

The Board of Directors' proposal regarding a Performance Share Program 2014 II (PSP 2014 II)

Background

The Annual General Meeting 2014 approved a Performance Share Program for maximum 14 employees who no later than the day of for the Annual General Meeting had signed a contract on permanent employment. In October 2014 the Company recruited a new CEO. The Board of Directors' find it essential and in all shareholders' interest that the CEO have a long-term interest of a good value development of the share in the Company and therefore proposes the extraordinary general meeting the below long-term incentive program for the CEO. The now proposed program to a large extent corresponds to the performance related share program that was approved by the Annual General Meeting 2014 with the exception of the following:

- The maximum allotment to the CEO in the program is based on 30 percent of the annual fixed gross base salary for 2014 (maximum allotment to the management in the performance related share program approved on the Annual General Meeting was based on 20 percent of the annual fixed gross base salary for 2014).
- The allotment of Performance Share Rights is based on a share price growth of between 50 percent and 125 percent (allotment of Performance Share Rights in the performance related share program approved on the Annual General Meeting was based share price growth of between 30 percent and 75 percent).

The purpose of the long-term incentive program is to stimulate the CEO to continued and long-term good performance. Furthermore, it is the Board of Directors' view that the incentive program increases the Company's attractiveness as an employer. To participate in the program the CEO is required to invest his own money. Thereafter, the CEO will, after a three-year vesting period commencing on the day when the Performance Share Program 2014 II (PSP 2014 II) agreement is entered into and ending at the earliest three years after the PSP 2014 II agreement is entered into, will be allotted free of charge warrants, which entitles to subscription of shares in the Company at a price equal to the quota value, provided that certain conditions are fulfilled.

In order to ensure the delivery of shares under PSP 2014 II, the Board of Directors proposes that a maximum of 434 640 warrants, which entitles to 434 640 shares of series B, are issued to a wholly-owned subsidiary in the Group. In addition the Board of Directors proposes that maximum 136 560 shares of Series B will be able to be acquired and transferred on NASDAQ OMX Stockholm in order to cover social security fees under PSP 2014 II.

The Company's on-going share-related incentive programs are described in the Company's Annual Report for 2013 in note 6. For a description of Performance Share Program 2014, reference is made to the resolution by the Annual General Meeting 2014, which is available on the Company's website.

Proposal

The Board of Directors proposes that the extraordinary general meeting resolves on a Performance Share Program 2014 II (PSP 2014 II) which includes in total a maximum of 571 200 shares of series B according to the principal guidelines below.

1. Participant in PSP 2014 II, allotment and personal investment

PSP 2014 II comprises the CEO. To participate in PSP 2014 II, the CEO must acquire shares of series B in the Company at market price on NASDAQ OMX Stockholm ("Saving Shares"). In order to be able to receive maximum allotment, the CEO must acquire Savings Shares corresponding to 30 percent of his annual fixed gross base salary for 2014. Acquisition of Savings Shares shall take place on January 15, 2015 at the latest, with a right for the Board of Directors to extend this period if there is any impediment regarding the CEO's acquisition.

For each Saving Share that the CEO acquires and holds, the CEO will, free of charge, be allotted one (1) matching share right ("Matching Share Right") and five (5) performance share rights ("Performance Share Rights") (together referred to as "Share Rights"). Provided that the conditions set out below in item 2) and item 3) respectively, are fulfilled, the Share Rights entitle to allotment of warrants in the Company for conversion into shares of series B as described below. Allotment of warrants, on basis of the held Share Rights, is made at earliest three years after the PSP 2014 II agreement is entered into ("Vesting Period").

2. Matching Share Rights

For each Saving Share that the CEO acquires and holds, the CEO is, free of charge, allotted one (1) Matching Share Right, which entitles the CEO to, free of charge, receive one (1) warrant, based on the conditions set out below:

- i. that the CEO remain employed within the Group during the Vesting Period; and
- ii. that the CEO has not disposed of the Saving Shares held during the Vesting Period.

3. Performance Share Rights

For each Saving Share that the CEO acquires and holds, the CEO is, free of charge, allotted five (5) Performance Share Rights that give right to five (5) warrants. In order for Performance Share Rights to entitle to allotment of warrants, it is required that the conditions for the Matching Share Rights are fulfilled. In addition, fulfillment of certain performance conditions is required in order for Performance Share Rights respectively to entitle to allotment of warrants.

The performance conditions for the Performance Share Rights are dependent on the Company share price development. For allotment of warrants the average price paid for a share of series B on NASDAQ OMX Stockholm during a period of ten (10) trading days beginning 2 December 2017 ("End Price") must exceed the average price paid for a share of series B on NASDAQ OMX Stockholm during a period of ten (10) trading days immediately after the extraordinary general meeting on 4 December 2014 ("Start Price") according to the following. For maximum allotment of warrants the share must be traded at a level that corresponds to a share price growth of 125 percent from the Start Price. If the End Price is between the Start Price adjusted upwards by 50 percent and the share price that triggers maximum allotment, the participants will receive a linear allotment of warrants. If the End Price is lower than the Start Price adjusted upwards by 50 percent, no allotment will be made.

4. Shared terms and conditions for Share Rights

In addition to what has been stated above, the following terms and conditions apply for both the Share Matching Rights and the Performance Share Rights:

- The Share Rights are allotted free of charge.
- The CEO is not entitled to transfer, pledge, or dispose the Share Rights or perform any shareholder's rights regarding the Share Rights during the Vesting Period.
- Allotment, free of charge, of warrants in the Company on the basis of held Share Rights will take place at earliest three years after the PSP 2014 agreement is entered into.
- Each warrant entitled the holder to acquire a share of series B in the Company for a subscription price corresponding to the quota value of the share and requires that the option is exercised as soon as possible after receipt of warrant.
- The Company will, through a cash payment, compensate the CEO in PSP 2014 II for dividends distributed in respect of the shares that the respective warrants entitle to.
- The value that the CEO can receive at allotment of warrants in the program is maximized at an amount per share that corresponds to thirty-five (35) times the Starting Price.

5. Detailed terms and administration

The Board of Directors, or a certain committee appointed by the Board of Directors, shall be responsible for the determining the detailed terms and the administration of PSP 2014 II, within the scope of the given terms and guidelines. If delivery of warrants/shares cannot be accomplished at reasonable costs and with reasonable administrative effort, the Board of Directors shall be entitled to decide that the participating individual may instead be offered a cash-based settlement. The Board of Directors shall also be entitled to decide on other adjustments in the event that major changes in the Group, the market or otherwise in the industry would occur, which would entail that resolved conditions for allotment and the possibility to use the Share Rights under PSP 2014 II would no longer be appropriate.

6. Hedging of commitments according to PSP 2014 II

Issue of warrants and approval of transfer of warrants

In order to secure delivery of shares at exercise of Share Rights, an issue of warrants ("Warrants") to a wholly owned subsidiary in the Group is proposed to be made. The subsidiary shall be authorized to dispose over and without consideration transfer the warrants with the purpose to fulfill commitments according to PSP 2014 II.

No more than 434 640 Warrants shall be issued. Each Warrant shall entitle to subscription of one share of series B in the Company during the period from 15 December 2014 up to and including 31 March 2018 at a subscription price corresponding to the quota value of the share. Detailed terms and conditions are evident from Appendix A.

The share capital can increase at maximum SEK 217 320, with reservation for the increase that can be caused by a re-calculation following new share issues etc.

The reasons for the deviation from the shareholders' preferential rights are stated under 8 below under heading "The objectives of the proposal and reasons for deviations from the shareholders' preferential rights".

Acquisition and transfer of own shares

The Board of Directors are proposed to be authorized to decide, on one or several occasions and until the next Annual General Meeting, to acquire maximum 136 560 shares of series B and transfer these to cover charges in the form of social security fees in PSP 2014 II. Acquisitions and transfer shall be made on NASDAQ OMX Stockholm. Acquisitions and transfer can only be made at a price within the price interval registered at each time for the share.

Information in accordance with the Swedish Companies Act 19:23

No value transfers have been executed during the year, implying that the disposable amount according to the latest established balance sheet is unchanged.

7. Dilution effects and costs for the program

At exercise of the proposed Share Rights the number of shares increases. These new shares will constitute, at full exercise, approximately 0.9 percent of the outstanding shares and approximately 0.7 percent of the votes. At full exercise of the now proposed Share Rights and outstanding warrants in outstanding incentive programs, the number of new shares constitutes approximately 2.9 percent of outstanding shares and approximately 2.3 percent of the votes calculated after full exercise of outstanding warrants and proposed Share Rights. The dilution has been calculated as the number of new shares in proportion to the number of existing and new shares. In addition 136 560 shares of series B are required to cover social security fees, which corresponds to approximately 0.3 percent of the outstanding shares and approximately 0.2 percent of the votes.

The Board's proposal does give rise to a dilution effects, in accordance with IAS 33 and does, therefore, result in an effect on reported earnings per share. At maximum allotment and average yearly growth in share price by 50 percent from an assumed share price of SEK 16.40, the dilution effect will be approximately 0.9 percent.

The Share Rights can cause costs for the Group in the form of social security fees at exercise. Social security fees shall be expensed, allocated to the periods during which services were performed. Expenses shall be calculated by applying the same valuation model as utilized when the Share Rights were issued. The provision that arises shall be revalued in conjunction with each financial report. Social security fees fall due to payment when the Share Rights are exercised. The social security fees are expected to amount to approximately 31 percent of the value of the Share Rights.

The Board has proposed that the effect on cash flow that may arise as a result of social security fees when Share Rights are exercised shall be hedged by acquisitions and transfer of own shares on NASDAQ OMX Stockholm.

The Share Rights will in addition give rise to accounting costs in accordance with IFRS 2. These costs shall be determined on the allotment date and be allocated over the vesting period. In accordance with IFRS 2, the theoretical value of the Share Rights shall form the basis of the calculation of these costs. The theoretical value shall not be re-valued in subsequent reporting periods, although adjustments shall be made for the Share Rights that have not been earned in conjunction with every financial report. In this manner, the accumulated costs at the end of the vesting period will correspond to the number of Share Rights that fulfilled the conditions.

8. The objectives of the proposal and reasons for deviations from the shareholders' preferential rights

The Board of Directors considers the existence of effective share-related incentive programs for senior executives of the Company to be of material importance for the development of the Company. The proposed program creates a common group focus for the CEO in the different parts of the Group. By linking the CEO's remuneration to the Company's earnings and value trend, the long-term increase in value is rewarded and thus an alignment of interest of CEO and shareholders.

In light of these circumstances, the Board of Directors consider, that the proposed incentive program, with regard to the terms and conditions, the size of the allotment, the existence of other incentive programs and other circumstances, is reasonable and advantageous for the Company and its shareholders.

Preparation of proposal

The proposal has been prepared by the Remuneration Committee and resolved on by the Board of Directors.

Majority vote requirement

A resolution in accordance with the board's proposal requires support from shareholders with not less than 9/10 of votes cast as well as shares represented at the meeting.