

Item 17 b) The board of directors' of Karolinska Development AB proposal to resolve to issue and transfer warrants in accordance with the principles of the company's long-term incentive program (2009)

The board of directors' of Karolinska Development AB, Reg. No. 556707-5048, proposes that the annual general meeting resolves to issue 42,462 warrants, whereupon the company's share capital may be increased by not more than SEK 21,231 and to approve transfer of the warrants. The warrants shall entitle the holder to subscribe for new shares of class B in the company. The following terms shall apply to the issue and transfer.

Right to subscribe for warrants shall only fall upon the wholly-owned subsidiary KD Incentive AB, org nr 556745-7675, for resale at market value (Black&Scholes) to the persons indicated in Appendix 1:A in accordance with the principles set out in the long term incentive program adopted at the extraordinary shareholders' meeting on 31 January 2008 and revised at extraordinary shareholders' meeting on 14 November 2008.

The subscription for the warrants shall be made on the subscription list not later than 26 June 2010. However, the board of directors shall be entitled to extend the subscription period.

The warrants shall be issued without consideration.

The terms and conditions for the warrants are set out in Appendix 1:B.

The dilution effects on important key figures of the incentive programs, costs related to the programme and the handling, see Appendix 1:C

Each of the chairman of the board of directors and the managing director shall be authorised to make such minor adjustments to this resolution as may be necessary in connection with the registration the registration of the new issue with the Swedish Companies Registration Office.

KD Incentive AB shall be entitled to transfer the warrants to the participants in the incentive plan in accordance with the principles on allotment and evaluation set out in the company's long term incentive plan.

The reason for the deviation from the shareholders' pre-emption right is that the participants in the incentive plan in accordance with the principles of the company's long term incentive plan (available at the company's website) shall, in the event that the number of shares in the company increases during the time any part of the plan is outstanding, as a consequence of something other than the company's incentive plan, in connection with such an increase, be offered to acquire additional warrants to such an extent that the number of warrants in that relevant annual program, compensatory issues included, may correspond to 0.5 per cent of the number of shares in the company after the increase (given full subscription initially in the annual program in question). The warrants that are proposed to be issued hereby are compensatory warrants regarding Warrants 2009/2013:1.

The maximum number of warrants that are proposed to be issued and transferred is based on the full use of the so called over allotment option in the recently carried out new issue and listing. If the over allotment is not fully used, the number of warrants shall be decreased in accordance with the principles set forth in the long term incentive program decided on the extraordinary general meeting January 31, 2008 and revised at the extraordinary general meeting November 14, 2008.

A resolution in accordance with the board's proposal regarding the issue and the right to transfer the warrants requires support from shareholders with not less than nine tenths of votes cast as well as shares represented at the meeting.

Persons entitled to acquire warrants

Conny Bogentoft
Ola Flink
Hans-Peter Ekre
Otto Skolling
Gunnar Casserstedt
Carl-Harald Jansson

Appendix 1:B

Appendix 1:B Not available in English

Appendix 1:C

Information on dilution and possible costs as a consequence of Karolinska Development's warrants 2009/2013:3 as well as a brief description of the preparation of the board of director's proposal

Dilution of shares and votes¹

The maximum dilution as a consequence of the proposed issue of warrants amounts to not more than 0.08 per cent of the shares and 0.07 per cent of the votes in the Company prior to the issue.

The aggregate dilution for the 2009 program amounts to not more than 0.25 per cent of the share and 0.20 per cent of the votes in the Company prior to the issue.

The effects of dilution on important key ratios

On the basis of Karolinska Development's results for the financial year 2010, the existing and the proposed warrants would not entail any effects for the key ratios Result per share and Equity per share. According to IAS 33, potential shares do not cause any dilution effects when the conversion into shares results in an improvement of the result per share. This would be the case upon exercise of the outstanding warrants in Karolinska Development.

Possible costs

Due to the warrants being transferred at market value there is no income taxation for the participants and the company will not be obligated to make social security payments. The administrative costs for the implementation of the program are estimated to amount to approximately SEK 50.000 for all three programs.

A brief description of the preparation of the board of directors' proposal

In accordance with Karolinska Developments' long term incentive program, adopted at the extraordinary shareholders' meeting on 31 January 2008 and amended at the extraordinary shareholders' meeting in 14 November 2008, the board of directors have prepared the proposal to issue warrants. The proposal corresponds in all material respects with previous years' proposals under the long term incentive program.

The formal proposal was adopted by the board of directors on 14 April 2011.

¹ The dilution in terms of per cent as a consequence of the issue is not affected if the managers, in the company's recent broadening of the shareholder base and initial public offering, exercise the so called over-allotment option or not. This is due to the highest number of warrants which may be transferred to the participants under the incentive program shall be adjusted downwards in the event the over-allotment option is not exercised.