

This document is a translation into English of the original Swedish language version of the proposal. In the event of any difference, the Swedish version shall govern.



## **Outstanding long term incentives and specific agreements with executive management**

Outstanding agreements are here defined as those that have been made before the 2007 AGM and that deviate from the general guide lines stated above. Below are also reported outstanding long term incentives decided upon before the 2007 AGM.

Existing employment contract with the previous President and CEO and current working Board member stipulates the right to a defined benefit pension plan with the right to 70% of the fixed salary from 60 years of age, 12 months notice period and a severance payment of 3 years salary. These conditions are reported under Note 24 of the Annual Report. Other employment conditions are in line with the principles stated above.

The Board has decided on long term cash incentives to two members of the executive management. The President and CEO has a long term incentive for the 2006/07 and 2007/08 fiscal years with performance objectives related to the group objective for operating margin for the two years. If target objectives are achieved for both fiscal years, target payment is set at 2,800,000 SEK (corresponding to 1,400,000 SEK per year) to be paid after 30 April 2008. A prerequisite for any payment is the achievement of target objectives to at least 85%, in line with the group bonus plan. The maximum payment against this long term incentive, at over-performance up to 125%, is 4,200,000 SEK (2,100,000 SEK per year), i.e. 150% of the target incentive. Continued employment with the group is required for any payment to be made against this incentive. In addition, one other member of the executive management, resident outside of Sweden, has a long term incentive for the 2006/07 and 2007/08 fiscal years with performance objectives related to a strategic development program. If target objectives are achieved for both fiscal years, target payment is set at 150,000 USD (corresponding to 75,000 USD per year) to be paid after 30 April 2008. A prerequisite for any payment is the achievement of target objectives to at least 85%, in line with the group bonus plan. The maximum payment against this long term incentive, at over-performance up to 125%, is 250,000 USD (112,500 USD per year), i.e. 150% of the target incentive. Continued employment with the group is required for any payment to be made against this incentive.

The Board has further decided on a long term cash incentive to one member of the executive management, resident outside of Sweden, for the 2007/08, 2008/09 and 2009/10 fiscal years with performance objectives related to the group objectives for operating results and growth in local currency for the three years. If target objectives are achieved for all three fiscal years, target payment is set at 600,000 USD (corresponding to 200,000 USD per year) to be paid after 30 April 2010. A prerequisite for any payment is the achievement of target objectives to at least 85%, in line with the group bonus plan. The maximum payment against this long term incentive, at over-performance up to 125%, is 900,000 USD (300,000 USD per year), i.e. 150% of the target incentive. Continued employment with the group is required for any payment to be made against this incentive.