

**Minutes from the Annual General Meeting of shareholders in Sectra AB (publ),  
reg. no 556064-8304, on 7 September 2015 at 3:30 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 Per Nyberg to conduct the meeting in the capacity of chairman. It was noted that the chairman had appointed Helena Pettersson 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 84,78 per cent of the total votes and 76,28 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 Fredrik Ahlin, representing If Skadeförsäkring AB, and Ingemar Ingemarsson.

§ 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 7 August, 2015 and on the company's website on 5 August, 2015. Furthermore, an advertisement with information that the notice had been given was published in Svenska Dagbladet on 7 August, 2015.

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

§ 7

The Managing Director Torbjörn Kronander presented Sectra's operations for the previous year. Questions from the shareholders were answered.

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 2014-05-01 – 2015-04-30, and the balance sheet and consolidated balance sheet as of 30 April 2015.

b. It was resolved that the company's profits according to the adopted balance sheet as of 30 April 2015, 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	11,501,640
Premium fund	24,158,718
Profit brought forward	3,714,606
Profit for the year	184,240,996
	223,615,960

The Board of Directors and the Managing Director proposed that:

Be carried forward	223,615,960
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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 the financial year 2014/2015.

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

Jan-Olof Brüer, 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 seven (7) members without any deputy directors. Further, it was resolved to appoint one auditor for the period until the close of the next Annual General Meeting.

## § 10

It was resolved that remuneration to the members of the Board would remain unchanged, and be SEK 370,000 to the Chairman of the Board and SEK 185,000 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 its 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 an approved invoice.

## § 11

It was resolved to re-elect Jan-Olof Brüer, Erika Söderberg Johnson, Torbjörn Kronander, Christer Nilsson, Anders Persson, Carl-Erik Ridderstråle and Jakob Svårdström 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.

## § 12

It was resolved to appoint a Nomination Committee in accordance with the following principles. The Chairman of the Board shall, not later than 30 November, 2015, contact the three largest shareholders in the company (based on the number of votes), each of which is then entitled to appoint a member to the committee. Should any of the three largest shareholders waive the right to appoint a member to the committee, the next shareholder in terms of the largest number of votes is offered the opportunity to appoint a member to the Nomination Committee. In addition, the Chairman of the Board is a member of the Nomination Committee. The Chairman of the Board convenes the Nomination Committee to the first meeting.

The member who represents the shareholder with the largest number of votes shall be appointed Chairman of the Nomination Committee. The Nomination Committee's mandate period extends until a new Nomination Committee is appointed. Should a member resign from the Nomination Committee in advance, an alternate shall be appointed in accordance with the principles above.

The composition of the Nomination Committee shall be announced not later than six months prior to the Annual General Meeting.

The Nomination Committee is composed based on the known shareholding of the company as per 31 October, 2015. If significant changes occur in ownership after the Nomination Committee is formed, the composition of the committee can also be changed in accordance with the principles above. Changes in the Nomination Committee shall be disclosed immediately.

The Nomination Committee shall prepare and to the Annual General Meeting propose:

- election of the Chairman of the Board and other members to the company's Board of Directors;
- Board fees divided between the Chairman of the Board and other members of the Board as well as possible remuneration for committee work;
- election of and fees to the auditors and deputy auditors if applicable;
- resolution regarding principles for the composition of the Nomination Committee; and
- chairman of the Annual General Meeting.

No fees are paid to members of the Nomination Committee.

## § 13

It was unanimously resolved that the principles relating to remuneration and other terms of employment for senior executives of the company that was adopted by the 2014 Annual General Meeting shall continue to apply.

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 should support the interests of the company's owners. Remuneration shall mainly 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 comply with the Company's long-term interests. The variable portion shall, when applicable, be based on quantitative and qualitative goals, and may be comprised by share related instruments. The company's costs for the variable portion for the Managing Director and other persons in company management shall amount to not more than 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 30 per cent of the fixed and variable salary.

Members of the Board of 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.

#### § 14

The Managing Director Torbjörn Kronander presented the background to and the effects of the Board of Director's proposal to implement a share split, to reduce the company's share capital through an automatic redemption of shares, and to increase the share capital through a bonus issue. The shareholders were invited to ask questions.

It was unanimously resolved in accordance with the proposal of the Board of Directors:

- a. to implement a share split, whereby one share in Sectra is divided into two shares. One of these shares will be a so-called redemption share. The record date for the share split shall be 29 September, 2015;
- b. to reduce the share capital by SEK 18,751,667.50 through the redemption of 2,620,692 Class A shares and 34,882,643 Class B shares for repayment to the shareholders;
- c. the price to be paid for each redemption share shall be SEK 4.50. Thus, the maximum redemption amount will be SEK 168,765,008. Trading in redemption shares shall take place from 30 September, 2015 up until 9 October, 2015. The record date for redemption of the redemption shares shall be 13 October, 2015. Payment is expected to be made through Euroclear Sweden AB around 16 October, 2015.
- d. in order to achieve a timely and efficient redemption procedure, without having to obtain permission from the Swedish Companies Registration Office or a court of law, to restore the company's share capital to its original amount by increasing the company's share capital with SEK 18,751,667.50 through a bonus issue via a transfer from the company's unrestricted equity to the company's share capital. No new shares will be issued in connection with the bonus issue. Upon completion of the bonus issue, the company's share capital will be restored to its original amount.

It was noted that documents in accordance with Chapter 20, Sections 8, 13-14 of the Swedish Companies Act were presented at the meeting.

#### § 15

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 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 that for issues where payment is made by set-off of claims or in kind, the Board of Directors shall be able to disregard the shareholders' preferential rights. The subscription 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 use of newly issued shares in connection with the implementation of or for the financing of acquisitions of companies or businesses or parts thereof and in connection with market investments.

## § 16

It was, with the required majority, resolved, 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 of shares of the company. Such shares may be acquired up to a maximum amount not, at any time, exceeding 10 per cent of the total number of shares issued by the company. Acquisitions of shares shall be made either on Nasdaq Stockholm at a purchase price within the range of the share prices registered at any given time for the Class B shares, meaning the spread between the maximum buying rate and the minimum selling rate, or by way of an offer to all shareholders, whereby the purchase shall be made at a price which at the time of the decision corresponds to a minimum of the prevailing market price for the Class B shares and at a maximum of 150 per cent of the prevailing market price for the Class B shares. The same price shall apply for Class A shares and Class B shares.

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 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 adaptation of the company's capital structure and thereby contributing to increased shareholders' value. The shareholders shall have a preferential right to acquire the shares in accordance with the provisions in the articles of association regarding the preferential right to subscribe for new shares, provided that the board of directors shall be entitled to deviate from the preferential right if the shares are paid for by way of set-off or non-cash consideration or if the purpose with the disposal is to secure the costs that arise as a result of the company's incentive program. Disposal of shares via Nasdaq Stockholm may only be made at a price within the range of the share prices registered at any given time.

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.

It was noted that Per Carlsson, representing the Swedish Shareholders' Association, voted against the proposal.

## § 17

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. The employees of the Group shall be entitled to subscribe for the convertibles.

The following terms and conditions shall apply to the resolution:

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. With disapplication of the shareholders' preferential rights, the Group's employees shall be entitled to subscribe for the convertibles in accordance with **Appendix B**.
4. Subscription shall be made on a subscription list from 3-11 November, 2015.
5. Payment for the convertibles shall be made in cash not later than 1 December, 2015.
6. The convertibles shall carry an annual interest, which is determined for each period and shall be STIBOR (six months) with addition for 2.25 percentage points and shall mature for payment on 31 December, 2018.
7. The convertibles entitle the holder to convert their convertibles to Class B shares. The conversion rate shall correspond to 127.5 per cent of the volume-weighted average of price paid for the company's shares on Nasdaq Stockholm during the period 30 September - 13 October, 2015. Holders are entitled to request conversion of their convertibles into shares, during the period 10 – 14 December, 2018.
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 first record day for dividend that occurs after the conversion has taken place.

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 Meeting' 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 disapplication 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.

#### § 18

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. With disapplication of the shareholders' preferential rights, the external members of the Board of Directors of Sectra may subscribe for the convertibles.

The following terms and conditions shall apply to the resolution:

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. With disapplication of the shareholders' preferential rights, the company's external members of the Board of Directors shall be entitled to subscribe for the convertibles in accordance with **Appendix D**.
4. Subscription shall be made on a subscription list from 3 – 11 November, 2015.
5. Payment for the convertibles shall be made in cash not later than 1 December, 2015.
6. The convertibles shall carry an annual interest, which is determined for each period and shall be STIBOR (six months) with addition for 2.25 per cent and shall mature for payment on 31 December, 2019.
7. The convertibles entitle the holder to convert their convertibles to Class B shares. The conversion rate shall correspond to 137 per cent of the volume-weighted average of price paid for the company's shares on Nasdaq Stockholm during the period 30 September – 13 October, 2015. Holders are entitled to request conversion of their convertibles into shares, during the period 9 – 13 December, 2019.
8. Assuming full subscription and full conversion of the convertibles, the share capital may increase by no more than SEK 87,500.
9. No excess subscription shall take place.
10. The new shares shall yield a right to dividend from the first record day for dividend which occurs after the conversion has taken place.

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 no more than one (1) per cent of the share capital at the date of the Annual General Meeting's resolution, wherein the dilution due to the allocation of convertibles to employees according to the proposal by the Board of Directors 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 disapplication 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 the following voted against the proposal:

- Aki Vesikallio representing Axa World funds.
- Per Carlsson representing the Swedish Shareholders' Association.

§ 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.

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Linköping as above

Secretary of the meeting

Verified

Helena Petterson

Per Nyberg, chairman

Verified

Verified

Fredrik Ahlin

Ingemar Ingemarsson

Preliminär röstlängd Sectras årsstämma den 7 september 2015

Aktieägare:			Närvarande	Antal närvarande		Totalt		Totalt
Namn på aktieägare	Antal biträden	Ombud med fullmakt		A-aktier	B-aktier	kapital	röster	
1 Arén, Anders	0		1	0	700	700	700	
2 Axia world funds	0	Aki Vesikallio	1	0	60 000	60 000	60 000	
3 Bergh, Stefan	1		1	0	5	5	5	
4 Berglund, Per	0		1	0	10 000	10 000	10 000	
5 Bergvall, Karl-Gustav	0		1	0	3 000	3 000	3 000	
6 Björäng, Kjell	0		1	0	600	600	600	
7 Brüer, Jan-Olof	0		1	585 622	2 574 904	3 160 526	8 431 124	
8 Brüer, Louise	0		0	0	0	0	0	
9 Shannon AB	0	Jan-Olof Brüer	1	360 154	186 253	546 407	3 787 793	
10 Egerstedt, Olof	0		1	0	350	350	350	
11 Ek, Gunnar	0		1	0	763	763	763	
12 Ekström Trägårdh, Marie	1		1	0	34 894	34 894	34 894	
13 Elmhester, Per	0		1	0	2 647	2 647	2 647	
14 Ericsson Thomas	0		1	136 329	298 197	434 526	1 661 487	
15 Eriksson, Tony	1		1	0	350	350	350	
16 Fjärde AP-fonden	0	Jannis Kitsakis	1	0	1 834 407	1 834 407	1 834 407	
17 Forchheimer, Robert	0		1	202 203	1 178 104	1 380 307	3 200 134	
18 Fredriksson, Kjell	0		1	0	170	170	170	
19 Fredriksson, Linnéa	0		1	0	100	100	100	
20 Fåk, Viiveke	0		1	221 700	1 088 150	1 309 850	3 305 150	
21 Hedlin, Olov	0	Arne Svahn	0	0	0	0	0	
22 Heerfordt Sjöqvist, John	0		1	0	32	32	32	
23 Hentzell, Anders	0		1	0	75	75	75	
24 If Skadeförsäkring AB	0	Fredrik Ahlin	1	0	4 183 155	4 183 155	4 183 155	
25 Ingemarsson, Ingemar	0		1	221 347	150 999	372 346	2 364 469	
26 Irwe, Lena	0	Sten Irwe	1	0	16 000	16 000	16 000	
27 Irwe, Sten	0		1	0	25 000	25 000	25 000	
28 Jennéus, Birger	1		1	0	200	200	200	
29 Karlsson, Hans E. V.	0		1	0	100	100	100	
30 Kronander, Torbjörn	0		1	585 620	2 580 484	3 166 104	8 436 684	
31 Larsson, Carl-Olof	0		1	0	100	100	100	
32 Lilja, Magnus	0		1	0	11 001	11 001	11 001	
33 Lindgren, Gerd	0		1	0	200	200	200	
34 Lindstedt, Bertil	0		1	0	500	500	500	
35 Möller, Nils	0		1	0	982	982	982	
36 Nilsson, Bernt	0		1	0	500	500	500	
37 Nilsson, Bo	0		1	0	1 000	1 000	1 000	
38 Nilsson, Christer	0		1	0	5 000	5 000	5 000	
39 Nilsson, Gun-Britt	0		1	0	500	500	500	
40 Nilsson, Hatice Özkan	0		1	0	400	400	400	
41 Nordea Funds Ltd - Nordea Allemansfond Alfa	0	Jan Särllvik	1	0	1 048 965	1 048 965	1 048 965	
42 Nordea Funds Ltd - Nordea Allemansfond Olympia	0	Jan Särllvik	1	0	19 161	19 161	19 161	
43 Nordea Funds Ltd - Nordea Institutionel aktieförvaltning	0	Jan Särllvik	1	0	25 030	25 030	25 030	
44 Nordea Funds Ltd - Nordea Nordenfond	0	Jan Särllvik	1	0	225 994	225 994	225 994	
45 Nordea Funds Ltd - Placeringsfond Nordea nordiska länder	0	Jan Särllvik	1	0	70 425	70 425	70 425	
46 Nordea Funds Ltd - Placeringsfond Småbolagsfond Norden	0	Jan Särllvik	1	0	3 677 308	3 677 308	3 677 308	
47 Nordea Funds Ltd - Nordea Småbolagsfond Sverige	0	Jan Särllvik	1	0	341 598	341 598	341 598	
48 Nordea Funds Ltd - Nordea Swedish stars	0	Jan Särllvik	1	0	557 970	557 970	557 970	
49 Nordea Investment Funds S.A - Nordea 1 SICAV	0	Jan Särllvik	1	0	260 048	260 048	260 048	
50 Norges bank	0	Camilla Köhler	1	0	1 124 844	1 124 844	1 124 844	
51 NORTHERN TRUST GLOBAL INVESTMENTS COLLECTIVE FUNDS TRUST	0	Michael Sterne	1	0	259	259	259	
52 Nyström, Jonas	0		1	0	14 560	14 560	14 560	
53 Odén, Sven-Erik	1		1	0	1 000	1 000	1 000	
54 Olsson, Lennart	0		1	0	1 237	1 237	1 237	
55 Pettersson, Claes-Göran	0		1	0	5 200	5 200	5 200	
56 Pettersson, Helena	0		1	0	9 517	9 517	9 517	
57 Pettersson, Lars-Göran	0		1	0	2 400	2 400	2 400	
58 Pettersson, Mattias	2		1	0	350	350	350	
59 Pykälistö, Simo	0		1	0	17 500	17 500	17 500	
60 Qvigstad, Fritjof	0		1	262 866	1 900 569	2 163 435	4 529 229	
61 Ridderstråle, Carl-Erik	0		1	0	95 094	95 094	95 094	
62 Sahlin, Olof	0		1	0	2 000	2 000	2 000	
63 SEB Gamla Livförsäkringsbolaget SEB Trygg Liv	0	Carl Sundblad	1	0	102 302	102 302	102 302	
64 SEB Nordenfond	0	Carl Sundblad	1	0	212 079	212 079	212 079	
65 SEB Nordic Fund	0	Carl Sundblad	1	0	63 635	63 635	63 635	
66 SEB Nordic Small Cap	0	Carl Sundblad	1	0	138 696	138 696	138 696	
67 SEB Spez.13 Micro Cap SIF	0	Carl Sundblad	1	0	475 247	475 247	475 247	
68 SEB Sverige Indexfond	0	Carl Sundblad	1	0	60 893	60 893	60 893	
69 SEB Sverigefond Småbolag	0	Carl Sundblad	1	0	903 400	903 400	903 400	
70 SEB Sverigefond Småbolag Chans/Risk	0	Carl Sundblad	1	0	423 066	423 066	423 066	
71 Skoglund, Nils-Olov	1		1	0	1 659	1 659	1 659	
72 Stenvall, David	1		1	0	1	1	1	
73 Svahn, Arne	1		0	0	0	0	0	
74 Sveriges Aktiesparares Riksförbund	0	Per Carlsson	1	0	100	100	100	
75 Söderberg Johanson, Erika	0		1	0	219	219	219	
76 Widén, Anders	0		1	0	1 200	1 200	1 200	
<b>Totalt antal närvarande</b>			73		2 575 841	26 033 348	28 609 189	51 791 758
<b>Totalt antal aktier i Sectra</b>					2 620 692	34 882 643	37 503 335	61 089 563
<b>Närvarande aktier i procent av totala antalet</b>					<b>98,29%</b>	<b>74,63%</b>	<b>76,28%</b>	<b>84,78%</b>

## **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 October 31, 2015 are employed until further notice in the Sectra Group. At allotment the Board of Directors shall observe the following.

Each employee shall be allotted convertibles at a nominal value amounting to a 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, item 17. In addition, the Board of Directors may resolve to allot to employees (i) who makes extraordinarily strong contributions to the group's development, (ii) who holds management positions, (iii) with special competence or (iv) who are otherwise of special importance for the development of the Sectra Group (key personnel), convertibles to an amount of no more than 25,000 times the calculated conversion rate. The Board of Directors may thereto allot to each key employee additional convertibles at an aggregate nominal amount amounting to a maximum of 20,000 times the quoted conversion rate as a part of their variable salary.

If the new issue is not subscribed in full, each employee, but firstly the key personnel, shall be allotted additional convertibles at a nominal value of a total of no more than 15,000 times the calculated conversion rate.

## Terms and Conditions for Sectra AB's Convertibles 2015/2018 of SEK 35,000,000

### § 1 Definitions

In the terms and conditions the following definitions 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 6 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 December 31, 2018, except to the extent of prior conversions. The loan carries interest from December 1, 2015 and is payable each year on November 30, commencing on November 30, 2016, 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 last interest payment which only comprises the period from the last maturity date up to 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 plus 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 amount**

The interest and principal amount 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 the principal amount.

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 the principal amount, has via an account-operating institute registered that the interest and payment of the principal amount

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 the principal amount 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, is unable to make the interest or principal amount 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 the principal amount.

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 amount 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 December 10 – 14, 2018, to request conversion of their convertibles into shares. The conversion price shall correspond to 127.5 percent of the volume-weighted average of price paid for the company's shares on Nasdaq Stockholm during the period September 30 – October 13, 2015. 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 at the date of the final maturity of the loan. 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 be paid at the date of the final maturity of the loan. 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 ceases 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 respect to the rights of holders in the situations described below.

Subsection A. If the Company effects a bonus issue of shares, at a conversion requested on such date that the thereby received share does 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 to 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 Nasdaq 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 that 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 new shares. 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 does 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 Nasdaq 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 convertibles. 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 share does 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 Nasdaq 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 Nasdaq 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 the 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 that 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, 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 receipt of such dividend. The adjustment shall be based on the amount paid to the shareholders (as dividend and/or as reduction of the share capital with repayment to the shareholders), i.e. on the total dividend and/or repayment. 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 dividend and/or repayment paid per share

The average price of the share is calculated over a period of 25 trading days starting from and including the day the share is listed without right to dividend and corresponds to the average of the mean of the highest and lowest prices paid each trading day during this period in accordance with the official price list of Nasdaq 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. Should the Company's share capital be reduced through a repayment to its shareholders, 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 receipt of such repayment. The conversion shall be based on the amount with is repaid to the shareholders (as dividend and/or as reduction of the share capital with repayment to the shareholders), i.e. on the aggregate dividend and/or repayment. 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 dividend and/or 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 and corresponds to the average of the mean of the highest and lowest prices paid each trading day during this period in accordance with the official price list of Nasdaq 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 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 it would 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 SEK 0.10, with SEK 0.5 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 the 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 anyone owns, solely or together with or through subsidiaries, more than ninety (90) per cent of all the shares in the Company (excluding shares in the Company owned by the Company itself) and such majority owner 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, 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*).

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**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 15,000 times the calculated conversion rate.

## Terms and Conditions for Sectra AB's Convertibles 2015/2019 of SEK 3,500,000

### § 1 Definitions

In the terms and conditions the following definitions 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 6 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 December 31, 2019, except to the extent of prior conversions. The loan carries an interest from December 1, 2015 and is payable each year on November 30, commencing on November 30, 2016, 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 last interest payment which only comprises the period from the last maturity date up to 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 plus 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 amount**

The interest and principal amount 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 the principal amount.

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 the principal amount, has via an account-operating institute registered that the interest and payment of the principal amount

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 the principal amount 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, is unable to make the interest or principal amount 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 the principal amount.

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 amount 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 December 9 – 13, 2019, to request conversion of their convertibles into shares. The conversion price shall correspond to 137 percent of the volume-weighted average of price paid for the company's shares on Nasdaq Stockholm during the period September 30 – October 13, 2015. 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 at the date of the final maturity of the loan. 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 at the date of the final maturity of the loan 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 ceases 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 respect to the rights of holders in the situations described below.

Subsection A. If the Company effects a bonus issue of shares, at a conversion requested on such date that the thereby received share does 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 to 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 Nasdaq 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 that 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 new shares. 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 does 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 Nasdaq 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 convertibles. 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 share does 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 Nasdaq 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 Nasdaq 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 the 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 that 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, 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 receipt of such dividend. The adjustment shall be based on the amount paid to the shareholders (as dividend and/or as reduction of the share capital with repayment to the shareholders), i.e. on the total dividend and/or repayment. 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 dividend and/or repayment paid per share

The average price of the share is calculated over a period of 25 trading days starting from and including the day the share is listed without rights to dividends and corresponds to the average of the mean of the highest and lowest prices paid each trading day during this

period in accordance with the official price list of Nasdaq 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. Should the Company's share capital be reduced through a repayment to its shareholders, 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 receipt of such repayment. The conversion shall be based on the amount which is repaid to the shareholders (as dividend and/or as reduction of the share capital with repayment to the shareholders), i.e. on the aggregated dividends and/or repayment. 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 dividend and/or 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 and corresponds to the average of the mean of the highest and lowest prices paid each trading day during this period in accordance with the official price list of Nasdaq 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 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 it would 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 SEK 0.10, with SEK 0.5 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 the 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 anyone owns, solely or together with or through subsidiaries, more than ninety (90) per cent of all the shares in the Company (excluding shares in the Company owned by the Company itself) and such majority owner 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, 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*).

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