

Minutes no. 26 recorded at the  
Annual General Meeting of  
shareholders of Elekta AB (publ)  
on September 21, 2005 in  
Stockholm

§ 1

The Chairman of the Board of Directors, Akbar Seddigh, opened the meeting and welcomed those present.

§ 2

Akbar Seddigh presented the Nomination Committee's proposal for Chairman of the Meeting, attorney-at-law Bertil Villard.

Bertil Villard was elected Chairman for the Meeting.

§ 3

The list prepared of shareholders present, Appendix 1, was approved as the register of voters for the Meeting.

§ 4

The agenda was approved.

§ 5

The Meeting elected two minutes checkers, Caroline af Ugglas and Fredrik Nilert, to approve the minutes together with the Chairman.

§ 6

It was noted that the Meeting had been duly convened.

§ 7

The Board of Directors and President and CEO's report with the annual report and auditor's report as well as the consolidated accounts and the auditor's report on the consolidated accounts for the 2004/2005 fiscal year were presented.

Tomas Puusepp described the company's operations during the financial year, and Lars Svantemark presented the auditor's reports.

In conjunction with these reports, a number of questions from the shareholders in attendance were answered.

§ 8

The Meeting resolved to adopt the balance sheet and income statement as well as the consolidated balance sheet and the consolidated income statement as of April 30, 2005.

§ 9

In accordance with the proposal by the Board of Directors and the President, the Meeting decided that of the disposable earnings for the year totaling SEK 871,351,023, a dividend of SEK 6.60 be paid to the shareholders and the remainder carried forward. The record date for the dividend was set as September 26, 2005.

§ 10

The members of the Board of Directors and the President were discharged of liability for their administration during the 2004/2005 fiscal year.

This decision was approved by shareholders representing 10,056,225 shares and 20,743,770 of the votes.

Teacher Retirement Systems of Texas, with a total of 11 shares in the company and represented by Anna af Jochnick, voted against the proposal.

Since all other shareholders present voted in favor of the proposal, the majority required for decision was obtained.

§ 11

Laurent Leksell described the Nomination Committee's work and proposals.

§ 12

The Meeting resolved that the Board of Directors shall consist of seven members with no deputy members.

§ 13

The Meeting resolved that fees to be paid to the Board of Directors shall amount to a total of SEK 1,700,000 of which SEK 460,000 to the Chairman of the Board of Directors and SEK 230,000 each to the members of the Board plus an additional SEK 60,000 to the Chairman and SEK 30,000 to another member of the Company's Nomination Committee.

The Meeting decided that fees shall be paid to the auditors according to approved current account.

§ 14

Akbar Seddigh, Magnus Schmidt, Carl G Palmstierna, Tommy H Karlsson, Laurent Leksell and Hans Barella were re-elected as members of the Board of Directors. Birgitta Stymne Göransson was elected as new member of the Board of Directors.

Akbar Seddigh was elected Chairman of the Board of Directors.

§ 15, 16 and 17

The Chairman presented the proposal by the Board of Directors for a 1:3 share split to be implemented in three stages in the manner described in the Board of Directors' full proposal, Appendix 2.

The Meeting decided in accordance with the Board of Directors' proposal.

Arne Svan, with a holding of 100 shares, noted a reservation against the manner in which the decision was taken.

Since all other shareholders present voted in favor of the proposal, the majority required for decision was obtained.

§ 18

The Chairman presented the Board of Directors' proposal for a reduction of the share capital, Appendix 3.

The Meeting decided in accordance with the Board of Directors' proposal.

It was noted that the decision was unanimous.

§ 19

The Chairman presented the Board of Directors' proposal for authorization to repurchase shares in accordance with Appendix 4.

The Meeting decided in accordance with the Board of Directors' proposal.

It was noted that the decision was unanimous.

§ 20

Akbar Seddigh described the work performed during the year within the Board of Directors' Executive Compensation Committee.

Tomas Puusepp described the main points in the Board of Directors' proposal for an incentives program, Appendix 5.

The Meeting decided in accordance with the Board of Directors' proposal.

The decision was supported by shareholders representing a total of 10,048,281 shares and 20,735,781 votes.

Royal Trust Corporation of Canada, with a total of 8,000 shares in the Company and represented by Carina Liljegren Thärning, voted against the proposal.

It was noted that the votes in favor of the Board of Directors' proposal corresponded to 99.96 percent of the votes cast and 99.92 percent of the shares represented at the Meeting.

§21

The Chairman presented the Nomination Committee's proposal regarding the election procedure for the next Annual General Meeting in accordance with Appendix 6.

The Meeting decided in accordance with the Board of Directors' proposal.

§ 22

In closing, it was noted for the minutes that the adjusted number of votes according to the adjusted register of voters was 20,743,781 votes represented at the Meeting corresponding to 49.06 percent of the total number of votes and that 10,056,281 shares, corresponding to 31.83 percent of the total number of shares, were represented at the Meeting, as specified in Appendix 1.

The Meeting was declared closed.

Akbar Seddigh thanked Laurent Leksell, who resigned as President during the year.

Laurent Leksell expressed his warm thanks to the Board of Directors, Tomas Puusepp, other Elekta employees and the shareholders for their cooperation during the long period Laurent Leksell served as President of the Company.

Minutes taken by:

Åsa Thunman

Attested:  
Bertil Villard

Fredrik Nilert

Caroline af Ugglas

Registry of voters [see Swedish language minutes]

**Points 15 - 17 – Question of changing the articles of association and bonus issue**

In the light of the trend in market prices for Elekta's shares, the board of directors has decided to propose a share split, 3:1, by which one old A share and B share respectively will be replaced by three new shares of the same kind. At present Elekta's shares have a nominal value of SEK 5 per share. A share split would give the shares a nominal value of SEK 1.66666 per share, which is not practicable. The board therefore proposes an adjustment, so that the new nominal value, after the share split, will be SEK 2 per share. This adjustment will be made through a bonus issue. The procedure is carried out in three steps.

*Point 15*

The Board proposes that the first sentence under § 5 of the Articles of Association shall read: "Each share shall have a par value of SEK 6."

The resolution is conditioned by a resolution being passed by the shareholders' meeting to increase the share capital through the bonus issue proposed under point 16.

*Point 16*

The Board proposes that the Company's share capital shall be increased by SEK 31,596,236 through a bonus issue. The bonus issue is made by the increase of the shares' nominal value under point 15 above. SEK 31,596,236 shall be transferred to the Company's share capital from the Company's legal reserve, according to the adopted balance sheet, where after the share capital will amount to SEK 189,577,416. Record day for the bonus issue will be October 19, 2005.

The Chairman of the Board and the President shall have the right to make such minor changes to the decision that may be required in conjunction with registration of the issue.

*Point 17*

The Board proposes that the first sentence under § 5 of the Articles of Association shall read: "Each share shall have a par value of SEK 2."

The resolution means that the above mentioned share split 3:1 is carried out. Record day for the share split will be October 19, 2005 which means that the last day for trading in the Elekta share before the split will be October 14, 2005.

**Point 18 – Reduction of share capital**

In accordance with the authorization given at the latest Annual General Meeting, Elekta has during the last financial year acquired 224,900 of its own B-shares. After the execution of the resolutions under points 15 -17 the number of B-shares held by the Company will be 674,700. The board has previously announced that the intention is to maculate the acquired B-shares.

The board therefore proposes that the shareholders' meeting decides to reduce the Company's share capital by SEK 1,349,400. The reduction amount shall be allocated to the Company's disposition fund to be used in accordance with a decision made by the shareholders' meeting. The reduction shall be effected through withdrawal without any repayment of the 674,700 B-shares held by the Company.

The decision of the Meeting in accordance with the Board's proposal pursuant to point 18 must be supported by shareholders with at least two thirds of the votes cast and of the number of shares represented at the Meeting.

**Point 19 - Authorization for the Board to acquire and transfer own shares**

The Board proposes that the Meeting authorize the Board during the period until the next Annual General Meeting, on one or more occasions, to decide on acquisition of a maximum number of own shares to the extent that after purchase the Company holds not more than ten percent of the total number of shares in the Company. The repurchase shall be carried out on Stockholmsbörsen (the Stockholm Stock Exchange) at a price within the registered price interval (spread) at any given time, that is the interval between the highest bid price and the lowest ask price, and in other respects taking into consideration the recommendations issued by the Swedish Industry and Commerce Stock Exchange Committee at any given time. The purpose of the repurchase of own shares is firstly to align the Company's capital structure to the Company's capital requirements and where appropriate to be able to transfer shares in conjunction with the financing of company acquisitions and other types of strategic investments and acquisitions.

The Board proposes that the Meeting authorize the Board during the period until the next Annual General Meeting, on one or more occasions, to decide on the transfer of shares in the Company. The transfer of shares may be carried out in the maximum amount of own shares that the Company holds at any given time. In conjunction with the acquisition of companies, the transfer may be effected with waiver of the shareholders preferential rights and to a price within the so-called spread (see above) at the time of the decision on transfer and where appropriate taking into account the recommendations issued by the Industry and Commerce Stock Exchange Committee at any given time. The payment for the transferred shares may be made in cash or through non-cash issue or offsetting of claims against the Company, or on specific terms. The reason for the Board's authorization to waive the shareholders' preferential rights is to, where appropriate, be able to transfer shares in conjunction with the financing of any company acquisitions and other types of strategic investments and acquisitions in a cost-efficient manner.

The decision of the Meeting in accordance with the Board's proposal pursuant to point 19 must be supported by shareholders with at least two thirds of the votes cast and of the number of shares represented at the Meeting.



**Item 20 - THE COMPLETE PROPOSAL OF THE BOARD FOR A RESOLUTION TO ADOPT THE ELEKTA AB 2004 SHARE UNIT PLAN**

By way of introduction shall be noted that the number of shares stated in different contexts below in this point 19 in all cases concerns the number of shares post a split resolution in accordance with point 16 above. As regards examples below which include assumptions of the share price a price of SEK 330 per share pre-split has been assumed. Further, calculations of dilution have been based on the number of shares outstanding at the time this proposal was drafted with adjustment for the number of shares which has been proposed to be cancelled in accordance with point 17.

**Background**

The general meeting of shareholders of 2004 resolved to adopt the Elekta AB 2004 Share Unit Plan (“the Plan”). The resolution meant that the conditions and the guidelines stated in the Plan shall be the framework for yearly grants of stock options to key employees within the Elekta group during the period 2004/05 – 2006/07.

Stock options granted 2004 have been exercised to acquisition of 70,500 class B shares and at present there are stock options outstanding which totally entitle to acquisition of 1,605,027 shares (post determined performance). Outstanding stock options can consequently result in a dilution of app. 1.73% of the total number of shares and of app. 1.29% of the total number of votes of the Company. The expiration date of outstanding stock options is 31 July 2008 and they become exercisable with one-third yearly as from 1 August 2005. The exercise price to acquire a share is expected to be SEK 65.20 post split. Other terms and conditions applicable for outstanding stock options in principle are in line with to what is proposed below to be applied for the grant 2005.

As was said prior to the grant in 2004, the board of the Company finds it important and in all shareholders interest that key employees within the group have an interest in the appreciation of the Company share value. Based on this and in accordance with the resolution of the general meeting of shareholders 2004, the Board proposes the grant of stock options in accordance with the following.

The purpose of the incentive program is to retain key managers and high performers while also create participation for key employees in opportunity and risk in company performance as well as to provide the common performance goal of providing profitable growth. The necessity of an equity based incentive program should be viewed with the perspective that Elekta operates on a global market and that the presence on the US market has significantly increased during the past year through the acquisition of Impac. Hence, a majority of the eligible employees work in an environment where equity incentives are a normal part of the total compensation package.

The following proposal has been prepared by the Executive Compensation Committee in consultation with the Board. The resolution to propose the grant 2005 to the shareholders' meeting has been taken by the Board.

#### A. Summary of Elekta AB 2004 Share Unit Plan

The general meeting of shareholders 2004 specified that outstanding stock options granted subject to the Plan may not at any time involve a possible dilution of the number of outstanding shares (including both class A and B) with more than 5%.

The principal terms and conditions of the Plan are as follows.

##### ***A.1 Share unit***

A share unit means that an eligible employee will be granted a stock option that gives the possibility to acquire Elekta shares of class B provided that the employee invests in a certain number of Elekta shares on the market and retains such shares until the stock option is exercised or expires. The ratio between the employee's share investment and the number of shares which can maximum be acquired at exercise of the stock option shall be determined by the Board for each employee within the range of 1:20 to 1:100 where the ratio shall increase in proportion to the fewer shares that can be acquired upon exercise of the granted stock option. If the employee does not make the required share investment before 31 December in the year of grant (this period can be prolonged if the share investment is not possible due to legal reasons), the stock option will terminate.

##### ***A.2 Term of Option***

The term of each stock option shall be no more than 4 years from the date of grant.

##### ***A.3 Failure to hold mandatory acquired shares***

If the holder of a stock option at any time during the option term disposes of shares which have been mandatorily acquired in order to be granted the stock option, the number of shares subject to the stock option shall correspondingly be reduced in relation to the number of mandatory shares disposed of. When the number of shares subject to the stock option is reduced due to that the stock option has been exercised, the holder of a stock option may dispose of mandatory shares corresponding to such exercise without any further reduction of the remaining shares subject to the stock option.

##### ***A.4 Performance requirements – earning of the right to acquire shares***

The right to acquire the granted number of shares subject to the stock option shall be conditioned by collective performance requirements. These performance requirements shall be proposed by the Board and subject to approval by the general meeting of shareholders. The performance requirements shall be measured before the first date when the stock option can be exercised.

The right to acquire the number of shares which will be earned by achievement of the performance requirements ("earned shares") will additionally be subject to vesting conditions (see section A.5 below). To the extent the granted number of shares subject to the stock option is not earned, the right to acquire such shares will terminate.

##### ***A.5 Vesting***

To the extent the stock options have been earned in relation to the performance requirements and provided the employee maintained continuous status as an employee within the Elekta group (exceptions exist in case of termination of employment due to retirement, disability or

death), the stock option shall become exercisable (vest) as to one-third of the number of earned shares subject to the stock option on the 1<sup>st</sup> August annually as from the year following the year of grant.

***A.6 Exercise price and cap of the stock option benefit***

The price per share to be paid by the employee to receive shares upon exercise of a stock option shall be determined by the Board and be no less than 110% of the fair market value of an Elekta share class B at the date when the offer of the stock option grant is made to the employees. The fair market value of the Elekta share class B shall be calculated as the average closing price per share during ten trading days immediately preceding the date of the offer.

Notwithstanding what is stated above regarding the exercise price, in case the fair market value per class B share at any time during the term of a stock option exceeds 500% of the fair market value per class B share at the date of the offer, the exercise price shall increase correspondingly so that the fair market value per class B share at the date of exercise never exceeds 500% of the exercise price.

***A.7 Non-transferability***

The stock options shall not be possible to transfer, pledge or in any other way disposed of other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the employee, only by the employee.

***A.8 Termination of the employment within the Elekta group***

If the holder of a stock option terminates his/her employment with the Elekta group, the stock option will be forfeited to the extent it has not vested. Vested stock option will normally forfeit after three months following termination of the employment. Other time limits exist in case the termination depends on retirement, disability or death. However, not in any case will the stock options be exercisable after the original expiry date.

**B. The Board's proposal for a resolution to grant stock options in accordance with the Elekta AB 2004 Share Unit Plan**

The Board proposes that the general meeting of shareholders resolves to grant stock options which give the possibility to acquire class B shares of the Company. The stock options shall be granted in accordance to the terms and conditions of the Elekta AB 2004 Share Unit Plan and to the terms set out below in this section B.

The stock options shall be offered to key employees within the Elekta group. Stock options may also be offered to foreign subsidiaries within the Elekta group in order to be further transferred to employees abroad. In this year's grant, the stock options shall in case of target performance and fulfillment of other vesting conditions in total entitle to 1,900,000 class B shares of the Company. However, should the financial performance targets be succeeded (over-performance), the stock options may additionally entitle to maximum totally 285,000 shares. Hence, in case of over-performance the grant may in total entitle to maximum 2,185,000 shares. The commitment to deliver shares upon exercise of stock options is proposed to be secured by the issuance of a subordinated debenture with detachable warrants for subscription of new class B shares of the Company (see further section C below).

### ***B.1 Grant levels***

Stock options will be offered to totally app. 100 employees in accordance with the following at target performance: category 1 – top executives (1-3 persons)- a possibility to acquire maximum 60,000 shares each; category 2 – other senior executives (app. 7-11 persons) – a possibility to acquire maximum 45,000 shares each; category 3 – senior directors (app. 13-18 persons) - a possibility to acquire maximum 30,000 shares each; category 4 – selected senior and middle managers (app. 25-50 persons) - a possibility to acquire maximum 15,000 shares each; category 5 – other key specialists (app.25-50 persons) – a possibility to acquire maximum 7,500 shares each.

In case of over-performance the employees in each category may additionally be granted the right to acquire a certain number of shares subject to the stock option up to maximum 15% of the number of shares originally subject to the stock option upon target performance (see further section B.3).

The Executive Compensation Committee shall decide who will be included in the categories above.

Members of the Board of the Company do not have any right to receive stock options.

### ***B.2 Employees outside Sweden***

Grant of stock options to employees outside Sweden is conditional on that such grant can lawfully be made and that the Board determines that it can be made with reasonable administrative and/or economical resources.

If there are impediments to grant stock options to employees in a certain country other than Sweden, the Board may instead, if more appropriate, grant synthetic stock options to such employees. The synthetic stock options shall have the similar term and conditions as the stock options granted. However, the synthetic stock options shall only entitle the employee to receive a cash payment upon exercise.

### ***B.3 Vesting requirements***

Subject to the requirements stated in the Plan (see sections A.3 – A.5 above) and the performance requirement specified below, the stock options shall become exercisable (vest) according to the following schedule: 1 August 2006 – as to one-third of the total number of Shares earned under the stock option; 1 August 2007 - as to two-thirds of the total number of Shares earned under the stock option; 1 August 2008 - all Shares earned under the stock option.

- a) The stock options shall be earned in relation to collective performance during the Company's financial year 2005/2006 (ending 30 April 2006). The performance shall be measured against operating margin (EBIT) with a target of 12% in accordance with the following:
  - (1) If target performance is met, i.e. operating margin of 12%, all shares originally subject the stock option will be earned ("target performance shares").

- (2) If operating margin is within the range of 11% to 12%, earning shall occur proportionally for 50% up to 100% of the target performance shares.
- (3) If operating margin is less than 11%, no shares under the stock option will be earned.

Should the performance target be exceeded (over-performance), i.e. operating margin exceeds 12%, the following shall apply:

- (1) If operating margin is at least 14% additionally 15% of the target performance shares will be earned.
- (2) If operating margin is within the range of 12% to 14%, earning shall occur proportionally for additional shares up to 15% of the target performance shares,

Accordingly, over-performance can maximum generate a right to acquire totally 115% of the number of target performance shares.

Immediately following measurement of the performance, any part of a stock option which will not be earned due to that target performance not having been met or only partly met shall terminate and be cancelled without payment therefore.

The calculation of operating margin for the purpose above should not include the IFRS 2 effect from the 2005 grant of stock options under the Elekta AB 2004 Share Unit Plan.

#### ***B.4 Exercise price***

The exercise price per share, i.e. the price to be paid by an employee to receive a share shall be determined by the Board in accordance with the principles set out in the Plan (see section A.6 above). If a split is resolved in accordance with point 16, the listed share price included in the calculation shall be adjusted.

### ***B.5 Term of stock option***

The stock options expire on 31 July 2009.

### ***B.6 Theoretical value***

The stock options do not have any fair market value since they are not transferable. A theoretical value of a stock option has been calculated based on the Black & Scholes option valuation model. The calculation has been based on an assumed share price of SEK 110 – and an expected volatility of 30%. With respect of the risk of forfeit of the stock option before the original expiry date due to employment and performance requirements, the calculated value in accordance with the Black & Scholes model has been reduced with 30%. The theoretical value has been calculated to app. SEK 16.60 per share subject to a stock option.

### ***B.7 Delivery of shares and costs***

To secure that the Company may fulfill its commitment to the employees at exercise of stock options (or synthetic stock options if applicable), the Board also proposes that the general meeting of shareholders resolves to issue a debenture with detachable warrants for subscription of shares to Elekta Instruments AB (see section C below).

The resolution to grant stock options (synthetic stock options if applicable) in accordance with this section B shall be conditioned by the adoption by the general meeting of shareholders of the resolution proposed under section C below. Consequently, the delivery of shares (cash if applicable) should not result in any impact on the Company's cash flow.

However, exercise of the stock options is expected to in some countries raise liability to pay employer social security charges. Based on the residency of the eligible employees, the average employer social security rate has been estimated to 12.5% which will normally be charged on the difference between the share price at the time of exercise and the exercise price. The following example illustrates the possible social security liability if all stock options were vested and exercised. The example is only indicative since it is based on several assumptions such as the share price at the time of grant (SEK 110 which would result in an exercise price of at least SEK 121), the future share price at exercise, social security rates etc.

*Example of social security liability*

Performance	Earned shares <sup>2</sup>	Assumed share value at exercise				
		SEK 132	SEK 150	SEK 180	SEK 210	SEK 240
OM <sup>1</sup> < 11%	0%	0	0	0	0	0
OM <sup>1</sup> = 11%	50%	0	2,256	5,225	8,194	11,756
OM <sup>1</sup> = 11.5%	75%	0	3,384	7,838	12,291	17,634
OM <sup>1</sup> = 12%	100%	0	4,513	10,450	16,388	23,513
OM <sup>1</sup> = 13%	107.5%	0	4,851	11,234	17,617	25,276
OM <sup>1</sup> = 14%	115%	0	5,189	12,018	18,846	27,039

<sup>1</sup>OM = operating margin

<sup>2</sup> of target performance shares

**estimated social security costs in TSEK**

Further, the accounting standard IFRS 2 (Share-based payment) is applicable on the stock options meaning that a cost will have to be recognized in the consolidated income statement as from the financial year 2005/2006 until the stock options have been fully vested based on the theoretical value of the stock options granted. Based on the assumption that the performance target value will be fully met so that all granted shares are earned and that approx. 10% of the stock options offered will forfeit before vesting due to non-performance in relation to continuous employment and holding of shares, it is estimated that approx. 1,710,000 class B shares will vest under the stock options. The recognized cost for the 2005 grant is consequently estimated to amount to TSEK 10.384 during the year 2005/2006, TSEK 11.875 during the year 2006/2007, TSEK 5.449 during the year 2007/2008 and TSEK 1.035 during the year 2008/2009 (totally TSEK 28.743). These amounts will be remeasured based on actual vesting during the vesting periods. It should be noted that this cost will only be recognized in the accounts and has no impact on cash-flow. The cost will be matched with a corresponding increase in equity. According to IAS 12 a deferred tax asset shall also be recognized if the Company expects to receive a tax deduction when the stock options are exercised. Such deduction is expected to be allowed in some countries concerned but can not be calculated since it depends on the future share price performance.

C. The Board's proposal for a resolution to raise a subordinated loan by issuing a debenture with detachable warrants for subscription of class B shares and permission to transfer warrants  
The Board proposes that the general meeting of shareholders resolves to raise a subordinated loan of nominal value at maximum SEK 100 by issuing a debenture with maximum 2,185,000 warrants for subscription of new class B shares of the Company, whereby the share capital of the Company may increase by a maximum of SEK 4,370,000.

For subscription of the debenture with detachable warrants the following conditions shall apply.

### ***C.1. Right to subscription***

The issue of debenture with detachable warrants shall, with deviation from the shareholders' pre-emption right, be made to the Company's subsidiary Elekta Instrument AB, with a right and obligation for the subsidiary to detach the warrants and, when exercise is called for by employees of stock options (or synthetic stock options if applicable) which have been granted in accordance with section B above, fulfill the Company's commitment in accordance with the stock options (synthetic stock options).

### ***C.2 Issue price, period for subscription***

Debenture at nominal amount of SEK 100 together with maximum 2,185,000 warrants for subscription of maximum 2,185,000 class B shares shall be issued at a price equal to the nominal amount of the debenture.

The price at which subscription for class B shares can be made shall be equal to 105% of the average closing price per share during ten trading days immediately following the general meeting of shareholders, but can not be below the nominal value of the share. If a split is resolved in accordance with point 16, the listed share price included in the calculation shall be adjusted.

Subscription for class B shares on the basis of the warrants – whereby one (1) warrant entitles to subscription for one (1) class B share – can be made during the period from 1 November 2005 until 31 July 2009.

### ***C.3 Period for subscription of debenture and payment***

The debenture with detachable warrants shall be subscribed and paid for no later than 31 October 2005.

### ***C.4 Interest and term***

The loan runs without any interest and is due for repayment on 30 April 2006.

### ***C.5 Subordinated loan***

The debenture shall in case of the Company's liquidation or bankruptcy involve right to payment from the Company's assets after the Company's non-subordinated obligations and alongside (pari passu) other subordinated obligations that are not expressly subordinated this loan.

### ***C.6 Terms in other respects for debenture and warrants***

Terms in other respects for debenture and warrants are evident from appendix 1a (Villkor för Elekta AB förlagslån 2005/2006 på högst 100 kr) and appendix 1b (Villkor för Elekta AB optionsrätter till nyteckning av aktier 2005/2009).

### ***C.7 Background and motive***

The reason for deviation from the shareholders' pre-emption right is that the Board has proposed that the general meeting of shareholders shall resolve a grant of stock options to employees in accordance with section B above. The warrants shall be used to secure the company's commitment to deliver shares upon exercise of granted stock options. A condition



for a resolution in accordance with the proposal under section B is that the proposed issue of debenture with detachable warrants is made to Elekta Instrument AB.

**C.8 Dilution etc.**

At total exercise of issued warrants the share capital can be increased with a maximum of SEK 4,370,000 by issuance of maximum 2,185,000 class B shares corresponding to, at total exercise, app. 2.3% of the total number of shares and app. 1,7% of the total number of votes in the Company. The dilution amounts to, with respect to outstanding stock options granted 2004, app. 4.1% of the total number of shares and app. 3% of the total number of votes in the Company. This dilution has been calculated as the number of shares and votes which at maximum may be issued divided with the total number of shares and votes in the Company after such issuance.

The example below has been made to illustrate the shareholders theoretical financial dilution in benefit of the stock option holders at different future share values. As a basis for the example it has been assumed that the price to be paid by the employee to receive a share of the company is SEK 121 (equal to 110% of SEK 110 which in this example is assumed to be the share price of the class B share at the time of grant) and that all shares subject to stock options which have been earned due to performance will be issued (i.e. it is assumed that additional vesting requirements of continuous employment as well as retained share investment has been met). The rates stated in the example show the financial dilution of the shareholders based on the current number of shares in the company.

Performance	Earned shares <sup>2</sup>	Assumed share value at exercise				
		SEK 187	SEK 215	SEK 230	SEK 245	SEK 260
OM <sup>1</sup> < 11%	0%	0%	0%	0%	0%	0%
OM <sup>1</sup> = 11%	50%	0%	0.14%	0.27%	0.37%	0.46%
OM <sup>1</sup> = 11.5%	75%	0%	0.21%	0.41%	0.56%	0.69%
OM <sup>1</sup> = 12%	100%	0%	0.28%	0.54%	0.74%	0.91%
OM <sup>1</sup> = 13%	107.5%	0%	0.30%	0.58%	0.79%	0.98%
OM <sup>1</sup> = 14%	115%	0%	0.32%	0.62%	0.85%	1.05%

<sup>1</sup> OM = operating margin

<sup>2</sup> of target performance shares

**Financial dilution**

Earnings per share will be affected in accordance with guidelines provided in IAS 33.

**C.9 Majority vote requirement etc.**

A resolution by the general meeting of the shareholders in accordance with the proposal in this section C requires support of at least nine tenths of the given votes as well as of the shares represented at the general meeting of shareholders.

The CEO or anyone authorized by the CEO shall have the right to make such minor changes in the resolution of the general meeting of shareholders that might be necessary in connection with registering the issue and (if applicable) connecting the warrants to VPC.

D. Cancellation of issued warrants

***D.1 Cancellation of issued warrants***

The Board proposes that the general meeting of shareholders resolves that any warrants which have been issued in accordance with section C above and which the Board deem unnecessary to secure the company's commitment to deliver shares upon exercise of granted stock options due to e.g. that stock options have forfeited and/or shares subject to the stock options have not vested shall be cancelled at earliest possible convenience.

The Board proposes further that the general meeting of shareholders resolves to commission the Board to execute cancellation in accordance with the preceding paragraph.

These terms and conditions are a translation into English of the original Swedish language version. In the event of any difference, the Swedish version shall govern.

Appendix 1a

**Terms and conditions for Elekta AB's  
2005/2006 subordinated debenture loan  
of a maximum of SEK 100**

**§ 1 Definitions**

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

Bank day                    a day which is not a Sunday or other public holiday or, with respect to the payment of debt instruments, is not deemed to be the equivalent of a public holiday in Sweden;

The Company              Elekta AB (publ), corporate registration number 556170-4015

Debenture                 A debenture that is issued in accordance with these terms and conditions.

**§ 2 Loan amount**

The loan amount is a maximum SEK 100.

**§ 3 Due date**

The loan extends from the date on which it was paid out up to and including April 30, 2006. The loan is due for payment in full on April 30, 2006. The Company has the right at any time to redeem the loan in advance, at which time the loan must be paid in full.

Repayment of the debenture loan takes place through payment by the Company of the loan amount in exchange for return of the debenture for the corresponding amount.

**§ 4 Interest rate**

The loan carries no interest.

**§ 5 Debenture**

The debenture will be issued with a nominal value of SEK 100 with 2,185,000 detachable warrants, each of which carries the right to new subscription for one (1) Series B share in the Company. The debenture must be issued to a given person or order.

The debenture's issue price shall correspond to the nominal amount.

Warrants may be detached from the debenture at any time.

These terms and conditions are a translation into English of the original Swedish language version. In the event of any difference, the Swedish version shall govern.

## **§ 6 Subordinated debt instruments**

In the event of liquidation of the Company or bankruptcy, the debenture shall carry the right to payment from the Company's assets after both the Company's unsubordinated and other subordinated liabilities, although ranking equally (*pari passu*) with such other subordinated liabilities as are expressly designated as ranking equally with this loan.

## **§ 7 Statutory limitation**

The right to payment of the loan amount will expire ten years after the due date.

## **§ 8 Notification**

Holders of debentures are obligated to register their mailing address with the Company. Unless otherwise prescribed by these loan terms and conditions, notification regarding the loan will be sent to the debenture holder by mail to the address last known to the Company.

## **§ 9 Force majeure**

With regard to actions incumbent on the Company, the Company is not responsible for damages due to legal statutes, actions by an authority, events of war, strikes, lockouts, boycotts or blockades, regardless of whether the Company itself takes such action or is subject to such action in a dispute.

Damage that may arise in other cases will be compensated by the Company only to the degree that the damage was the result of gross negligence on the part of the Company.

If any such circumstance as specified in the first paragraph of this section obstructs the company from taking action, the action may postponed until such time as the obstruction ceases to apply.

## **§ 10 Applicable law and forum**

Swedish law shall apply for the loan and associated legal issues. Disputes relating to these terms and conditions shall be ultimately decided through an arbitration procedure in accordance with the Rules for Simplified Arbitration Procedures issued by the Arbitration Institute of the Stockholm Chamber of Commerce.

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These terms and conditions are a translation into English of the original Swedish language version. In the event of any difference, the Swedish version shall govern.

## APPENDIX 1 b

### Terms and conditions for Elekta AB's Warrants 2005/2009

#### **§1 Definitions**

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

*"bank day"*

a day which is not a Sunday or other public holiday or, with respect to the payment of promissory notes, is not deemed to be the equivalent of a public holiday in Sweden;

*"Company"*

Elekta AB (publ), registration no. 556170-4015;

*"warrants"*

the right to subscribe for shares of class B in the Company in exchange for payment in cash pursuant to these terms and conditions;

*"subscription"*

the subscription of new shares in the Company as referred to in Chapter 5 of the Swedish Companies Act;

*"subscription price"*

the price at which subscription for new shares in the Company may take place;

*"VPC"*

VPC AB (the Swedish Securities Register Centre);

#### **§ 2 Warrants and registration**

The number of warrants shall be no more than 2,185,000.

### **§ 3 Option certificate**

The Company will issue option certificates to the holder.

The Company will, on demand of the warrant holder, execute the exchange of option certificates.

### **§ 4 Right to subscribe for new shares**

Holder of warrant shall have the right to subscribe for one new share of class B in the Company at a subscription price of [sum]\* per share, each share at nominal value of SEK 2. Re-calculation of the subscription price, as well as the number of new shares which each warrant entitles to subscribe for, may take place in the circumstances set forth in section 9 below. Subscription may only be made in respect of the entire number of shares to which the total number of warrants entitles to, which is registered by a certain institution managing the account, and which a single warrant holder wishes to exercise simultaneously.

### **§ 5 Application for subscription**

Application for subscription for shares of class B may be made during the period commencing 1 November 2005, up to and including 31 July 2009.

The application for subscription is made in a written notification to the Company, wherein the number of shares that the holder wishes to subscribe for is stated. In conjunction with such notification must the option certificate that represents the number of warrants that the holder wishes to subscribe also be submitted to the Company. Applications for subscription are binding and may not be revoked by the applicant.

If notification of subscription is not made within the period of time stated in the first paragraph, every right according to the warrants is terminated.

### **§ 6 Payment**

At notification of subscription payment shall be made at once in money for the number of shares that notification of subscription concerns. Payment shall be made in cash to an account appointed by the Company.

### **§ 7 Registration in the share register**

Following subscription the new shares will be registered in the Company's share register as interim shares. Following registration by the Patent and Registration Office, registration in the share account becomes final. As is specified in section 9 below, the time for such final registration may be postponed in certain circumstances.

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\* The subscription price per share will be determined according to the board's of directors proposal, i.e. 105% of the average closing price per share on Stockholmsbörsen (Stockholm Stock Exchange), during the ten business days following the general meeting of shareholders (however not below the nominal value of the share and with adjustment in the event the shares are traded during the period stated before resolved split has been effectuated).

## § 8 Dividends in respect of new shares

Shares which are issued upon subscription and registered in the share register shall entitle the holders to participate in payments of dividends for the first time on the record date for dividends after the subscription has been executed.

## § 9 Re-calculating the subscription price

The following shall apply with respect to the rights which shall belong to warrant holders in the circumstances set forth in Chapter 5, § 4, first paragraph, subsection 8 of the Companies Act (1975:1385) as well as in certain other circumstances:

- A. Where the Company carries out a *bonus issue of shares*, subscription shall – if the application for subscription is made at such time that it cannot be executed at the latest on the tenth day prior to the shareholders’ meeting to decide upon the bonus issue – be carried out only after the shareholders’ meeting has resolved to carry out the bonus issue. A share which is issued as a consequence of subscription executed after such a resolution, shall be registered on an interim basis in the share account and shall not entitle the holder to participate in the bonus issue. Final registration in the share account shall take place only after the record date for the bonus issue.

In conjunction with subscriptions which are executed after the bonus issue resolution, a re-calculated subscription price as well as a re-calculated number of shares which each Warrant shall entitle the holder to subscribe for shall apply. Re-calculations shall be made by the Company in accordance with the following formulas:

$$\begin{array}{l} \text{re-calculated number of shares} \\ \text{which each warrant entitles to} \\ \text{subscribe for} \end{array} = \frac{\begin{array}{l} \text{the previous number of shares} \\ \text{which each warrant entitled to} \\ \text{subscribe for x the number of} \\ \text{shares after the bonus issue} \end{array}}{\begin{array}{l} \text{the number of shares prior to the} \\ \text{bonus issue} \end{array}}$$

$$\begin{array}{l} \text{the re-calculated subscription price} \end{array} = \frac{\begin{array}{l} \text{the previous subscription price x} \\ \text{the number of shares prior to the} \\ \text{bonus issue} \end{array}}{\begin{array}{l} \text{the number of shares after the} \\ \text{bonus issue} \end{array}}$$

- B. If the Company undertakes a *reverse share split* or a *share split*, subsection A above shall apply *mutatis mutandis*, whereupon the record date shall be deemed to be the date on which the reverse share split or share split is effected at VPC upon request by the Company.
- C. If the Company carries out a *new issue of shares* - with a preferential right for shareholders to subscribe for new shares in exchange for cash payment - the following shall apply with respect to the right to participate in the issue for shares which are issued pursuant to the exercise of warrants:

1. Where the board of directors resolves to carry out the issue, contingent upon the approval of the shareholders' meeting or pursuant to authorisation by the shareholders' meeting, the resolution to carry out the issue and the public notice of the resolution shall set forth the last date on which subscription shall be executed in order that shares, which are issued as a consequence of such subscription, shall entitle the holders to participate in the issue. Such date may not be earlier than ten calendar days after the publication of the notice.
2. Where the resolution to carry out the issue is adopted by the shareholders' meeting, subscriptions – for which application is made at such time that the subscription cannot be executed on or before the tenth calendar day prior to the shareholders' meeting which decides upon the issue – shall be executed only after the Company has effected re-calculation in accordance with the penultimate paragraph of this subsection C. Shares which are issued as a consequence of such subscription shall be registered on an interim basis in the share account and shall not entitle the holders to participate in the subscription.

Where subscription is made at such time that no right to participate in the new issue arises, a re-calculated subscription price as well as a re-calculated number of shares which each warrant entitles the holder to subscribe for shall apply. Re-calculations shall be made by the Company in accordance with the following formulas:

$$\text{re-calculated subscription price} = \frac{\text{the previous subscription price} \times \text{the average exchange price of the share during the subscription period set forth in the issue resolution (average share price)}}{\text{the average share price increased by the theoretical value of the warrant calculated on the basis thereof.}}$$

$$\text{re-calculated number of shares which each warrant entitles to subscribe for} = \frac{\text{the previous number of shares which each warrant entitled to subscribe for} \times (\text{the average exchange price of the share increased by the theoretical value of the warrant calculated on the basis thereof})}{\text{the average share price.}}$$

The average share price shall be deemed to correspond to the average for each trading day during the subscription period of the calculated mean value of the highest and lowest price paid on the official price list of Stockholmsbörsen (Stockholm Stock Exchange). In the absence of a quoted paid price, the final bid price shall form the basis for the calculation. Days when no paid price or bid price is quoted, shall be excluded from the calculation.

The theoretical value of the warrants shall be calculated according to the following formula:



$$\text{The value of a warrant} = \frac{\text{the maximum number of new shares which may be issued pursuant to the issue resolution} \times (\text{the average share price} - \text{the issue price for the new share})}{\text{the number of shares prior to the issue resolution}}$$

In the event that a negative value is arrived at in the above-stated calculation, the theoretical value of the warrant shall be deemed to be zero.

The re-calculated subscription price and the re-calculated number of shares as set forth above shall be determined by the Company two banking days after the expiration of the subscription period and shall apply to purchases executed thereafter.

During the period until the re-calculated subscription price and re-calculated number of shares are determined, subscription shall only be executed on a preliminary basis, whereupon the full number of shares according to the not yet re-calculated number of shares will be registered in the share account on an interim basis. In addition, a special note shall be recorded to the effect that the warrant may entitle the holder to additional shares pursuant to the re-calculated number of shares. Final registration in the share account shall be effected following the determination of the re-calculations.

- D. Where the Company carries out – with preferential rights for the shareholders and in return for cash payment – an *issue of convertible debentures* or *convertible debentures combined with warrants for subscription of new shares*, provisions set forth in subsection C, item 1 and 2 will apply *mutatis mutandis*, concerning the right to participate in the new share issue

Where subscriptions are made at such time that no right to participate in the new issue arises, a re-calculated subscription price as well as a re-calculated number of shares which each warrant entitles the holder to subscribe for shall be applied. Re-calculations shall be made by the Company in accordance with the following formulas:

$$\text{re-calculated subscription price} = \frac{\text{previous subscription price} \times \text{the average share price during the subscription period set forth in the resolution approving the issue (average share price)}}{\text{the average share price increased by the value of the warrant}}$$

$$\text{re-calculated number of shares which each warrant entitles to subscribe for} = \frac{\text{previous number of shares which each warrant entitles to subscribe for} \times (\text{the average share price increased by the value of the warrant})}{\text{average share price}}$$

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

The value of the warrant shall be deemed to correspond to the average for each trading day during the subscription period of the calculated mean value of the highest and lowest

price paid on the official price list of Stockholmsbörser (Stockholm Stock Exchange). In the absence of a quoted paid price, the final bid price shall form the basis for the calculation. Days when no paid price or bid price is quoted, shall be excluded from the calculation.

The re-calculated subscription price and the re-calculated number of shares as set forth above shall be determined by the Company two banking days after the expiration of the subscription period and shall apply to purchases made after such time.

In relation to subscriptions effected during the period until the re-calculated subscription price and re-calculated number of shares have been determined, the provisions set forth in the final paragraph of subsection C. above shall apply *mutatis mutandis*.

- E. In the event the Company, under circumstances other than those set forth in subsections A – D above, directs *an offer to the shareholders*, with a preferential right pursuant to the principles set forth in Chapter 4, section 2 of the Swedish Companies Act, to purchase securities or rights of any kind from the Company, or where the Company resolves, pursuant to the above-stated principles, to distribute to its shareholders such securities or rights without consideration, shall, with respect to subscriptions requested at such a time that the thereby acquired shares do not carry rights to participate in the offer, a re-calculation be made of the subscription price as well as the number of shares which each warrant entitles to. The re-calculation shall be made by the Company in accordance with the following formulas:

$$\text{re-calculated subscription price} = \frac{\text{previous subscription price} \times \text{the average share price during the notice period set forth in the resolution approving the issue (the average share price)}}{\text{average share price increased by the value of the right to participate in the offer (the value of the purchase right)}}$$

$$\text{re-calculated number of shares which each warrant entitles to purchase} = \frac{\text{previous number of shares which the warrant entitles to purchase} \times (\text{the average share price increased by the value of the purchase right})}{\text{average share price}}$$

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

In the event the shareholders received purchase rights and trading in such rights has taken place, the value of the right to participate in the offer shall be deemed to be equivalent to the value of the purchase right. The value of the purchase right in such circumstances shall be deemed to correspond to the average during the notice period of the calculated mean values for each trading day of the highest and lowest prices paid on the official price list of Stockholmsbörser (Stockholm Stock Exchange). In the event no paid price is quoted, the bid price quoted as the closing price shall form the basis of such calculation. Days when no paid price or bid price is quoted, shall be excluded from such calculation.

In the event the shareholders have not received purchase rights or where such trading in purchase rights mentioned in the first paragraph has otherwise not taken place, re-

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calculation of the subscription price and number of shares shall take place, thereby applying, to the greatest extent possible, the principles set forth above in this subsection E, whereupon the following shall apply. If the securities or rights which are offered to the shareholders are listed, the value of the right to participate in the offer shall be deemed to correspond to the average of the calculated mean values, for each trading day during a period of 25 trading days commencing on the first day for listing, of the highest and lowest price paid during the said day, for transactions in these securities or rights on Stockholmsbörsen (Stockholm Stock Exchange), where applicable decreased by any consideration paid for such securities or rights in connection with the offer. In the event no paid price is quoted, the bid price quoted as the closing price shall form the basis of such calculation. Days when no paid price or bid price is quoted, shall be excluded when calculating the value of the right to participate in the offer. The subscription period set forth in the offer shall, when re-calculating the subscription price and the number of shares according to this paragraph, be considered as corresponding to the above mentioned period of 25 trading days. Where no such listing takes place, the value of the right to participate in the offer shall, to the greatest extent possible, be based upon the change in the market value of the Company's shares, which may be deemed to have occurred as a consequence of the offer. The subscription price and number of shares re-calculated in accordance with the above shall be determined by the Company as soon as possible after the expiration of the offer and shall be applied on subscriptions which are effected after such determination.

In relation to subscriptions which are effected during the period until the re-calculated subscription price and re-calculated number of shares have been determined, the provisions set forth in the final paragraph of subsection C above shall apply *mutatis mutandis*.

- F. Where the Company carries out – with preferential rights for the shareholders and in return for cash payment – an *issue of convertible debentures* or *convertible debentures combined with warrants for subscription of new shares* – the Company is entitled to decide that all warranty holders are entitled to the same preferential right that is bestowed upon the shareholders. In this conjunction the warranty holders, disregarding that subscription has not been made, will be considered as owners of the number of shares that the warranty holder would have received if the subscription had been executed before the issue. The circumstance that the warranty holder would have received an additional cash payment will not be considered.

If the Company directs such an offer intended in subsection E, above, to the employees, the provisions set forth in previous paragraph will apply *mutatis mutandis*.

If the Company was to give the warranty holders preference, in accordance to the provisions set forth in subsection F, re-calculation of the subscription price or of the number of shares that the warrant entitles to, according to subsections C, D or E, shall not be made.

- G. If a *cash dividend to shareholders* is resolved such that the shareholders receive, combined with other dividends paid during the same fiscal year, a total dividend exceeding 10 percent of the average price of the share during a period of 25 trading days immediately preceding the day on which the board of directors announced its intention to propose that the general meeting of shareholders approve such a dividend, a re-calculation of the subscription price, and the number of share each warrant entitles the

holder to subscribe for, shall be made regarding subscriptions requested at such a time, that the shares thereby received do not carry rights to receive such dividend. The re-calculation shall be based upon such part of the total dividend which exceeds 10 percent of the average price of the shares during the above mentioned period (extra-ordinary dividend). The re-calculation shall be made by the Company in accordance with the following formula:

$$\text{re-calculated subscription price} = \frac{\text{previous subscription price} \times \text{the average share price during a period of 25 trading days calculated from the day on which the share is listed without any right to extra-ordinary dividend (the average share price)}}{\text{average share price increased by the extra-ordinary dividend paid per share}}$$

$$\text{re-calculated number of share which each warrant entitles to subscribe for} = \frac{\text{previous number of shares which each warrant entitles to subscribe for} \times (\text{the average share price increased by the extra-ordinary dividend paid per share})}{\text{average share price}}$$

The average share price shall be deemed to correspond to the average during the period of 25 trading days set out above of the calculated mean value for each trading day of the highest and lowest price paid on the official price list of Stockholmsbörsen (Stockholm Stock Exchange). In the event no paid price is quoted, the final bid price shall form the basis of the calculation. Days when no paid price or bid price is quoted, shall be excluded from the calculation.

The re-calculated subscription price and the re-calculated number of shares, as set forth above, shall be determined by the Company two banking days after the expiration of the period of 25 trading days set out above and shall apply to subscriptions executed thereafter.

- H. In the event the Company's share capital is *reduced through a repayment to the shareholders*, that is compulsory, a re-calculation of the subscription price and a re-calculation of the number of shares that each warranty entitles to shall be made. The re-calculation shall be made by the Company in accordance with the following formulas:

$$\text{re-calculated subscription price} = \frac{\text{previous subscription price} \times \text{the average share price during a period of 25 trading days calculated from the day on which the share is listed without any right to participate in the distribution (the average share price)}}{\text{average share price increased by the amount repaid per share}}$$

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

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subscribe for  $\frac{\text{repaid per share)}}{\text{average share price}}$

When re-calculating according to above and when the share capital is reduced through a redemption of shares, a repayment according to the calculation below shall be used, instead of the actual amount that has been repaid per share.

calculated repayment per share =  $\frac{\text{the actual amount that has been repaid per redeemed share reduced by the shares average share price during a 25 day period following the day when the share was listed without the right to participate in the reduction (the average share price)}}{\text{the number of shares in the Company that serves as basis for the redemption of shares reduced with the number 1.}}$

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

The re-calculated subscription price and re-calculated number of shares, pursuant to the above, shall be determined by the Company two banking days after the expiration of the above-stated period of 25 trading days, and shall apply to subscriptions made after such time. Subscriptions shall not be executed during the period commencing with the adoption of the resolution to reduce the share capital up to and including the day on which the re-calculated subscription price and re-calculated number of shares is determined.

For subscriptions that are executed during the period until the re-calculated subscription price has been determined, provisions set forth in subsection C, last paragraph, is applicable, *mutatis mutandis*.

If the Company's share capital is reduced through a non compulsory redemption of shares with repayment to the shareholders, or if the Company – when no reduction of the share capital is made – would execute a repurchase of own shares, but the circumstances, when considering the technical design and economic consequences, makes it comparable with a compulsory reduction, a re-calculation of the subscription price shall be made, applying the principles set forth in subsection H, to the extent possible.

- I. Upon re-calculation pursuant to the above, the subscription price shall be rounded to the nearest 10 öre, whereupon 5 öre shall be rounded upwards
- J. In the event it is resolved that the Company shall enter into liquidation application for subscriptions may not thereafter be made regardless of the reasons for such liquidation. The right to apply for subscription shall terminate immediately upon the entry of an order placing the Company in liquidation, notwithstanding that such order may not be final.

Not later than two months prior to the adoption of a resolution by the shareholders' meeting in respect of whether the Company shall be placed into liquidation pursuant to Chapter 13, section 1 of the Swedish Companies Act, the warrant holders shall be notified of the intended liquidation pursuant to § 10 below. Such notice shall contain a

reminder that subscription for new shares may not be made following the adoption of a final resolution in respect of a liquidation.

In the event the Company gives notice of the intended liquidation pursuant to the above, the warrant holders shall - notwithstanding the provisions set forth in § 5 regarding an earlier point in time for making applications for subscription - be entitled to apply for subscription commencing on the day on which the notice is given, provided that subscription may be effected not later than the tenth calendar day prior to the shareholders' meeting at which the resolution regarding the liquidation of the Company shall be addressed.

- K. In the event the shareholders' meeting, pursuant to Chapter 14, section 10 of the Swedish Companies Act, approves a merger plan pursuant to which the Company shall be merged into another company, applications for subscription may not be made thereafter.

Not later than two months before the Company adopts a final position regarding a merger as set forth above, the warrant holders shall be notified pursuant to § 10 above of the merger plans. Such notice shall contain a summary of the principal contents of the intended merger plan and the warrant holders shall be reminded that applications for subscription may not be made after a final resolution has been adopted regarding a merger in accordance with the provisions set forth in the preceding paragraph.

In the event the Company gives notice of a planned merger in accordance with the preceding provisions, the warrant holders shall - notwithstanding the provisions set forth in § 5 regarding an earlier point in time for making applications for subscription - be entitled to apply for subscription commencing on the day on which the notice of the merger plans is given, provided that subscription may be effected not later than the tenth calendar day prior to the shareholders' meeting at which the agreement regarding the merger of the Company into another company is to be approved pursuant to Chapter 14, section 10 of the Swedish Companies Act.

- L. The following shall apply in the event the Company's board of directors decides in a merger plan pursuant to Chapter 14, section 22 of the Swedish Companies Act or where the Company's shares are subject to *compulsory redemption* pursuant to Chapter 14, sections 31-35 of the above-stated Act or other similar company law legislation.

Where a Swedish company owns all of the shares in the Company and where the Company's board of directors makes public its intention to decide a merger plan in accordance with the legislation referred to in the preceding paragraph, the Company shall, in the event that the final day for application for subscription pursuant to § 5 above occurs after such information is made public, determine a new final date for application for subscription (expiration date). The above-stated expiration date shall occur within 60 days of the day on which the information was made public.

In the event a shareholder (majority shareholder), alone or together with its subsidiaries, owns shares to such extent of all shares of the Company that the majority shareholder, according to applicable law, may request compulsory redemption of remaining shares and publish the majority shareholder its intention to request such compulsory redemption the provisions set forth in the preceding paragraph relating to the expiration date shall apply *mutatis mutandis*.

Where the information has been made public in accordance with the provisions set forth above in this subsection, the warrant holders shall - notwithstanding the provisions set forth in § 5 regarding an earlier point in time for making applications for subscription - be entitled to apply for subscription until the expiry date. Not later than four weeks prior to the expiration date, the Company shall notify the warrant holders, pursuant to § 10 below, of such right and that applications for subscription may not be made after the expiry date.

- M. Notwithstanding what is stated in subsections J, K and L. above to the effect that applications for subscriptions may not be made after a resolution to place the Company in liquidation, approve a merger plan, or the close of a new expiry date, the right to apply for subscription shall be reinstated where the liquidation is terminated or where the merger plan is not executed.
- N. In the event the Company is placed into *insolvent liquidation*, application for subscription may not thereafter be made. Where, however, the order placing the Company in insolvent liquidation is cancelled by a court of higher instance, applications for subscription may thereafter be made.
- O. If the Company takes steps intended above and, according to the assessment of a independent party, the re-calculation formula would not due to its technical design or other aspects have consequences such as that the economic compensation received by the warrant holder is unreasonable in comparison with the share holders, an independent party shall, under the prerequisite that the board of directors of the Company approves in writing thereto, carry out the re-calculation in a way that an independent party find appropriate in order to achieve that the re-calculation gives a reasonable result. In similar way shall an independent party, under the prerequisite that the board of directors approves in writing thereto, carry out the re-calculation when the Company takes measures which, according to above, would not entail a re-calculation and when such measures would have unreasonable economic consequences for the warranty holders or for the share holders.

## **§ 10 Notices**

Warranty holders are obligated to, without delay, provide name and address to the Company for registration in the Company's register of warranty holders.

Notices concerning the warrants will be made by mail, to the warrant holders at the address that has been latest known by the Company, or by notice in a daily newspaper, published in the country.

A letter that has been sent as registered letter, is assumed to have been received by the warrant holder three days from the consignment.

**§ 11 Covenant by the Company**

The Company covenants not to undertake any measure described in § 9 above that would result in an adjustment of the subscription price to an amount less than the nominal value of the Company's shares.

**§ 12 Changes of Terms and Conditions**

The Company shall be entitled to decide upon changes in the terms of these warrants insofar as such changes are required by legislation, court decisions or decisions of public authorities, or if, in the opinion of the Company, such action is otherwise appropriate or necessary for practical reasons and the warrant holders' rights are in no respect adversely affected.

**§ 13 Force Majeure**

In matters concerning obligations bestowed upon the Company, the Company is not liable for damages depending on statutory provisions, steps taken by public authority, incident of war, strike, blockade, boycott, lockout or other similar circumstances. The restriction concerning strike, blockade, boycott and lockout is applicable even though the Company itself initiate, or is subject to, such industrial action.

Damage that can occur in other cases, will be compensated by the Company only when caused by gross negligence by the Company.

If any obstacle for the Company to take measures according to these terms is at hand, depending on circumstances stated in the first paragraph, the Company can postpone such measures until the obstacle is no longer at hand.

**§ 14 Governing law**

The warrants, and any associated legal issues, shall be governed by the laws of Sweden. Legal proceedings regarding the these terms and conditions shall be decided through arbitration according to Stockholms Handelskammars Skiljedomsinstitut (Stockholm's chamber of commerce's institute for arbitration) rules for arbitration

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**Point 21 – Question regarding the nomination of the nomination committee**

The nomination committee proposes that a nomination committee should be appointed through a procedure whereby the chairman of the Board, before the end of the second quarter of the financial year, contacts three to five representatives for the, at that time, largest holders of A and B shares. Those representatives shall together with the chairman of the Board constitute the nomination committee and fulfil its obligations in accordance with the Swedish Code of Corporate Governance (*sw. Koden för bolagsstyrning*). The names of the members of the nomination committee shall be published as soon as they have been appointed, however, not later than six months before the next Annual General Meeting. The nomination committee is appointed until a new nomination committee has been appointed.

If any of the larger shareholders sell their shares in the Company before the nomination committee has fulfilled its assignment, the member that has been appointed by such a shareholder shall, if the nomination committee so decides, be replaced by a representative of the largest share holder after those who are already represented in the nomination committee. If a member of the nomination committee no longer represents the shareholder that appointed him/her, before the assignment of the nomination committee has been fulfilled, then he/she should be replaced, if the nomination committee so decides, by a new representative appointed by that shareholder.

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