subscription shall terminate simultaneously with the registration in accordance with the Swedish Companies Act Chapter 24, section 27 and that notice shall be given to holders in accordance with section 10 below not later than one month prior to a determination by the general meeting of shareholders on the division plan.

### **Section 8. Special undertaking by the company**

The company undertakes not to take any measures set forth in section 7 above that would result in an adjustment of the subscription price to an amount less than the from time to time prevailing ratio value of the share.

### **Section 9. Custodian**

The person who has been approved, according to the Swedish Companies Act, Chapter 5, Section 14 second paragraph to be registered in the share register in the owner's place, shall be entitled to be registered on the account as holder. Such custodian shall be regarded as holder where these terms and conditions are applied.

### **Section 10. Notices**

If the warrants are registered by Euroclear notices concerning warrants shall be given to each registered holder and other holders of rights that are registered on an account in the company's share register.

If the warrants are not registered by Euroclear, notices concerning warrants shall be given by letter delivered by mail to each holder, to their respective last known address known to the company, or, be entered into at least one in Stockholm daily published news paper. Further, if the warrants are not registered by Euroclear, the holders are obliged to report their name and address to the company.

### **Section 11. Amendments of terms and conditions**

If the warrants are registered by Euroclear, the bank is entitled, on behalf of the holders, to enter into an agreement with the company regarding an amendment of these terms and conditions to the extent it is required by legislation, court decisions or decisions of authorities, or if there under other circumstances – according to the

---

bank's opinion – are practical reasons that are appropriate or necessary and the holders' rights are not materially deteriorated.

If the warrants are not registered by Euroclear, the holders are entitled to enter into an agreement with the company regarding an amendment of these terms and conditions to the extent it is required by legislation, court decisions or decisions of authorities, or if there under other circumstances – according to the bank's opinion – are practical reasons that are appropriate or necessary and the holders' rights are not materially deteriorated.

In case of amendments to any legislation to which reference is made in these terms and conditions, such reference shall to the largest extent be construed to be made to relevant sections of the new legislation replacing the current legislation, without requiring an agreement between the company, or, if the warrants are registered by Euroclear, by the bank and the company to this effect, provided that the holders' rights are not materially deteriorated. If new legislation would entail terminological changes, the terms used also in these terms and conditions shall be construed as if the term used in such new legislation was used in these terms and conditions, without requiring an agreement between the company, or, if the warrants are registered by Euroclear, by the bank and the company to this effect, provided that the holders' rights are not materially deteriorated.

## **Section 12. Confidentiality**

Neither the company, or if the warrants are registered by Euroclear, the bank or Euroclear, may provide information on holders to third parties.

If the warrants are registered by Euroclear, the company shall be entitled to the following information from Euroclear about the holder's account in the share register of the company:

1. the holder's name, personal identity number or other identity number and address,
2. the number of warrants.

## **Section 13. Limitation of the company's, or, if the warrants are registered by Euroclear, the bank's liability**

With respect to the actions incumbent on the company, or, if the warrants are registered by Euroclear, the bank, the company or the bank shall not be deemed liable for loss due to Swedish or foreign legal decrees, Swedish or foreign action by authorities, acts of war, strikes, blockades, boycotts, lockouts or other similar causes. The reservations with respect to strikes, blockades, boycotts and lockouts shall apply even if the company, or, if the warrants are registered by Euroclear, the bank, itself undertakes, or is the object of, such actions.

The above shall apply unless the Swedish Financial Instruments Accounts Act (1998:1479) provides otherwise.

The company, or, if the warrants are registered by Euroclear, the bank, shall not be obligated to provide compensation for loss arising in other situations if the company, or, if the warrants are registered by Euroclear, the bank, has exercised normal prudence. The company, or, if the warrants are registered by Euroclear, the bank, shall not in any case be liable for indirect damages.

In the event the company, or, if the warrants are registered by Euroclear, the bank, shall be hindered from making payment or taking any other action by circumstances such as those described in the first paragraph, such action may be deferred until the hindrance has ceased to exist.

#### **Section 14. Applicable law and jurisdiction**

These terms and conditions and any related legal matters shall be governed by Swedish law. Any legal proceedings relating to the terms and conditions shall be instituted in the District Court of Stockholm (*Sw: Stockholms tingsrätt*) or in such other forum whose competence the company has accepted in writing.

---