

*N.B. This English text is a translation of the original terms and conditions in Swedish. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **TERMS AND CONDITIONS FOR WARRANTS 2015/2018 SHELTON PETROLEUM AB**

### **§ 1 Definitions**

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

“share”	a share of series B in the company with a current quota value of 5 SEK;
“banking day”	a day in Sweden which is not a Sunday, or other public holiday or, with respect to the payment of debentures, is not deemed to be the equivalent of a public holiday in Sweden;
the “company”	Shelton Petroleum AB, (org. no. 556468-1491);
“Euroclear”	Euroclear Sweden AB or other securities depository in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) (Sw. <i>lagen om kontoföring av finansiella instrument</i> ), Chapter 2;
“holder”	the holder of a warrant;
“subscription”	such subscription of new shares in the company as referred to in the Swedish Companies Act (2005:551) (Sw. <i>Aktiebolagslagen</i> ), Chapter 14;
“subscription price”	the price at which subscription for new shares may be made; and
“warrant”	the right to subscribe for one (1) share of series B in the company upon payment in cash pursuant to these terms and conditions.

### **§ 2 Warrants**

The maximum number of warrants is 320,000.

The warrants may be registered by Euroclear in a record register as prescribed in the Financial Instruments Accounts Act (1998:1479), Chapter 4. As a consequence, no warrant certificates will be issued.

The warrants may be registered for the account of the holder in an account in the company's record register. Registration of warrants resulting from measures pursuant to §§ 6, 7, 8 and 11

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shall be undertaken by Euroclear or by an account-operating institute. Other registration measures may be taken by Euroclear or by an account-operating institute.

If the warrants have not been registered in a CSD register, the warrants are represented by warrant certificates to the bearer in multiples of one (1) warrant. The warrant certificates will be issued by the company in connection with the issuance of the warrants and with the exchange of warrant certificates in connection with ownership transition and where otherwise required.

**§ 3 Right to subscribe for new shares, subscription price**

For each warrant held, the holder shall be entitled to subscribe for one new share of series B in the company.

The subscription price shall be equal to 150 per cent of the average of the mean, calculated for each trading day during the period 7 – 18 May 2012, however not less than the current quota value of the company's shares

Re-calculation of the subscription price, as well as the number of new shares which each warrant entitles to subscription for, may take place in the circumstances set forth in § 8 below. Subscription may only be made in respect of the entire number of whole shares to which the total number of warrants entitles, *i.e.* fractions of shares cannot be subscribed for.

In relation to each holder, the company undertakes to guarantee that each holder is entitled to subscribe for shares in the company, on the terms and conditions set out below, for payment in cash.

**§ 4 Notification of subscription**

Notification of subscription of shares by exercising warrants may be made during the period from and including 1 June up to and including 15 June 2015 or up to and including the earlier date as follows from § 8, K., L., and M. below.

When such notification is made, an application form duly filled out as prescribed shall be presented to the company.

A notification of subscription is binding and may not be withdrawn.

If a notification of subscription is not made within the period set forth in the first paragraph, all rights attaching to the warrants shall cease to exist.

**§ 5 Payment**

In connection with a subscription notification, cash payment must be remitted on a single occasion for the number of shares specified in the notification. Payment shall be made in cash to an account specified by the company.

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The holder shall pay the taxes or fees that may be applicable for a transfer, possession or exercise of the warrant due to Swedish or international law or Swedish or international decision by authorities.

### **§ 6 Entry into share register, etc.**

Following subscription, allotment of shares will be effected by the new shares being registered as interim shares by the company in share accounts. Once registration has taken place at the Swedish Companies Registration Office (Sw. *Bolagsverket*), registration in the share account will become final. As indicated in § 8 below, the date of such final registration in the share account may be deferred in certain cases.

If the company is not a Euroclear registered company at the time of subscription notification, allotment of shares will be effected by registering the shares as interim shares in the company's share register.

Once registration has taken place at the Swedish Companies Registration Office (Sw. *Bolagsverket*), registration in the share register will become final.

### **§ 7 Right to dividends for a new share**

Shares issued as a result of subscription will carry rights to dividends as of the first record date for dividends, which occurs after the subscription is executed.

If the company is not a Euroclear registered company the shares issued as a result of subscription will carry rights to dividends as of the first general meeting following the date on which subscription has been executed.

### **§ 8 Recalculation in certain cases**

With regard to the rights of the holders in certain situations, such as if the share capital and/or number of shares before subscription increases or decreases, as well as in certain other situations, what is set out below shall apply:

- A. Should the company make a bonus issue, subscriptions shall not – where the application to subscribe is made at such a time that it cannot be executed earlier than the fifth calendar day before the general meeting that resolves on the issue – be executed until the meeting has resolved thereon. Shares added through subscriptions executed after the resolution on the issue shall be interimsly recorded in a securities account, which implies that they shall not be entitled to participate in the issue. Final registration in the securities account shall not take place until after the record day for the issue.

If the company is not a Euroclear registered company when the general meeting resolves on the bonus issue, shares added through subscription which has been

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carried out by registering the shares in the share register as interim shares at the time for the resolution by the general meeting, may participate in the bonus issue.

For subscriptions executed after a resolution on the bonus issue, a recalculated subscription price shall apply together with a recalculation of the number of shares to which each warrant gives the right to subscribe. The recalculations shall be carried out in accordance with the following formulas:

$$\text{recalculated subscription price} = \frac{\text{previous subscription price} \times \text{the number of shares before the bonus issue}}{\text{the number of shares after the bonus issue}}$$

$$\text{recalculated number of shares which each warrant entitles subscription for} = \frac{\text{previous number of shares to which each warrant gives the right to subscribe for} \times \text{the number of shares after the bonus issue}}{\text{the number of shares before the bonus issue}}$$

The subscription price and number of shares recalculated in accordance with the above shall be determined as soon as possible after the general meeting's resolution on the bonus issue but shall not be applied until after the record day for the issue.

- B. Should the company carry out a consolidation or division of shares, subsection A. above shall apply correspondingly, whereby, where applicable, the record day shall be deemed to be the day on which, at the company's request, the consolidation or division takes place at Euroclear.
- C. Should the company carry out a new issue – with a preferential rights for shareholders to subscribe for new shares for payment in cash or for set-off – the following shall apply regarding the right to participate in the issue attached to shares added through subscription with the exercise of a warrant:
1. If the issue is decided by the board of directors subject to the approval of a general meeting or with the backing of the authority of a general meeting, the last day on which subscriptions shall be executed, in order for shares, added by subscription, to contain the right to participate in the issue, shall be stated in the resolution. Such date may not fall earlier than the tenth calendar day after the holder has been informed of the resolution regarding the new issue.
  2. If the issue is resolved upon at a general meeting, subscriptions –applied for at such a time that they cannot be executed later than five calendar days before the general meeting resolving on the issue – shall not be executed until the company has carried out the recalculation in accordance with the second last paragraph of this subsection C. Shares added through such a

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subscription shall be interimly entered in the securities account, which means that they shall not have the right to participate in the issue.

If the company is not a Euroclear registered company when the general meeting resolves on the new issue, shares added through subscription which has been carried out by registering the shares in the share register as interim shares at the time for the resolution by the general meeting, may participate in the issue.

When subscriptions are executed at such a time that no right to participate in the new issue arises, a recalculated subscription price shall be applied together with a recalculation of the number of shares to which each warrant gives the right to subscribe for. The recalculations shall be carried out in accordance with the following formulas:

$$\text{recalculated subscription price} = \frac{\text{previous subscription price} \times \text{stock exchange quotation of the share during the subscription period set forth in the resolution approving the issue (average share price)}}{\text{average share price increased by the theoretical value of the subscription right calculated on the basis thereof}}$$

$$\text{recalculated number of shares which each warrant entitles subscription for} = \frac{\text{previous number of shares to which each warrant entitles subscription for} \times (\text{average share price increased by the theoretical value of the subscription right calculated on the basis thereof})}{\text{average share price}}$$

The average share price shall be deemed to be equal to the average of the mean, calculated for each trading day during the subscription period, of the highest and lowest prices paid according to the price list of Nasdaq Stockholm official list (or the price list of the stock exchange, authorized marketplace, or other regulated market on which the company's shares are listed or traded). In absence of a quoted paid price, the last quoted bid price shall be used in the calculation. Days for which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

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

$$\text{value of subscription right} = \frac{\text{maximum number of new shares that may be issued according to the resolution approving the issue} \times (\text{average share price reduced by the subscription price for the new share})}{\text{average share price}}$$

number of shares prior to the resolution  
approving the issue

Should a negative value result from the calculation, the theoretical value of the right to subscribe shall be set to zero.

The recalculated subscription price and recalculated number of shares in accordance with the above shall be determined two banking days after the expiry of the subscription period and shall be applied to subscriptions that are executed thereafter.

Should the company's shares not be quoted or traded on a stock exchange, authorized marketplace, or other regulated market, a recalculated subscription price and recalculated number of shares shall be fixed in accordance with this subsection C. In such case, the value of the shares shall, instead of what is stated regarding the average share price, be determined by an independent valuer appointed by the company.

During the period prior to the determination of the recalculated subscription price and the recalculated number of shares that each warrant entitles the holder to subscribe for, subscription shall only be executed on a preliminary basis, whereupon the number of shares that each warrant entitles the holder to subscribe for prior to recalculation shall be entered in the securities account on an interim basis. Further, it shall be noted that each warrant, after recalculation, may entitle the holder to subscribe for additional shares in accordance with section 3 above. Final registration on the securities account shall be affected following recalculation. If the company is not a Euroclear registered company, subscription is executed in the company's share register by registering the shares as interim shares. The new shares shall be registered as shares in the share register when the recalculations have been fixed.

- D. Where the company carries out an issue of convertibles or warrants – with preferential rights for shareholders – the provisions contained in subsection C above, shall apply correspondingly regarding the rights to participate in the share issue as a result of subscription pursuant to the exercise of a warrant.

In connection with subscriptions executed at such time that no right to participate in the share issue arises, a recalculated subscription price and a recalculated number of shares that each warrant entitles the holder to subscribe for shall be applied. The recalculations shall be made in accordance with the following formulas:

$$\begin{array}{l}
 \textit{recalculated subscription} \\
 \textit{price}
 \end{array}
 = \frac{\text{previous subscription price} \times \text{average stock exchange quotation of the share during the subscription period specified in the resolution approving the issue (average share price)}}{\text{average share price increased by the value of the subscription right}}$$

$$\begin{array}{l} \text{recalculated number of} \\ \text{shares which each} \\ \text{warrant entitles} \\ \text{subscription for} \end{array} = \frac{\begin{array}{l} \text{previous number of shares which each} \\ \text{warrant entitles the holder to subscribe for x} \\ \text{(the average share price increased by the} \\ \text{value of the subscription right)} \end{array}}{\text{the average share price}}$$

The average share price shall be calculated in accordance with the provisions of subsection C. above.

The value of a subscription right shall be deemed to be equal to the average of the mean, calculated for each trading day during the subscription period, of the highest and lowest prices paid according to the price list at Nasdaq Stockholm official list (or the corresponding information from a stock exchange, authorized marketplace or other regulated marketplace on which the company's shares are listed or traded). In absence of a quoted paid price, the last quoted bid price shall be used in the calculation. Days for which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The recalculated subscription price and recalculated number of shares in accordance with the above shall be determined two banking days after the expiry of the time for subscriptions and shall be applied to subscriptions executed thereafter.

Should the company's shares not be quoted or traded on a stock market, authorized marketplace, or other regulated marketplace, a recalculated subscription price and recalculated number of shares shall be fixed in accordance with this subsection D. In such case, the value of the shares shall, instead of what is stated regarding the average share price, be determined by an independent valuer appointed by the company.

The provisions of subsection C above, last paragraph, shall apply correspondingly to subscriptions executed during the period until the recalculated subscription price and recalculated number of shares is determined.

- E. In the event the company, under other circumstances than those set forth in subsections A. – D. above, makes an offer to shareholders, based on preferential rights in accordance with the principles set forth in the Swedish Companies Act to purchase securities or rights of any kind from the company or where the company resolves, in accordance with the above stated provisions, to distribute such securities or rights without consideration (the offer), then a recalculated subscription price and a recalculated number of shares that each warrant entitles the holder to subscribe for shall be applied in connection with subscriptions which are effected at such time that the shares subscribed for as a consequence thereof do not entitle the holder to participate in the offer. Recalculations shall be made in accordance with the following formulas:



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$$\text{recalculated subscription price} = \frac{\text{previous subscription price} \times \text{average stock exchange quotation of the share during the application period specified in the offer (the average share price)}}{\text{average share price increased by the value of the right to participate in the offer (the value of the purchase right)}}$$

$$\text{recalculated number of shares which each warrant entitles subscription for} = \frac{\text{previous number of shares which each warrant entitles the holder to subscribe for} \times (\text{average share price increased by the value of the purchase right})}{\text{the average share price}}$$

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

In the event the shareholders have received purchase rights and trading of such rights has taken place, the value of the right to participate in the offer shall be deemed to be equal to the value of the purchase right. The value of a purchase right shall in such case be deemed to be equal to the average of the mean, calculated for each trading day during the subscription period, of the highest and lowest prices paid according to price list at Nasdaq Stockholm official list (or the corresponding information on a stock market, authorized marketplace or other regulated marketplace on which such purchase rights are listed or traded). In absence of a quoted paid price, the last quoted bid price shall be used in the calculation. Days for which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

In the event the shareholders have not received purchase rights or such trading in purchase rights as referred to in the preceding paragraph has otherwise not taken place, a recalculation of the subscription price and the number of shares which each warrant entitles the holder to subscribe for shall be determined, to the extent possible, by applying the principles set forth above in this subsection E., whereupon the following shall apply. Where a listing is carried out in respect of the securities or rights that are offered to the shareholders, the value of the right to participate in the offer shall be deemed to be the average of the prices paid on each trading day during 25 trading days from and including the first day of listing calculated as the average mean of the highest and lowest paid prices in transactions in these securities or rights on Nasdaq Stockholm official list (or the corresponding information on a stock exchange, authorized marketplace or other regulated market on which these securities or rights are listed or traded), where applicable reduced by any consideration that has been paid for these in connection with the offer. In absence of a quoted paid price, the last quoted bid price shall be used in the calculation. Days for which neither a paid price nor a bid price is quoted shall be



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excluded from the calculation. When recalculating the subscription price and number of shares according to this paragraph, the application period determined in the offer shall be deemed to correspond to the above mentioned period of 25 trading days. In the event such listing should not occur, the value of the right to participate in the offer shall as far as possible be based upon the change in the market price of the company's shares that is deemed to have arisen as a consequence of the offer.

The recalculated subscription price and adjusted number of shares in accordance with the above shall be determined as soon as possible following expiration of the offer and shall be applied to subscriptions executed after such determination has been made.

Should the company's shares not be listed or traded on a stock exchange, authorized marketplace, or other regulated marketplace, a recalculated subscription price and a recalculated number of shares shall be determined in accordance with this subsection E. In such case, the value of the shares shall, instead of what is stated regarding the average share price, be determined by an independent valuer appointed by the company.

In the event that applications for subscription are made during the period until the time the recalculated subscription price and recalculated number of shares has been determined, the provisions above set forth in the last paragraph of subsection C. above shall apply correspondingly.

- F. In the event the company conducts a new issue or an issue according to the Swedish Companies Act, Chapter 14 or 15, – with preferential rights for shareholders – the company shall be entitled to grant all holders the same preferential rights which according to the resolution, will vest with the shareholders. In this connection, each holder, irrespective of whether the subscription has not been executed, shall be deemed to be the owner of the number of shares that the holder would have received, if subscription had been executed in respect of the number of shares which each warrant entitled the holder to subscribe for at the time of the resolution to carry out the issue.

In the event the company resolves to direct an offer to the shareholders such as specified in subsection E. above, the provisions of the preceding paragraph shall apply correspondingly; however, the number of shares which each holder shall be deemed to be the owner of shall, under such circumstances, be determined on the basis of the subscription price in effect at the time of the resolution to carry out the offer.

In the event the company resolves to grant the holders preferential rights in accordance with the provisions set forth in this subsection F., no adjustment as set out above in subsections C., D. or E. shall be carried out.

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- G. In the event it is decided to pay a cash dividend to shareholders such that the shareholders receive, combined with other dividends paid during the same fiscal year, a total dividend exceeding five per cent of the average price of the share during a period of 25 trading days immediately preceding the day on which the company's board of directors announced its intention to propose that the general meeting shall approve such a dividend, then an adjusted subscription price and an adjusted number of shares which each warrant entitles the holder to subscribe for shall be applied for subscriptions requested at such time where the shares received in such event do not carry rights to receive such dividend. The adjustments shall be based upon such part of the total dividend that exceeds five per cent of the average price of the shares during the above period (extraordinary dividend). Adjustments shall be made in accordance with the following formulas:

$$\begin{aligned} \text{recalculated subscription price} &= \frac{\text{previous subscription price} \times \text{the average stock exchange quotation of the share during a period of 25 trading days calculated from and including the day the share is listed excluding rights to the extraordinary dividend (average share price)}}{\text{average share price increased by the extraordinary dividend paid per share}} \end{aligned}$$

$$\begin{aligned} \text{recalculated number of shares which each warrant entitles subscription for} &= \frac{\text{previous number of shares which each warrant entitled the holder to subscribe for} \times \text{(the average share price increased by the extraordinary dividend paid per share)}}{\text{average share price}} \end{aligned}$$

The average price of the share shall be deemed to be equal to the average of the mean of the highest and lowest prices paid each trading day during the above stated period of 25 trading days in accordance with the price list of Nasdaq Stockholm official list, (or the corresponding information from the stock exchange, authorized marked or other regulated marketplace on which the company's shares are listed or traded). In the absence of a quoted paid price, the last quoted bid price for such date shall be used in the calculation instead. Days for which neither a paid price nor a bid price is quoted shall be excluded from the calculation.

The adjusted subscription price and number of shares calculated in accordance with the above shall be determined two banking days after the expiration of such period of 25 trading days and shall apply to subscriptions effected after such time.

Should the company's shares not be listed or traded on a stock market, authorized marketplace or other regulated marketplace, and it is decided to pay a cash dividend to shareholders resulting in that the shareholders receive dividends which in the Company's opinion are to be considered as extraordinary, taking into consideration, to the highest extent possible the principles stated above in this subsection G., a

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corresponding recalculation of the subscription price shall be carried out by the company, in which to the highest extent possible the principles stated above in this subsection G. are taken into consideration.

In the event applications for subscription are made during the period until the time the recalculated subscription price and recalculated number of shares has been determined, the provisions above set forth in the last paragraph of subsection C. shall apply correspondingly.

- H. In the event the company's share capital or statutory reserve fund is reduced through a repayment to shareholders, where such reduction is compulsory, a recalculated subscription price and a recalculated number of shares which each warrant entitles the holder to subscribe for shall be applied. The recalculations shall be made in accordance with the following formulas:

$$\text{recalculated subscription price} = \frac{\text{previous subscription price} \times \text{average stock exchange quotation of the shares during a period of 25 trading days calculated from and including the day on which the share was listed without any right to repayment (average share price)}}{\text{average share price increased by the amount repaid for each share}}$$

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

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

In carrying out the recalculations according to the above, where the reduction is carried out through a redemption of shares, an amount calculated as follows shall be applied instead of using the actual amount which is repaid for each share.

$$\text{calculated amount to be repaid for each share} = \frac{\text{the actual amount repaid for each redeemed share reduced by the average stock exchange quotation of the share during a period of 25 trading days immediately prior to the day on which the share is listed without any right to participate in the reduction (average share price)}}{\text{the number of shares of the company that entitles to the redemption of one share}}$$

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*reduced by 1*

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

The recalculated subscription price and recalculated number of shares pursuant to the above shall be determined two banking days after the expiration of the above stated period of 25 trading days, and shall apply to subscriptions executed after such time.

In the event applications for subscription are made during the period until the time the recalculated subscription price and recalculated number of shares has been determined, the provisions above set forth in the last paragraph of subsection C. shall apply correspondingly.

Should the company's shares not be listed or traded on a stock exchange, authorized marketplace, or other regulated market, a recalculated subscription price and a recalculated number of shares shall be fixed in accordance with this subsection H. In such case, the value of the shares shall, instead of what is stated regarding the average share price, be determined by an independent valuer appointed by the company.

In the event the company's share capital is reduced through redemption of shares with repayment to the shareholders, where such reduction is not compulsory, or in case the company – without reducing the share capital – should carry out a repurchase of its own shares but where, in the company's opinion, the measure due to its technical structure and financial effects, is equivalent to a compulsory reduction, a recalculation of the subscription price and the number of shares that each warrant entitles the holder to subscribe for shall be made in accordance with, to the extent possible, the principles stated above in this subsection H.

- I. In the event the company carries out measures set forth in subsections A.-H. above or another measure with similar effect, and if the application of the intended recalculation formula, according to the company's opinion, due to the technical structure or for another reason, may not be possible or results in the economic compensation to the holders becoming unreasonable in relation to the shareholders, recalculations of the subscription price and the number of shares that each warrant entitles the holder to subscribe for shall be made for the purpose of the recalculations leading to a reasonable result, provided that the company's board of directors so approves in writing.
- J. In conjunction with adjustments in accordance with the above, the subscription price shall be rounded to the nearest SEK 0.1, whereupon SEK 0.05 shall be rounded upwards, and the number of shares shall be rounded to two decimal places.
- K. In the event it is resolved that the company shall enter into liquidation according to the Swedish Companies Act, Chapter 25, regardless of the grounds for liquidation,

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applications for subscription may not be made thereafter. The right to make applications for subscription shall terminate in conjunction with the general meeting's resolution to place the company in liquidation, regardless of whether such resolution has entered into effect or not. Immediately in conjunction with the decision by the company's board of directors to summon a general meeting which shall decide whether the company shall enter into voluntary liquidation according to the Swedish Companies Act, Chapter 25, Section 1, notice shall be given to holders in accordance with Section 9 in respect of the intended liquidation. The notice shall state that applications for subscription may not be made following the adoption of a resolution by the general meeting to place the company in liquidation.

In the event that the company gives notice of an intended liquidation in accordance with the above, each holder – irrespective of that which is set forth in § 4 above regarding the earliest time at which applications for subscription may be made – shall be entitled to apply for subscription from the day on which notice is given, provided it is possible to effect subscription not later than the tenth calendar day prior to the general meeting at which the issue of the company's liquidation shall be addressed.

- L. In the event that the general meeting, in accordance with the Swedish Companies Act, Chapter 23, Section 15, approves – or all shareholders in participating companies in accordance with the fourth paragraph of the mentioned section signs – a merger plan, pursuant to which the company is to merge with another company, or in the event that the general meeting, in accordance with the Swedish Companies Act, Chapter 24, Section 17, approves – or all shareholders in participating companies in accordance with the fourth paragraph of mentioned section signs – a demerger plan, pursuant to which the company is about to demerge without liquidation, applications for subscription may not be made thereafter.

Immediately in conjunction with the decision by the company's board of directors to convene a general meeting which shall make a final decision in respect of a merger or demerger as set forth above, or if the merger or demerger plan shall be signed by all shareholders in participating companies not later than six weeks before such signing take place, notice shall be given to holders in accordance with § 9 below in respect of the intended merger or demerger. The notice shall set forth the principal contents of the intended merger or demerger plan and the holders shall be notified that subscription may not be made following a final decision regarding the merger or demerger, or following the signing of the merger or demerger plan, in accordance with the provisions set forth in the preceding paragraph.

In the event the company gives notice regarding a planned merger or demerger in accordance with the above, each holder – irrespective of what is set forth in § 4 regarding the earliest time at which applications for subscription can be made – shall be entitled to apply for subscription from the date on which notice is given regarding the intended merger or demerger, provided that it is possible to effect subscription no later than: (i) the tenth calendar day prior to the general meeting at which the merger plan, pursuant to which the company is to be merged with another company, or the

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demerger plan, pursuant to which the company is to be demerged without liquidation is to be approved, or (ii) if the merger or demerger plan shall be signed by all shareholders in participating companies not later than the tenth calendar day prior to such signing.

- M. Where the company's board of directors prepares a merger plan in accordance with the Swedish Companies Act, Chapter 23, Section 28, pursuant to which the company is to be merged with another company, or where the company's shares are subject to compulsory purchase procedures according to the above stated act, Chapter 22, the following shall apply.

Where a Swedish limited liability company owns all shares in the company, and where the board of directors publishes its intention to prepare a merger plan in accordance with the legislation referred to in the preceding paragraph, the company shall, provided that the final day for application for subscription pursuant to § 4 occurs after such publication, determine a new final day for application for subscription (expiration date). The expiration date must occur within 30 days of the publication.

A majority shareholder who exercises its right, pursuant to the Swedish Companies Act, Chapter 22, to buy-out outstanding shares in the company shall also be entitled to buy-out warrants issued by the company. Where the majority shareholder has requested that a dispute regarding a buy-out be resolved by arbitrators pursuant to the Companies Act, the warrants may not be exercised for subscription until the buy-out dispute has been decided through an award or a decision which has become final. Where the period of time within which a warrant may be exercised expires prior thereto, or within three months after, the holders of the warrants shall nevertheless be entitled to exercise the warrants during a period of three months after the determination has become final.

When publication has been made as described above in this subsection M., each holder – irrespective of what is set forth in § 4 regarding the earliest time at which applications for subscription may be made – shall be entitled to such application up until the expiration date. Not later than three weeks prior to the expiration date, the company shall notify the holders pursuant to § 9 in respect of this right and in respect of that applications for subscription may not be made after the expiration date.

- N. Notwithstanding the provisions set forth in subsections K., L. and M. above that applications for subscription may not be made following the adoption of a resolution to place the company in liquidation, the approval of a merger or demerger plan, or the expiry of a new expiration date in conjunction with a merger, the right to make an application for subscription shall apply in circumstances where the liquidation is terminated or the merger is not carried out.

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- O. In the event the company is declared bankrupt (Sw. *konkurs*), applications to subscribe may not be made thereafter. If, however, the bankruptcy order is revoked by a higher court, applications to subscribe may once again be made.
- P. The company agrees not to undertake any measure set forth in this § 8 that would result in an adjustment of the subscription price to an amount less than the quota value of the company's shares.

### **§ 9 Notices**

Notices concerning the warrants shall be provided to each warrant holder and other entitled holders that are registered in the company's record register.

If the warrants have not been registered in a CSD register, notices concerning the warrants shall be provided to each warrant holder by letter (at the address last known to the company).

### **§ 10 Confidentiality**

The company and, (in applicable cases) account-operating institute nor Euroclear may provide information on holders of warrants to third parties.

For those cases where the warrants have been registered in a CSD register the company is entitled to receive the following details from Euroclear regarding the holders of warrants account in the company's record register.

1. the holder of warrants' name, personal identification number, or other identification number, and postal address; and
2. the number of warrants.

### **§ 11 Amendment of terms and conditions**

The company is entitled to amend these terms and conditions on behalf of the holder, if required by legislation, judicial decisions or decisions from authorities, or if it is otherwise in the opinion of the company, expedient or necessary due to a material practical reason, and the holders' rights are not materially impaired.

### **§ 12 Force majeure**

With respect to the actions incumbent on the company, the company cannot be held liable for loss due to Swedish or foreign legal decrees, Swedish or foreign action by public authorities, acts of war, acts of terrorism, strikes, blockades, boycotts, lockouts or other similar causes. The reservations with respect to strikes, blockades, boycotts and lockouts apply even if the company itself undertakes or is the object of such an action.

The company is not under any obligation to provide compensation for loss in other situations, if the company has exercised normal prudence. The company is under no circumstances liable for indirect loss or other consequential loss. Neither is the company liable for loss which is due

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to the holder's or another party's breach of law, decrees, regulations or these conditions. Holders are hereby informed that they are liable for the accuracy of documents sent to the company, and that such documents are duly signed. Holders are also liable for keeping the company informed on changes which occur in relation to previously provided information.

If the company is partially or fully hindered from taking action by circumstances such as those described above, the action may be deferred until the hindrance has ceased to exist. If the company is prevented from executing or receiving payment due to such circumstance, then neither the company nor the holder shall be liable for interest on overdue payments.

**§ 13 Limitation of the account-operating institute's and Euroclear's liability**

With respect to the actions incumbent on the account-operating institute and Euroclear, the account-operating institute, and Euroclear cannot be held liable for loss due to Swedish or foreign legal decrees, Swedish or foreign action by public authorities, acts of war, acts of terrorism, strikes, blockades, boycotts, lockouts or other similar acts. The reservations with respect to strikes, blockades, boycotts and lockouts apply even if the account-operating institute or Euroclear themselves undertake or are the objects of such actions.

What is stated above applies only in so far that it is consistent with the Financial Instruments Accounts Act (1998:1479).

Neither the account-operating institute nor Euroclear are under obligation to provide compensation for loss arising in other situations, if the account-operating institute and Euroclear exercised normal prudence. Account-operating institute and Euroclear are under no circumstances liable for indirect loss.

If the account-operating institute or Euroclear is hindered from taking action by circumstances such as those described in the first paragraph, the action may be deferred until the hindrance has ceased to exist.

**§ 14 Applicable law and jurisdiction**

These terms and conditions and any related legal matters shall be governed by Swedish law. Any dispute with respect to these warrants shall be finally settled by arbitration in accordance with the Rules for Expedited Arbitrations of the Arbitration Institute of the Stockholm Chamber of Commerce.

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