

This English version of the minutes is an unofficial translation of the Swedish original version and in case of any discrepancies between the Swedish version and the English translation, the Swedish version shall prevail.

**Translation of minutes from the Annual
General Meeting of shareholders of Hemfosa
Fastigheter AB (publ), 556917-4377**

Time: Tuesday 7 May 2019, 2.00-3.30 pm (CET)

Location: Berns Stockholm (Kammarsalen)
Berzelii Park
Stockholm

**Present
shareholders
and proxy
holders:** As set out in Appendix 1, stating the number of shares and votes

1. OPENING OF THE MEETING (AGENDA ITEM 1)

The Chairman of the Board, Bengt Kjell, declared the Annual General Meeting opened and welcomed the shareholders.

2. ELECTION OF CHAIRMAN OF THE MEETING (AGENDA ITEM 2)

The Meeting elected, in accordance with the nomination committee's proposal, Wilhelm Lünig, member of the Swedish Bar Association, as Chairman of the Meeting.

The Chairman informed that Fredrik Lundén, member of the Swedish Bar Association, had been appointed to keep the minutes at the Meeting and that an audio recording for internal use was made in order to facilitate the preparation of the minutes and that other audio or video recording was not permitted.

The Meeting resolved that shareholders who had not given notice to attend and invited guests who were not shareholders were welcome to attend the Meeting, but without the rights to address the Meeting or take part in the Meeting's resolutions.

3. PREPARATION AND APPROVAL OF THE VOTING LIST (AGENDA ITEM 3)

The Meeting approved the procedure for preparing the voting list, and that the list of shareholders who had given notice to attend and were present at the Meeting, Appendix 1, should be the voting list at the Meeting.

The Chairman informed that a number of shareholders that were represented at the Meeting in advance had informed the company of their voting instructions regarding certain proposed resolutions. The Chairman further informed that the voting instructions were available for review if any shareholder so requested and that votes against and votes abstained would only be accounted for in the minutes if they would have any impact on the Meeting's decisions.

4. ELECTION OF ONE OR TWO PERSONS TO CHECK AND VERIFY THE MINUTES (AGENDA ITEM 4)

The Meeting elected Niklas Haak, representing a significant number of foreign funds, and Thomas Ehlin, representing Fjärde AP-fonden, to check and verify the minutes jointly with the Chairman of the Meeting.

5. DETERMINATION OF WHETHER THE MEETING HAD BEEN DULY CONVENED (AGENDA ITEM 5)

The Chairman noted that the notice to attend the Meeting had been given in accordance with the Swedish Companies Act and the Articles of Association.

The Meeting resolved to approve the notice procedure and declared the Meeting duly convened.

6. APPROVAL OF THE AGENDA (AGENDA ITEM 6)

The Meeting approved the agenda of the Meeting which had been included in the notice to attend the Meeting.

The complete proposals of the Board and the nomination committee were presented together with the annual report, the auditor's report and the consolidated financial statements and the auditor's report and the statements, reports and other documents to the Annual General Meeting, which had been held available for the shareholders in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code. The documents were deemed to have been duly presented at the Meeting.

7. PRESENTATION OF THE ANNUAL REPORT AND THE AUDITOR'S REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDITOR'S REPORT FOR THE GROUP (AGENDA ITEM 7)

It was noted that the annual report, the auditor's report and the consolidated financial statements and the auditor's report regarding the consolidated financial statements for the financial year 2018 had been duly presented.

The auditor in charge Peter Dahllöf from KPMG AB reported on the audit work and commented on the auditor's report for the financial year 2018.

8. REPORT BY THE CHAIRMAN OF THE BOARD ON THE WORK OF THE BOARD (AGENDA ITEM 8)

The Chairman of the Board, Bengt Kjell, reported on the work of the Board during 2018.

9. PRESENTATION BY THE CEO (AGENDA ITEM 9)

The CEO, Caroline Arehult, presented the company's business conducted during 2018 and the first quarter of 2019.

Thereafter the CEO and Linda Eriksson, Head of Finance, answered questions from the shareholders concerning among other things, green financing, property management organisation, geographical expansion within the Nordic countries and the tenant LHL hospital Gardermoen.

10. RESOLUTIONS REGARDING

A) ADOPTION OF THE INCOME STATEMENT AND THE BALANCE SHEET AND OF THE CONSOLIDATED INCOME STATEMENT AND THE CONSOLIDATED BALANCE SHEET (AGENDA ITEM 10 A))

The Meeting adopted the income statement and balance sheet and the consolidated income statement and the consolidated balance sheet included in the company's annual report for the financial year 2018.

B) DISPOSITION OF THE COMPANY'S PROFITS IN ACCORDANCE WITH THE ADOPTED BALANCE SHEET (AGENDA ITEM 10 B))

The Chairman presented the main contents of the Board's proposal regarding disposition of profits. It was noted that the auditor in the auditor's report recommended that the Annual General Meeting resolves on disposition of the profits in the parent company in accordance with the proposal.

The Meeting resolved in accordance with the Board's proposal regarding disposition of profits, as set out in [Appendix 2](#).

C) WHETHER THE BOARD MEMBERS AND THE CEO SHOULD BE DISCHARGED FROM LIABILITY (AGENDA ITEM 10 C))

It was noted that the auditor recommended that the members of the Board and the CEO are discharged from liability for their management of the company's affairs for the financial year 2018.

The Meeting resolved to discharge the Board and the CEO from liability for the management of the company and its affairs during the financial year 2018.

It was noted that the members of the Board and the CEO did not take part in the resolution and that all shareholders represented supported the resolution except from the foreign shareholders who in advance had given instructions to abstain from voting.

11. DETERMINATION OF REMUNERATION TO BE PAID TO THE BOARD MEMBERS AND THE AUDITOR (AGENDA ITEM 11)

Lennart Francke, the Chairman of the nomination committee, accounted for the nomination committee's work and presented the nomination committee's proposals on number of directors, remuneration to be paid to the members of the Board and to the auditor, the Board's composition, Chairman of the Board, and election of auditor as well as the nomination committee's statement regarding its proposals.

Lennart Francke answered questions from the shareholders concerning the proposed board remuneration.

The proposed new Board members Anneli Jansson, Anders Kupsu and Carl Mörk presented themselves.

The Meeting resolved in accordance with the nomination committee's proposal that an annual remuneration of SEK 525,000 shall be paid to the Chairman of the Board and SEK 220,000 shall be paid to each of the other members of the Board.

The Meeting further resolved in accordance with the nomination committee's proposal that, for work in the audit committee, an annual remuneration of SEK 90,000 shall be paid to the Chairman of the audit committee and SEK 45,000 shall be paid to each of the other members of the audit committee and, for work in the remuneration committee, an annual remuneration of SEK 40,000 shall be paid to the Chairman of the remuneration committee and SEK 20,000 shall be paid to each of the other members of the remuneration committee.

The Meeting furthermore resolved in accordance with the nomination committee's proposal that remuneration to the company's auditor shall be paid in accordance with approved invoices.

12. ELECTION OF BOARD MEMBERS AND AUDITOR (AGENDA ITEM 12)

The Meeting resolved in accordance with the nomination committee's proposal that the Board shall consist of eight members.

The Chairman informed about the proposed Board members' significant assignments in other companies.

In accordance with the nomination committee's proposal Bengt Kjell, Gunilla Högbom, Anneli Lindblom, Per-Ingemar Persson and Caroline Sundewall were re-elected as ordinary members of the Board and Anneli Jansson, Anders Kupsu and Carl Mörk were elected as new ordinary members of the Board. Ulrika Valassi had declined re-election.

The Meeting resolved in accordance with the nomination committee's proposal to re-elect Bengt Kjell as the Chairman of the Board.

The Meeting furthermore resolved in accordance with the nomination committee's proposal to re-elect the public accounting firm KPMG AB as auditor. KPMG AB has informed that Peter Dahllöf will be auditor in charge for the period until the end of the next Annual General Meeting.

13. RESOLUTION REGARDING AUTHORISATION FOR THE BOARD OF DIRECTORS TO RESOLVE UPON NEW ISSUE OF ORDINARY SHARES (AGENDA ITEM 13)

The Chairman presented the main features of the Board's proposal on authorisation for the Board to resolve upon new issue of ordinary shares.

The Chairman noted that for the resolution to be valid it required support of shareholders representing at least two thirds of both the votes cast and shares represented at the Meeting.

The Meeting resolved in accordance with the Board's proposal regarding authorisation for the Board to resolve upon new issues of ordinary shares, as set out in [Appendix 3](#).

It was noted that the resolution was supported by all shareholders represented except for certain foreign shareholders that in advance had given instructions to vote against the proposal.

14. RESOLUTION REGARDING GUIDELINES FOR REMUNERATION TO THE SENIOR EXECUTIVES (AGENDA ITEM 14)

The Chairman noted that the Board's proposal on guidelines for remuneration to the senior executives in the company was in all material respects the same as the guidelines adopted at the last Annual General Meeting.

The Meeting resolved in accordance with the Board's proposal to adopt the proposed guidelines for remuneration to the senior executives, as set out in [Appendix 4](#).

15. RESOLUTION REGARDING WARRANT PROGRAM INCLUDING ISSUE AND TRANSFER OF WARRANTS (AGENDA ITEM 15)

The Chairman of the Board, Bengt Kjell, presented the Board's proposal regarding a warrant program including issue and transfer of warrants, as set out in [Appendix 5](#).

The Chairman noted that a valid resolution under item 15 on the agenda required support of shareholders representing at least nine tenths of both the votes cast and shares represented at the Meeting.

The Meeting resolved in accordance with the Board's proposal on a warrant program including issue and transfer of warrants.

It was noted that the resolution was supported by all shareholders represented except for certain foreign shareholders that in advance had given instructions to vote against the proposal, hence, the resolution was supported by shareholders representing more than nine tenths of both the votes cast and shares represented at the Meeting.

16. CLOSING OF THE MEETING (AGENDA ITEM 16)

The Chairman of the Board, Bengt Kjell, thanked the resigning Board member Ulrika Valassi.

The Chairman declared the Annual General Meeting closed.

At the minutes:

Fredrik Lundén

Minutes' checkers:

Wilhelm Lüning

Niklas Haak

Thomas Ehlin

10. THE PROPOSAL BY THE BOARD OF DIRECTORS REGARDING DISPOSITION OF THE COMPANY'S RESULT

In the parent company Hemfosa Fastigheter AB (publ), the following funds are available for distribution by the Annual General Meeting.

Unrestricted equity 31 December 2018

Premium reserve	SEK 10,829,140,133
Retained earnings	SEK -3,388,453,536
Profit for the year	SEK 548,623,022
Total unrestricted equity	SEK 7,989,309,619

Funds available for distribution by the Annual General Meeting

Dividend payable to holders of ordinary shares SEK 2.40 per ordinary share	SEK 402,547,798
Dividend payable to holders of preference shares SEK 10.00 per preference share	SEK 109,999,990
To be carried forward	SEK 7,476,761,831
Total	SEK 7,989,309,619

The Board of Directors proposes that the Annual General Meeting resolves that, until the next Annual General Meeting, a dividend to the shareholders of ordinary shares shall be paid in a total amount of SEK 2.40 per ordinary share, with quarterly payments of SEK 0.60 per ordinary share. Proposed record days for the quarterly dividends on the ordinary shares are 9 May 2019, 10 July 2019, 10 October 2019 and 10 January 2020. In the event that such day is not a banking day, the record day shall be the immediate preceding banking day. The dividend payments on the ordinary shares are estimated to be distributed by Euroclear Sweden AB on the third banking day after each record day.

The Board of Directors further proposes that the Annual General Meeting resolves that, until the next Annual General Meeting, a dividend to the shareholders of preference shares shall be paid in a total amount of SEK 10.00 per preference share, with quarterly payments of SEK 2.50 per preference share. Proposed record days for the quarterly dividends for the preference shares are 10 July 2019, 10 October 2019, 10 January 2020 and 10 April 2020. In the event that such day is not a banking day, the record day shall be the immediate preceding banking day. The dividend payments on the preference

shares are estimated to be distributed by Euroclear Sweden AB on the third banking day after each record day.

The Board of Directors' proposal regarding dividend to the holders of preference shares is in accordance with the articles of association, which stipulates the conditions for preference shares.

In aggregate, the proposed dividend as set out above amounts to SEK 512,547,788.

The Board of Directors has furthermore proposed that the Annual General Meeting authorises the Board of Directors to resolve upon new issues of ordinary shares (item 13 on the agenda). The Board of Directors proposes that the new ordinary shares that may be issued pursuant to the authorisation shall entitle to dividend as set out above as of the day on which they are entered in the share register maintained by Euroclear Sweden AB. At a maximum use of the authorisation, the dividend for the new ordinary shares may amount to SEK 40,254,780.

The Board of Directors proposes that the remaining earnings are carried forward.

Nacka, April 2019

Hemfosa Fastigheter AB (publ)

The Board of Directors

13. RESOLUTION REGARDING AUTHORISATION FOR THE BOARD TO RESOLVE UPON NEW ISSUE OF ORDINARY SHARES

The Board of Directors and management see continued good potential to carry out acquisitions of real property in order to increase company growth and improve the result and the cash flow, and thereby attend to the interests of the shareholders.

The Board of Directors therefore proposes that the Annual General Meeting resolves to authorise the Board of Directors to, on one or more occasions for the period until the end of the next Annual General Meeting, with or without deviation from the shareholders' pre-emption right, resolve upon a new issue of ordinary shares to the extent that such new issue can be made without amending the articles of association. The total number of ordinary shares that may be issued pursuant to the authorisation may not exceed ten per cent of the total number of ordinary shares in Hemfosa, at the time of exercising the authorisation. Such new ordinary shares shall be issued at a subscription price corresponding to market terms and payment can be made, except for payment in cash, by assets contributed in kind or by set-off.

The purpose of the authorisation, and the reason for any deviation from the shareholders' pre-emption right, is that the Board of Directors shall be able to resolve on issues of shares in order to finance acquisitions of real property or real property companies, or part of real property or real property companies, or in order to finance investments in new or existing real property.

The Board of Directors proposes that the CEO, or any person appointed by the CEO, shall be authorised to make minor adjustments of the resolution mentioned above, as may be required in connection with the registration of the decision with the Swedish Companies Registration Office.

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Nacka, April 2019

Hemfosa Fastigheter AB (publ)

The Board of Directors

14. RESOLUTION REGARDING GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

The Board of Directors proposes that the Annual General Meeting resolves on the following guidelines for remuneration to the company's senior executives.

Hemfosa shall apply the remuneration levels and employment terms necessary in order to attract and retain a highly competent management with capacity to achieve set goals. The forms of remuneration shall motivate senior executives to do their utmost to secure the shareholders' interests.

Accordingly, the remuneration structure shall be in line with market terms and be competitive. It shall also be simple, long-term and measurable. The remuneration to senior executives may comprise of a fixed and a variable part. The fixed salary for senior executives shall be adapted to market conditions and based on competence, responsibility and performance. A variable part shall reward results clearly linked to targets and improvements in simple and transparent structures and shall be maximised. Any outcome must relate to the fulfilment of pre-determined goals with respect to for example results, cash flow, growth, value and individually measurable goals. Variable remuneration may amount to a maximum of six months' salary for the CEO and a maximum of four months' salary to the other senior executives and shall not entitle to pension benefits. The variable salary for all senior executives in the group, taken as a whole, may not exceed SEK four million.

Senior executives' non-monetary benefits shall facilitate the work of senior executives and correspond to what may be deemed reasonable in relation to standard practices on the market in which each senior executive is active.

Senior executives may be offered incentive schemes which shall primarily be share based or related to the share price. Any incentive scheme must ensure long-term commitment to the company's development and be implemented on market terms. Share based incentive schemes and incentive schemes related to the share price shall be resolved by the general meeting of shareholders. The company shall be able to pay remuneration in cash linked to senior executives' acquisitions of shares or share-related instruments. Such remuneration in cash shall not generally exceed 15 per cent of the fixed salary.

The terms for pension benefits for senior executives will be based on defined contribution pension plans and comply with or correspond to general pension plans, the ITP1 plan in Sweden. Salary during the notice period upon termination and severance pay for a senior executive is not to exceed a total of 18 months' salary, if the company terminates the employment and six months' salary if a senior executive resigns. In this context, senior executives are defined as the CEO, CFO and other members of the group executive management.

The Board of Directors shall be entitled to deviate from the guidelines for remuneration to senior executives set out above if there are special reasons in an individual case. In such a case, the Board of Directors shall give an account for the reason for deviation from the guidelines for remuneration to senior executives at the next Annual General Meeting.

15. RESOLUTION REGARDING WARRANT PROGRAM INCLUDING ISSUE AND TRANSFER OF WARRANTS

1. Issue of warrants

- 1.1 The Board of Directors proposes that the Annual General Meeting resolves to carry out a directed issuance in respect of not more than 1,400,000 warrants, entailing an increase in the share capital of not more than SEK 700,000 if the issuance is fully taken up. The resolution shall otherwise be governed by the following terms and conditions.
- 1.2 The right to subscribe for the warrants shall, with deviation from the shareholders' preferential right, be vested in the company's wholly-owned subsidiary Hemfosa Bråtabergen Fastighets AB, 556811-5298 (the "Subsidiary"), with the right and obligation for the Subsidiary to transfer the warrants to employees pursuant to Section 2 below. Over-subscription is not possible. The warrants shall be issued at no consideration to the Subsidiary.
- 1.3 The reason for not applying the shareholders' pre-emption rights is to introduce an incentive program and thereby a remuneration element which is competitive within each market the company operates, to provide alignment for the management team with company strategy, to create focus amongst employees on delivering exceptional performance which contributes to value creation for shareholders and to give employees the opportunity to take part in the company's success.
- 1.4 Subscription must be completed no later than four weeks after the resolution on issue of warrants. The Board of Directors shall be entitled to extend the subscription period.
- 1.5 Each warrant entitles a right to subscribe for one (1) ordinary share in the company. The warrants may be exercised to subscribe for new ordinary shares, in accordance with the terms and conditions of the warrants, during the following periods:
- (i) a two week period from the day following the publication of the interim report for the period 1 July-30 September 2022, but not earlier than 25 October 2022,
 - (ii) a two week period from the day following the publication of the year-end report for the period 1 January-31 December 2022, but not earlier than 25 January 2023, and
 - (iii) a two week period from the day following the publication of the interim report for the period 1 January-31 March 2023, but not earlier than 25 April 2023, but not further than up to and including 10 June 2023.
- 1.6 The new shares which may be issued due to subscription are not subject to any restrictive provisions.
- 1.7 The subscription price (strike price) per share shall be the average price of the ordinary share at the time of issuance of the warrants, to be increased or decreased according to the average

development of all listed real estate companies, calculated in accordance with Carnegie's Real Estate Index (CREX) based on an average index value during the period from 8 May 2019 up to and including 21 May 2019, compared to an average index value for the period from 1 September 2022 up to and including 14 September 2022. The average price of the ordinary share at the time of issuance of the warrants is the average closing price during the period from 8 May 2019 up to and including 21 May 2019 according to Nasdaq Stockholm's public listing information. However, if the company has insider information during the aforementioned period, the Board of Directors shall have the right to postpone the measurement period for the average price of the ordinary share. The subscription price cannot be below the quota value of the ordinary share.

- 1.8 Shares which are newly issued following subscription shall carry an entitlement to participate in dividends for the first time on the first record date for dividends which occurs after subscription is effected.
- 1.9 The Board of Directors of the company may by means of a Board resolution and with the consent from the board of directors in the Subsidiary, cancel the warrants held by the Subsidiary which are not transferred in accordance with Section 2. Cancellation shall be registered with the Swedish Companies Registration Office.
- 1.10 The Board of Directors or a person appointed by the Board of Directors is authorized to make such minor adjustments to the Annual General Meeting's resolution which may be necessary in order to register the warrants with the Swedish Companies Registration Office.
- 1.11 Other terms and conditions according to the full text warrant terms.

2. Approval of transfer of warrants

- 2.1 The Board of Directors proposes that the Annual General Meeting approves the Subsidiary's transfer of warrants on the following conditions.
- 2.2 The right to acquire warrants from the Subsidiary shall vest in the following categories of employees:

Category	Guaranteed number of warrants/person	Maximum number of warrants/person
A. Managing director (not more than 1 person)	120,000	180,000
B. Management (not more than 5 persons)	60,000 (Category: 300 000)	90,000 (Category: 450 000)
C. Key employees (not more than 12 persons)	30,000 (Category: 360 000)	45,000 (Category: 540 000)
D. Other employees (not more than 62 persons)	10,000 (Category: 620,000)	15,000 (Category: 930,000)

- 2.3 The right to acquire warrants from the Subsidiary shall only vest in employees who have not terminated their employment or whose employment have not been terminated at the end of the application period.
- 2.4 Warrants may also be offered to future employees. For such acquisitions, the conditions shall be the same or equivalent to what is stated in this resolution. This means that acquisitions shall be made at market value at the time of the acquisition. The Board of Directors of the company shall be entitled to set a corresponding application period for new employees whose acquisitions are made after the expiration of the initial application period.
- 2.5 Allotment is conditional upon it being legally possible to acquire the warrants, and that such transfers can be done using reasonable administrative and financial resources according to the assessment of the Board of Directors. Furthermore, the Board of Directors of the company shall be entitled to, with regard to certain participants, alter the program to a cash based program or a program based on synthetic warrants, should this according to the Board of Directors be motivated due to for instance tax and/or legal reasons.

Application and allotment

- 2.6 Application for acquisition of warrants shall be made during the period from 8 May 2019 up to and including 23 May 2019. The Board of Directors of the company shall be entitled to extend the application period for acquisitions and to set a corresponding application period for new employees whose acquisitions are made after the expiration of the initial application period as well as to extend the application period for acquisitions in case the company has insider information during the stated application period.
- 2.7 Should warrants remain with the Subsidiary after all applications have been satisfied up to the guaranteed level as set out in Section 2.2 above, the remaining warrants shall be available for allotment to participants regardless of category. Such distribution shall however at the most result in the maximum number of warrants per person within certain category amounting to the maximum number of warrants set out in the table under Section 2.2 above. Should not all participants who wish to subscribe for the maximum number of warrants set out in the table under Section 2.2 above be able to do so, the remaining warrants shall be allotted to these participants pro rata in relation to the number of warrants subscribed for, however not more than the maximum number of warrants as set out in the table under Section 2.2. The Board of Directors of the company shall determine the final allotment.

Price and payment etc.

- 2.8 The warrants shall be transferred on market terms at a price (premium) established on the basis of a market value of the warrants calculated by an independent valuation institute using a well-established valuation model. A new market value shall be established in an equivalent way for acquisitions made by new employees after the expiration of the initial application period. The value has preliminary been calculated to be SEK 2.45 per warrant based on a share price of SEK 77.30 and a subscription price per share of SEK 77.30.

- 2.9 Payment for the allocated warrants shall be made in cash no later than five days following notification of the allotment. The Board of Directors shall establish a corresponding date of payment for acquisitions made by new employees.
- 2.10 The company will by means of a cash bonus subsidize up to 100 per cent of the participants premium. The bonus consists of two payments, each of 50 per cent, during the term of the warrant program, one after two years (during June 2021) and one after three years (during June 2022). The total cost for the subsidy, based on assumptions of the value of the warrants as set out above, is calculated to amount to not more than SEK 4.4 million including social security contributions, for the entire term of the warrant program. Accrued payroll taxes due to the bonus shall be paid by the participants.
- 2.11 In order to be eligible for the bonus the participant shall, at the time of the payment of the bonus, remain an employee of the company, not have given notice or been given notice of termination of employment and not having transferred his or her warrants. Furthermore, only the participants' premium as regards warrants up to the guaranteed level as set out in Section 2.2 is subsidized.
- 2.12 The warrants shall be subject to market terms and conditions.

2.13 Pre-emption and termination of employment

The warrants shall be subject to an obligation for participants who wish to transfer or otherwise dispose of his or her warrants to a third party, to first offer the warrants to the company to the lower of the acquisition cost and the market value. Furthermore, the warrants shall be subject to a right for the company to repurchase the warrants to the lower of the acquisition cost and the market value should a participant's employment with or assignments for the company be terminated or the employee give notice or be given notice of termination of employment during the term of the programme. Additionally, the termination of a participant's employment results in the right to subsidization as regards the premium being limited in accordance with Section 2.11 above.

3. Further information on the warrant program

3.1 Dilution

Upon full exercise of all warrants, 1,400,000 new shares can be issued, which corresponds to a dilution of approximately 0.83 per cent of the total number of ordinary shares and the total number of votes in the company, however, subject to recalculation according to the terms and conditions for the warrants. Calculated based on the total number of shares in the company, including preference shares, the dilution amounts to approximately 0.78 per cent.

3.2 Impact on financial ratios and costs for the company etc.

The warrant program is expected to have a marginal impact on the company's financial ratios.

The costs before taxes for the company associated with the warrant program, including the directed issuance, the subsequent transfer of warrants and the subsidy, includes administrative costs and costs relating to social security contributions. The total cost of the warrant program, assuming full participation, is expected to amount to approximately SEK 4.4 million, to be distributed over a period of three years.

3.3 Preparation of the matter

The principles of the warrant program have been prepared by the Board of Directors of the company. The proposal has been prepared with the assistance of external advisors and after consultation with shareholders. The Board of Directors has thereafter decided to submit this proposal to the Annual General Meeting. Except for the employees who prepared the matter pursuant to instructions from the Board of Directors, no employee that may be included in the program has taken part in the preparation thereof.

3.4 Other share related incentive programs etc.

There is currently one share based long-term incentive plan in the company, resolved by the Annual General Meeting 2017. For more information, please see the Annual Report for 2018, note 5.

3.5 Instruction to the Board of Directors

The Board of Directors proposes that the Annual General Meeting instructs the company's Board of Directors to execute the resolution in accordance with Section 1 above and to ensure that the Subsidiary's board of directors carries out the transfer of the warrants in accordance with Section 2 above.

Nacka, April 2019

Hemfosa Fastigheter AB (publ)

The Board of Directors

TERMS AND CONDITIONS FOR WARRANTS OF SERIES 2019/2023 TO SUBSCRIBE FOR NEW SHARES IN HEMFOSA FASTIGHETER AB (PUBL)

1. Definitions

In these terms and conditions, the following terms shall have the meanings as stated below.

"Banking Day"	any day in Sweden which is not a Sunday or other public holiday, or which, with respect to payment of notes, is not equated with a public holiday in Sweden;
"Central Securities Depository Account"	an account with Euroclear for registering such financial instruments as referred to in the Swedish Central Securities Depositories and Financial Instruments Accounts (1998:1479);
"Central Securities Depository Company"	a company whose articles of association contain an article stating that the company's shares must be registered in a central securities depository register and whose shares are registered with Euroclear;
"Company"	Hemfosa Fastigheter AB, reg. no. 556917-4377;
"Euroclear"	Euroclear Sweden AB;
"Marketplace"	Nasdaq Stockholm or another equivalent regulated or non-regulated market;
"Share"	an ordinary share in the Company;
"Shareholder"	a shareholder holding ordinary shares in the Company;
"Subscription"	Subscription for new Shares exercised through a Warrant;
"Subscription Price"	the price at which Subscription for new Shares may take place;
"Warrant"	the right to subscribe for new Shares in exchange for payment in cash;
"Warrant Certificate"	a certificate which is linked to a certain number of Warrants in accordance with these terms and conditions; and
"Warrant Holder"	any person who is a Holder of a Warrant entitling to Subscription for new Shares.

2. Warrants

The total number of Warrants shall not be more than 1,400,000. The Warrants are represented by Warrant Certificates. Warrant Certificates are issued to a certain person or to order.

In the event the Company is a Central Securities Depository Company, the board of directors of the Company shall be entitled to resolve that the Warrants be registered on a Central Securities Depository Account. In the event that such resolution is adopted, no Warrant Certificates shall be issued. At the request of the Company, Warrant Holders shall be obliged to surrender immediately to the Company or Euroclear all Warrant Certificates representing Warrants and to provide the Company with the requisite details of the securities account on which the Warrant Holder's Warrants shall be registered.

In the event that the board of directors of the Company adopts a resolution in accordance with the second paragraph above, subject to any applicable statutory or regulatory limitations, the board of directors shall thereafter be free to resolve that the Warrants are no longer to be registered on a Central Securities Depository Account.

3. Right to subscribe for new Shares

The Warrant Holder shall be entitled to subscribe for one new Share for each Warrant during the periods (or to and including the earlier or later last day that may be established according to section 8 below):

- (i) a two week period from the day following the publication of the interim report for the period 1 July-30 September 2022, but not earlier than 25 October 2022,
- (ii) a two week period from the day following the publication of the year-end report for the period 1 January-31 December 2022, but not earlier than 25 January 2023, and
- (iii) a two week period from the day following the publication of the interim report for the period 1 January-31 March 2023, but not earlier than 25 April 2023, but not further than up to and including 10 June 2023.

The Subscription Price (strike price) per Share shall be the average price of the Share at the time of issuance of the Warrants, to be increased or decreased according to the average development of all listed real estate companies, calculated in accordance with Carnegie's Real Estate Index (CREX) based on an average index value during the period from 8 May 2019 up to and including 21 May 2019, compared to an average index value for the period from 1 September 2022 up to and including 14 September 2022. The average price of the Share at the time of issuance of the Warrants is the average closing price during the period from 8 May 2019 up to and including 21 May 2019 according to Nasdaq Stockholm's public listing information. However, if the Company has insider information during the aforementioned period, the board of directors shall have the right to postpone the measurement period for the average price of the Share. The Subscription Price cannot be below the quota value of the Share. The Subscription Price, as well as the number of new Shares to which each Warrant entitles to subscription for, may be recalculated in the events set forth in section 8 below.

Upon demand by a Warrant Holder during the period stated above, the Company shall be obliged to issue the number of Shares set out in an application for Subscription.

4. Subscription of Shares

The following shall apply in the event that the Company is a Central Securities Depository Company and the Warrants are registered on a Central Securities Depository Account. The Warrants may be exercised through a written application for Subscription to the Company or to the designated Central Securities Depository Company.

In the event that the Company is not a Central Securities Depository Company or if the Warrants are not registered on a Central Securities Depository Account, the Warrants may be exercised through a written application for Subscription to the Company, stating the number of Warrants which are to be exercised. In conjunction with a Subscription, the Warrant Holder shall, where applicable, submit corresponding Warrant Certificates to the Company.

5. Payment

Simultaneously with the Subscription, payment in cash shall be made for the number of Shares to which the Subscription relates.

6. Entry in the share register, etc.

In the event the Company is a Central Securities Depository Company at the time of Subscription, Subscription shall be effected through the Company ensuring the interim registration of the new Shares on a Central Securities Depository Account. Following registration at the Swedish Companies Registration Office, the registration on a Central Securities Depository Account shall become final. As stated in section 8 below, in certain cases the date of such final registration on a Central Securities Depository Account may be postponed.

In the event the Company is not a Central Securities Depository Company at the time of Subscription, Subscription shall be effected by the new Shares being entered as Shares in the Company's share register and subsequently being registered at the Swedish Companies Registration Office.

7. Entitlement to dividends

In the event the Company is a Central Securities Depository Company, Shares which are newly issued following Subscription shall carry an entitlement to participate in dividends for the first time on the next record date for dividends which occurs after Subscription is effected.

In the event the Company is not a Central Securities Depository Company, Shares which are newly issued following Subscription shall entitle the holder to a dividend at the first general meeting following the date which occurs after Subscription is effected.

8. Recalculation of Subscription Price, etc.

In the following situations, the following shall apply with respect to the rights which shall vest in Warrant Holders.

Recalculation according to the provisions in this section 8 shall under no circumstances cause the Subscription Price to be less than the quotient value of the Company's Shares.

A. Bonus issue

In the event the Company carries out a bonus issue, where Subscription is made in such time that it cannot be effected by no later than three weeks prior to the general meeting at which a bonus issue resolution is to be adopted, Subscription may be effected only after such a general meeting has adopted a resolution thereon. Shares which vest as a consequence of Subscription effected following the bonus issue resolution shall be the subject of interim registration on a Central Securities Depository Account, and accordingly shall not be entitled to participate in the bonus issue. Final registration on a Central Securities Depository Account shall take place only after the record date for the bonus issue.

In the event the Company is not a Central Securities Depository Company at the time a new issue resolution is adopted by the general meeting, Shares which vest as a consequence of Subscription effected through the new Shares being entered in the Company's share register as interim shares on the date of the general meeting's resolution, shall be entitled to participate in the new issue.

In the case of Subscription which is effected following a bonus issue resolution, a recalculated Subscription Price shall be applied, as well as a recalculation of the number of Shares to which each Warrant provides an entitlement to Subscribe.

The recalculations shall be made by the Company based on the following formulas:

$$\text{recalculated Subscription Price} = \frac{\text{previous Subscription Price} \times \text{number of Shares prior to the bonus issue}}{\text{number of Shares after the bonus issue}}$$

$$\text{recalculated number of Shares to which each Warrant provides an entitlement to subscribe} = \frac{\text{previous number of Shares to which each Warrant provides an entitlement to subscribe} \times \text{the number of Shares after the bonus issue}}{\text{number of Shares prior to the bonus issue}}$$

A recalculated Subscription Price and recalculated number of Shares in accordance with the provisions above shall be determined as soon as possible after the general meeting has adopted a bonus issue resolution but, where applicable, shall be applied only after the record date for the bonus issue.

B. Reverse share split or share split

In the case of a reverse share split or share split of the Company's existing Shares, the provisions in subsection A shall apply mutatis mutandis whereupon, where appropriate, the record date shall be deemed to be the day on which a reverse share split or share split takes place at Euroclear, upon request by the Company.

C. New issue of Shares

In the case of a new issue with pre-emption rights for the shareholders to subscribe for new Shares in exchange for cash payment or payment by way of set-off, the following shall apply with respect to the right to participate in the new issue by virtue of Shares which have vested as a consequence of Subscription through the exercise of Warrants:

1. Where a new issue resolution is adopted by the Company's board of directors subject to approval by the general meeting or pursuant to authorisation granted by the general meeting, the resolution, and where applicable, the notification to the shareholders in accordance with Chapter 13 Section 12 of the Swedish Companies Act, shall state the date by which Subscription must be effected in order that Shares which vest as a consequence of Subscription shall carry an entitlement to participate in the new issue.
2. Where the general meeting adopts a new issue resolution, in the event an application for Subscription is made at such a time that the Subscription cannot be effected no later than three weeks prior to the general meeting which adopts the new issue resolution, Subscription shall only be effected after the Company has carried out recalculations. Shares which vest as a consequence of such Subscription shall be the subject of interim registration on a Central Securities Depository Account, and consequently shall not be entitled to participate in the new issue. Final registration on a Central Securities Depository Account shall take place after the record date for the issue.

In the event of Subscription which is effected at such time that a right to participate in the new issue does not vest, a recalculated Subscription Price shall be applied, as well as a recalculation of the number of Shares to which each Warrant provides an entitlement to Subscribe.

The recalculations shall be made by the Company based on the following formulas:

$$\text{recalculated Subscription Price} = \frac{\text{previous Subscription Price} \times \text{the Share's average listed price during the subscription period established in the new issue resolution (the Share's average price)}}{\text{the Share's average price increased by the theoretical value of the Warrant calculated on the basis thereof}}$$

$$\text{recalculated number of Shares to which each} = \text{previous number Shares to which each Warrant provides an entitlement to subscribe} \times \frac{\text{the Share's average price increased by the theoretical value of the Warrant calculated on the basis}}{\text{the Share's average price increased by the theoretical value of the Warrant calculated on the basis}}$$

Warrant provides an entitlement to subscribe _____ thereof
 the Share's average price

The Share's average price shall be deemed to correspond to the average of the calculated mean values, for each trading day during the Subscription Period, of the highest and lowest transaction prices listed during the day in accordance with the official quotations on the Marketplace. In the event no transaction price is quoted, the bid price which is quoted as the closing price shall instead be included in the calculation. Days on which neither a transaction price nor a bid price is quoted shall not be included in the calculation.

The theoretical value of the subscription right shall be calculated in accordance with the following formula:

$$\text{value of the subscription right} = \frac{\text{the maximum number of new Shares which may be issued pursuant to the new issue resolution} \times \text{the Share's average price} - \text{less the subscription price for the new Share}}{\text{the number of Shares prior to adoption of the new issue resolution}}$$

In the event a negative value is thereupon obtained, the theoretical value of the subscription right shall be set at zero.

The recalculated Subscription Price and the recalculated number of Shares provided by each Warrant shall be determined by the Company two Banking Days after the expiry of the subscription period and shall be applied to Subscription for Shares effected thereafter.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined in accordance with this subsection C. In lieu of the provisions regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

In the event the Company is a Central Securities Depository Company the following shall apply. During the period pending determination of a recalculated Subscription Price and recalculated number of Shares to which each Warrant provides an entitlement to subscribe, Subscription for Shares shall be effected only on a preliminary basis, whereupon the number of Shares to which each Warrant provides an entitlement to subscribe prior to the recalculation shall be registered on an interim basis on a Central Securities Depository Account. In addition, it is specifically noted that, following recalculations, each Warrant may carry an entitlement to additional Shares pursuant to section 3 above. Final registration on the Central Securities Depository Account shall take place after the recalculations have been determined.

In the event the Company is not a Central Securities Depository Company, Subscription shall be effected through the new Shares being entered in the share register as interim shares. After the recalculations have been determined, the new Shares shall be entered in the share register as shares.

D. Issue of convertible debentures or warrants

In the event of an issue of convertible debentures or warrants with pre-emption rights for the shareholders and in exchange for cash payment or payment by way of set-off or, with respect to warrants, without payment, the provisions of subsection C, first paragraph, subparagraphs 1 and 2 regarding the right to participate in a new issue by virtue of Shares which vest through Subscription shall apply mutatis mutandis.

In the event of Subscription for Shares which is exercised at such a time that Subscription is effected after adoption of the issue resolution, a recalculated Subscription Price and recalculated number of Shares provided by each Warrant shall be applied.

The recalculation shall be made by the Company in accordance with the following formulas:

$$\text{recalculated Subscription Price} = \frac{\text{previous Subscription Price} \times \text{the Share's average listed price during the subscription period established in the resolution regarding the issue (the Share's average price)}}{\text{the Share's average price increased by the value of the subscription right}}$$

$$\text{recalculated number of Shares to which each Warrant provides an entitlement to subscribe} = \frac{\text{previous number of Shares to which each Warrant provides an entitlement to subscribe} \times \text{the Share's average price increased by the value of the subscription right}}{\text{the Share's average price}}$$

The Share's average price shall be calculated in accordance with subsection C above.

The value of the subscription right shall be deemed to correspond to the calculated value with adjustments for the new share issue and the market value calculated in accordance with subsection C above.

The recalculated Subscription Price and the recalculated number of Shares provided by each Warrant shall be determined by the Company two Banking Days after the expiry of the subscription period and shall be applied to Subscription for Shares effected thereafter.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined in accordance with this subsection D. In lieu of the provisions regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

In the event of Subscription for Shares which is effected before the recalculated Subscription Price and the recalculated number of Shares provided by each Warrant have been determined, the provisions of subsection C last paragraph above shall be applied.

E. Offer to the shareholders in circumstances other than those set forth in subsections A-D

In the event the Company, in circumstances other than those set forth in subsections A-D above, extends an offer to the shareholders, subject to shareholders' pre-emption rights pursuant to the principles set forth in the Swedish Companies Act, to acquire securities or rights of any kind from the Company, in the event of Subscription which is demanded at such time that the Shares thereby received do not carry an entitlement to participate in the offer, a recalculated Subscription Price and recalculated number of Shares to which each Warrant provides an entitlement to subscribe shall be applied. The aforesaid shall also apply where the Company resolves, in accordance with the aforementioned principles, to distribute securities or rights to the shareholders without consideration.

The recalculations shall be carried out by the Company in accordance with the following formulas:

$$\text{recalculated Subscription Price} = \frac{\text{previous Subscription Price} \times \text{the Share's average listed price during the application period established in the offer (the Share's average price)}}{\text{the Share's average price increased by the value of the right to participate in the offer (the purchase right value)}}$$

$$\text{recalculated number of Shares to which each Warrant provides an entitlement to subscribe} = \frac{\text{previous number of Shares to which each Warrant provides an entitlement to subscribe} \times \text{the Share's average price increased by the purchase right value}}{\text{the Share's average price}}$$

The Share's average price shall be calculated in accordance with subsection C above.

In the event the shareholders have received purchase rights and trading has taken place in such rights, the value of the right to participate in the offer shall be deemed to correspond to the purchase right value. The purchase right value shall, as far as possible, be determined on basis of the changed market value of the Company's Shares which can be deemed have occurred due to the offer.

In the event the shareholders have not received purchase rights, or trading in purchase rights has otherwise not taken place, the recalculation of the Subscription Price shall take place applying, as far as possible, the principles stated above. The purchase right value shall, as far as possible, be determined on basis of the changed market value of the Company's Shares which can be deemed have occurred due to the offer.

The recalculated Subscription Price shall be determined by the Company as soon as possible after expiry of the offer period and applied in conjunction with Subscriptions effected after the recalculated price has been determined.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined. In lieu of the provisions

regarding the Share's average price, the value of the Share shall thereupon be determined by an independent valuer appointed by the Company.

In the event of Subscription for Shares which is effected before the recalculated Subscription Price and the recalculated number of Shares provided by each Warrant have been determined, the provisions of subsection C last paragraph above shall be applied.

F. New issue or issue of convertible debentures or warrants

In the event of a new issue or issue of convertible debentures or warrants with pre-emption rights for the shareholders, in exchange for cash payment or payment by way of set-off or, with respect to warrants, without payment, the Company may decide to grant all Warrant Holders the same pre-emption rights as vest in the shareholders pursuant to the resolution. Notwithstanding that Subscription for Shares pursuant to Warrants has not been effected, each Warrant Holder shall thereupon be deemed to be the owner of the number of Shares which the Warrant Holder would have received had Subscription for Shares been effected at the Subscription Price and the number of Shares to which each Warrant provided an entitlement to subscribe, as applicable on the date on which the resolution regarding the offer was adopted.

In the event the Company resolves to extend to the shareholders such an offer as referred to in subsection E above, the provisions of the preceding paragraph shall apply mutatis mutandis. The number of Shares which Warrant Holders shall be deemed to own shall thereupon be determined based on the Subscription Price and the number of Shares to which each Warrant provided an entitlement to subscribe, as applicable on the date on which the resolution regarding the offer was adopted.

In the event the Company decides to grant the Warrant Holders pre-emption rights in accordance with the provisions of this subsection F, no recalculation of the Subscription Price shall take place pursuant to subsections C, D or E.

G. Cash dividend to the shareholders

In the event the Company pays a cash dividend to shareholders whereby they would receive dividends that, together with other dividends resolved during the same financial year, exceed five (5) per cent of the average Share price during a period of 25 trading days immediately preceding the day on which the Board of directors of the Company publishes its intention to propose such dividends to the shareholders meeting, an adjusted number of shares to which each Warrant entitles and an adjusted Subscription Price shall be used in connection with application for subscription which occurs in such time that a Share thereby received does not provide a right to receipt of such dividends. The adjustment shall be made on the basis of the portion of the aggregate dividends that exceeds four (4) per cent of the average Share price during the above-mentioned period (extraordinary dividend).

The recalculation shall be carried out by the Company in accordance with the following formulas:

recalculated Subscription Price	=	previous Subscription Price x the Share's average listed price during a period of 25 trading days calculated from the day the Share is listed without right to extraordinary dividend (the Share's average
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price)

the Share's average price increased by the extraordinary dividend
paid per Share

recalculated number of = previous number of Shares to which each Warrant provides an
Shares to which each entitlement to subscribe x the Share's average price increased by
Warrant provides an the extraordinary dividend paid per Share
entitlement to subscribe

the Share's average price

The Share's average price shall be calculated in accordance with subsection C above.

Should the Company decide on a dividend in kind to the shareholders involving an extraordinary dividend, an adjustment of the Subscription Price shall be made in accordance with the same principles as in the case of a cash dividend. The calculation of the value of the dividend in kind to be used for the adjustment shall be performed by an independent valuer appointed by the Company.

H. Reduction in the share capital with repayment to the shareholders

In the event of a reduction in the share capital with repayment to the holders of Shares, a recalculated Subscription Price and a recalculated number of Shares provided by each Warrant shall be applied.

The recalculation shall be carried out by the Company in accordance with the following formulas:

recalculated = previous Subscription Price x the Share's average listed price during
Subscription Price a period of 25 trading days calculated commencing the day on
which the Shares were listed without the right to participate in the
repayment (the Share's average price)

the Share's average price increase by the amount repaid per Share

recalculated number of = previous number of Shares to which each Warrant provides an
Shares to which each entitlement to Subscribe x the Share's average price increase by
Warrant provides an the amount repaid per Share
entitlement to subscribe

the Share's average price

The Share's average price shall be calculated in accordance with subsection C above.

In making a recalculation pursuant to the above where the reduction takes place through redemption of Shares, instead of using the actual amount which is repaid per Share, a calculated repayment amount shall be used as follows:

$$\begin{array}{l} \text{calculated repayment} \\ \text{amount per Share} \end{array} = \frac{\begin{array}{l} \text{the actual amount repaid per redeemed Share less the Share's} \\ \text{market value during a period of 25 trading days immediately} \\ \text{preceding the day on which the Shares do not carry an entitlement} \\ \text{to participate in the reduction (the Share's average price)} \end{array}}{\begin{array}{l} \text{the number of Shares in the Company which form the basis of} \\ \text{redemption of a Share less 1} \end{array}}$$

The Share's average price shall be calculated in accordance with subsection C above.

The recalculated Subscription Price and the recalculated number of Shares provided by each Warrant shall be determined by the Company two Banking Days after the expiry of the stated period of 25 trading days and shall be applied to Subscriptions effected thereafter.

In conjunction with Subscriptions which are effected during the period pending determination of a recalculated Subscription Price and recalculated number of Shares to which each Warrant provides an entitlement to Subscribe, the provisions of subsection C, final paragraph above, shall apply mutatis mutandis.

In the event the Company's Shares are not listed or traded on a Marketplace, a recalculated Subscription Price and recalculated number of Shares shall be determined. In lieu of the provisions regarding the Share's average price, the value of the Shares shall thereupon be determined by an independent valuer appointed by the Company.

In the event of the Company's share capital is to be reduced through redemption of Shares with repayment to the shareholders and such reduction is not mandatory, or where the Company is to carry out a buyback of its Shares – without a reduction in the share capital being involved – but where, in the Company's opinion, in light of the technical structure and economic effects thereof the measure is comparable to a mandatory reduction, a recalculation of the Subscription Price and number of Shares to which each Warrant provides an entitlement to Subscribe shall be carried out applying, as far as possible, the principles stated above.

I. Appropriate recalculation

In the event of the Company carries out any measure as referred to in subsections A-E, G, H or M and where, in the Company's Board's opinion, in light of the technical structure of the measure or for any other reason, application of the prescribed recalculation formula cannot take place or results in the financial compensation received by the Warrant Holders being unreasonable compared with the shareholders, the board of directors shall carry out the recalculation of the Subscription Price and the number of Shares provided by each Warrant in such manner as the board of directors deems appropriate in order to obtain a reasonable result.

J. Rounding off

In the determination of a recalculated Subscription Price, the Subscription Price shall not be rounded off.

K. Liquidation

In the event of liquidation pursuant to Chapter 25 of the Swedish Companies Act, no further Subscription may be effected. The aforesaid shall apply irrespective of the reasons for the liquidation and irrespective of whether or not the decision that the Company shall go into liquidation has become legally binding.

Simultaneously with the notice convening the general meeting and prior to the general meeting is to consider the issue of whether the Company is to be placed into voluntary liquidation pursuant to Chapter 25, section 1 of the Swedish Companies Act, the Warrant Holders shall be given notice thereof by the Company in accordance with section 9 below. The notice shall inform the Warrant Holders that Subscription may not be effected after the general meeting has adopted a resolution regarding liquidation.

In the event the Company gives notice that it is considering entering into voluntary liquidation, notwithstanding the provisions of section 3 regarding the earliest date for demanding Subscription, the Warrant Holders shall be entitled to apply for Subscription for Shares through exercise of Warrants commencing the day on which notice is given. However, the aforesaid shall apply only where Subscription can be effected not later than the tenth calendar day prior to the general meeting at which the issue of the Company's liquidation is to be addressed.

L. Merger

In the event the general meeting approves a merger plan pursuant to Chapter 23, section 15 of the Swedish Companies Act whereby the Company is to be merged in another company, Subscription may thereafter not be demanded.

Not later than two months prior the general meeting which is to consider the issue of approving the above merger, the Warrant Holders shall be given notice thereof in accordance with section 9 below. The notice shall contain information about the merger plan and information that Subscription may not be effected after the general meeting has adopted a resolution regarding the merger in accordance with the paragraph above.

In the event the Company gives notice of a proposed merger in accordance with the above, Warrant Holders shall be entitled to apply for Subscription commencing the date on which notice of the proposed merger was given, provided that Subscription can be effected not later than three weeks prior to the date of the general meeting at which the merger plan whereby the Company is to be merged in another company is to be approved.

The following shall apply if the Company's board of directors prepares a merger plan pursuant to Chapter 23, section 28 of the Swedish Companies Act, whereby the Company is to be merged in another company, or if the Company's Shares are subject to a buy-out procedure pursuant to Chapter 22 of the same Act.

In the event a Swedish parent company owns all of the shares in the Company, and the Company's board of directors announces its intention to prepare a merger plan pursuant to the statutory provision referred to in the preceding paragraph, in the event the final date for demanding Subscription pursuant to section 3 above falls on a day after such announcement, the Company shall establish a new final date for demanding Subscription (the Expiry Date). The Expiry Date shall be a day within 60 days of the announcement.

M. Demerger

In the event the general meeting approves a demerger plan pursuant to Chapter 24, section 17 of the Swedish Companies Act whereby the Company shall be demerged through part of the Company's assets and liabilities being taken over by one or more limited companies in exchange for consideration to the Company's shareholders, a recalculated Subscription Price and a recalculated number of Shares to which each Warrant provides an entitlement to subscribe shall be applied in accordance with the principles set forth in subsection E above. The recalculation shall be based on the part of the Company's assets and liabilities assumed by the takeover company.

In the event all of the Company's assets and liabilities are taken over by one or more limited companies in exchange for consideration to the Company's shareholders, the provisions regarding liquidation as set forth in subsection K above shall apply *mutatis mutandis*, entailing *inter alia* that the right to request Subscription shall terminate simultaneously with registration pursuant to Chapter 24, section 27 of the Swedish Companies Act and that Warrant Holders must be given notice thereof not later than two months prior to the date on which the demerger plan is submitted to the general meeting.

N. Buy-out of minority shareholders

In the event a Swedish parent company, on its own or together with a subsidiary, owns more than 90 per cent of the shares and more than 90 per cent of the voting rights in respect of all of the shares in the Company, and where the parent company announces its intention to commence a buy-out procedure, the provisions of the final paragraph of subsection L regarding the Expiry Date shall apply *mutatis mutandis*.

If the announcement has been made in accordance with the provisions above in this subsection, Warrant Holders shall be entitled to demand Subscription until the Expiry Date. The Company must give notice to the Warrant Holders in accordance with section 9 below, not later than five weeks prior to the Expiry Date, informing them of this right and the fact that they may not demand Subscription after the Expiry Date.

If the majority shareholder, pursuant to Chapter 22, section 6 of the Swedish Companies Act, has submitted a request that a buy-out dispute be resolved by arbitrators, the Warrants may not be exercised for Subscription until the buy-out dispute has been settled by an award or decision that has become final. If the period within which Subscription may take place expires prior thereto, or within three months thereafter, a Warrant Holder nevertheless has the right to exercise the Warrant within three months after the date on which the ruling became final.

O. Cease or lapse of liquidation, merger or demerger

Notwithstanding the provisions of subsections K, L, and M that Subscription may not be effected following a resolution regarding liquidation or approval of a merger plan or demerger plan, the right to Subscription shall be reinstated in the event the liquidation ceases or the issue of a merger or demerger lapses.

P. Bankruptcy or company reorganisation order

In the event of the Company's bankruptcy or where a decision is taken that the Company shall be the subject of a company reorganisation order, Subscription may not take place through exercise of Warrants. Where the bankruptcy order or the Company reorganisation order is set aside by a higher court, the entitlement to Subscribe shall be reinstated.

Q. Change in accounting currency

In the event the Company effects a change in the accounting currency, entailing that the Company's share capital shall be established in a currency other than Swedish crowns, the Subscription Price shall be recalculated in the same currency as the share capital. Such currency recalculation shall take place applying the exchange rate which was used to recalculate the share capital in conjunction with the change in currency.

A recalculated Subscription Price in accordance with the provisions above shall be determined by the Company and shall be applied to Subscriptions effected commencing the day on which the change in the accounting currency takes effect.

R. Equivalent terms and conditions for companies that are not Central Securities Depository Companies

In cases where the provisions concerning recalculation refer to the record date and, at the time of the recalculation, the Company is not a Central Securities Depository Company, a comparable date used in equivalent terms and conditions for companies that are not Central Securities Depository Companies shall apply instead of the record date.

9. Notices

Notices relating to the Warrants must be provided in writing to each Warrant Holder to an address which is known to the Company.

10. Amendments to the terms and conditions

The Company's board of directors shall be entitled, on behalf of the Warrant Holders, to amend these terms and conditions to the extent that any legislation, court decision or public authority decision renders necessary such amendment or where, in the Board's opinion, for practical reasons it is otherwise appropriate or necessary to amend the terms and conditions, and the rights of the Warrant Holders are thereupon not prejudiced in any respect.

11. Confidentiality

None of the Company, the institution maintaining a Warrant Holder's account or Euroclear may disclose information about a Warrant Holder to any third party without authorisation. The Company shall be entitled to obtain the following information from Euroclear regarding a Warrant Holder's account in the Company's central securities depository register:

- (i) the Warrant Holder's name, personal identification number or other identification number, and postal address;
- (ii) the number of Warrants.

12. Governing law

These Warrants and legal issues relating thereto shall be governed by Swedish law. Proceedings arising from this agreement shall be brought in the district court where the registered office of the Company is situated or any other forum whose authority is accepted in writing by the Company.