

## **Notice of Annual General Meeting of Ovzon AB (publ)**

The shareholders of Ovzon AB (publ), reg. no. 559079-2650, (the "**Company**") are hereby invited to the annual general meeting on Thursday 21 April 2022 at 16.00 CET at the Company's premises on Anderstorpsvägen 10 i Solna.

### **Right to attend and notification**

Shareholders who wish to attend the annual general meeting must:

- i. on the record date, which is Monday 11 April 2022, be registered in the share register maintained by Euroclear Sweden AB; and
- ii. notify the Company of their participation and any assistants (no more than two) in the annual general meeting no later than Tuesday 19 April 2022. The notification shall be in writing to Baker & McKenzie Advokatbyrå, Attn: Carl Isaksson, Box 180, 101 23 Stockholm (kindly mark the envelope "Ovzon AGM 2022"), or via e-mail: [carl.isaksson@bakermckenzie.com](mailto:carl.isaksson@bakermckenzie.com). The notification should state the name, personal/corporate identity number, shareholding, share classes address and telephone number and, when applicable, information about representatives, counsels and assistants. When applicable, complete authorization documents, such as registration certificates and powers of attorney for representatives and assistants, should be appended the notification.

### **Nominee shares**

Shareholders, whose shares are registered in the name of a bank or other nominee, must temporarily register their shares in their own name with Euroclear Sweden AB in order to be entitled to participate in the general meeting. Such registration, which normally is processed in a few days, must be completed no later than Monday 11 April 2022 and should therefore be requested from the nominee well before this date. Voting registration requested by a shareholder in such time that the registration has been made by the relevant nominee no later than on Wednesday 13 April 2022 will be considered in preparations of the share register.

### **Proxy etc.**

Shareholders represented by proxy shall issue dated and signed power of attorney for the proxy. If the proxy is issued by a legal entity, attested copies of the certificate of registration or equivalent authorization documents, evidencing the authority to issue the proxy, shall be enclosed. The proxy must not be more than one year old, however, the proxy may be older if it is stated that it is valid for a longer term, maximum five years. A copy of the proxy in original and, where applicable, the registration certificate, should in order to facilitate the entrance to the general meeting, be submitted to the Company by mail at the address set forth above and at the Company's disposal no later than on 19 April 2022. The proxy in original and, when applicable, the certificate of registration must be presented at the general meeting. A proxy form will be available on the Company's website, [www.ovzon.com](http://www.ovzon.com), and will also be sent to shareholders who so request and inform the Company of their postal address.

### **Advance voting**

The shareholders may exercise their voting rights at the general meeting by voting in advance, so called postal voting in accordance with section 3 of the Act (2022:121) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. The Company encourages the shareholders to use this opportunity in order to minimize the number of participants attending the general meeting in person and thus reduce the spread of the infection.

A special form shall be used for advance voting. The form is available on [www.ovzon.com](http://www.ovzon.com). A shareholder who is exercising its voting right through advance voting do not need to notify the Company of its attendance to the general meeting. The advance voting form is considered as the notification of attendance to the general meeting.

The completed voting form must be at the Company's disposal no later than on Tuesday 19 April 2022. The completed and signed form shall be sent to the address stated under "Right to attend and notification" above. A completed form may also be submitted electronically and is to be sent to [carl.isaksson@bakermckenzie.com](mailto:carl.isaksson@bakermckenzie.com). If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The same apply for shareholders voting in advance by proxy. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote is invalid.

Further instructions and conditions is included in the form for advance voting.

### **Draft agenda**

1. Opening of the meeting and election of chairman of the meeting
2. Drawing up and approval of the voting list
3. Approval of the agenda
4. Election of one or two persons to certify the minutes
5. Determination as to whether the meeting has been duly convened
6. Presentation of the submitted annual report and the auditor's report and consolidated annual report and auditor's report for the group
7. Resolution
  - a. regarding the adoption of income statement and balance sheet and consolidated income statement and balance sheet
  - b. regarding allocation of profit or loss in accordance with the adopted balance sheet, and
  - c. the discharge the from liability of the board members and of the managing director.
8. Determination of remuneration to the board and to the auditors
9. Election of board members and auditors
10. Resolution regarding principles for the nomination committee
11. Resolution regarding guidelines for remuneration to senior executives
12. Resolution regarding authorization for the board of directors to issue shares and warrants
13. Resolution regarding long-term incentive program LTIP 2022
  - a. Resolution regarding implementation of warrant program with approval of transfer of warrants of series 2022:A and issue of warrants of series 2022:A
  - b. Resolution regarding implementation of employee stock option program with approval of transfer of warrants of series 2022:B and issue of warrants of series 2022:B
  - c. instruction to the board to execute LTIP 2022
14. Closing of the meeting

### **Proposed resolutions**

#### **Item 1: Election of Chairman of the meeting**

The nomination committee proposes that Carl Isaksson, LL.M., at Baker & McKenzie Advokatbyrå is appointed as chairman of the general meeting.

#### **Item 7b: Resolution regarding allocation of profit or loss in accordance with the adopted balance sheet**

The board of directors proposes that all funds available for the annual general meeting shall be carried forward.

**Item 8: Determination of remuneration to the board and to the auditors**

The nomination committee proposes that the remuneration is to be SEK 1,595,000 in total, including remuneration for committee work (SEK 1,490,000) including remuneration for committee work previous year), and shall be paid to the board of directors and the members of the established committees in the following amounts:

- SEK 200,000 (SEK 185,000) for each of the non-employed directors and SEK 400,000 (SEK 370,000) to the chairman provided that the chairman is not an employee.

The nomination committee further proposes that the remuneration for committee work shall be paid to the board of directors and the members of the established committees in the following amounts: SEK 80,000 to the chairman and SEK 35,000 to the other members of the Audit Committee and SEK 25,000 to the chairman and SEK 20,000 to the rest of the Remuneration Committee. All remuneration for committee work remains unchanged.

The nomination committee proposes that the auditor shall be entitled to a fee in accordance with approved invoice.

**Item 9: Election of board members and auditors**

The nomination committee proposes that the board shall consist of six directors. The nomination committee further proposes that the number of auditors shall be one registered accounting firm.

The nomination committee proposes the re-election of the current directors Anders Björkman, Cecilia Driving, Dan Jangblad, Nicklas Paulson, Magnus René and Patrik Tigerschiöld. Furthermore, it is proposed to re-elect Magnus René as chairman of the board.

The nomination committee further proposes the re-election of the registered audit firm Grant Thornton Sweden AB as the company's auditor for a period up until the end of the next annual general meeting. Grant Thornton Sweden AB has announced its appointment of Carl-Johan Regell as main responsible auditor.

**Item 10: Resolution regarding principles for the nomination committee**

The nomination committee propose that the following principles for the nomination committee are adopted. The principles are the same as last year.

The nomination committee shall consist of four members, of whom three are to be appointed by the three largest owner registered shareholders, with respect to voting power, listed in the share register maintained by Euroclear Sweden AB on 31 August each year, and the chairman of the board, who also shall summon the nomination committee to its first meeting.

The ownership statistics used to determine who has the right to appoint a member of the nomination committee shall be sorted by voting power (owner grouped) and include de 25 largest owner registered shareholders in Sweden. An owner registered shareholder is a shareholder who has an account with Euroclear Sweden AB in its own name or a shareholder who hold an account with a nominee and has its identity reported to Euroclear Sweden AB.

The member appointed by the largest shareholder, with respect to voting powers, shall be elected as chairman of the nomination committee, provided that such member is not also a member of the board of directors. The nomination committee shall fulfil the requirements regarding composition set out in the Code.

If one or several shareholders who have appointed members of the nomination committee ceases to be one of the three largest shareholders, with respect to voting powers, prior to three months before the annual general meeting, members appointed by such shareholders shall offer their seat to the shareholder who has become one of the three largest shareholders who shall have the right to appoint a replacement for the resigning member. If a member of the nomination committee resigns before the nomination committee has completed its assignment, and the nomination committee finds it desirable to appoint a replacement, the shareholder who is represented by such member, or if the shareholder is no longer one of the three largest shareholders, the next shareholders with the largest voting power, shall be entitled to appoint a replacement member. A change in the composition of the nomination committee shall be published immediately.

The composition of the nomination committee, together with the names of the shareholders they have been nominated by, shall be published on the Company's website no later than six months before the annual general meeting. No remuneration shall be paid to the members of the nomination committee. Any necessary costs associated with the work of the nomination committee shall be borne by the Company.

The mandate period for the nomination committee runs until the next committee's composition is announced. The nomination committee is to promote the interests of all shareholders of the Company with respect to question within the tasks for the committee as set out in the Code. Without limitation to the aforementioned the nomination committee shall propose the chairman of the annual general meeting, board of directors, chairman of the board, auditor, remuneration to the directors divided between the chairman and other directors and committee work and other remuneration for board assignments, remuneration to the Company auditor and principles for appointment of the nomination committee.

#### **Item 11: Resolution regarding guidelines for remuneration to senior executives**

Upon recommendation of the remuneration committee, the board of directors of the Company proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives.

##### **General**

The guidelines shall apply to remuneration that has been agreed upon or to changes in already agreed remunerations after the guidelines have been adopted by the annual general meeting. The guidelines do not apply to remunerations that has been resolved by the general meeting and any remuneration through shares, warrants, convertibles or other share-related instruments such as synthetic options or employ stock options shall therefore be resolved by the general meeting.

These guidelines apply to the CEO and other senior executives in the company group and all other remuneration to members of the board except fees to the board of directors.

Regarding employment conditions that are governed by rules other than Swedish, appropriate adjustments may be made in order to comply with such mandatory rules or established local practice, whereby the general objectives of these guidelines shall, to the extent possible, be met.

##### **The guidelines promotion of the Company's business strategy, long-term interest and sustainability**

For more information regarding the Company's business strategy, please see [www.ovzon.com](http://www.ovzon.com).

The guidelines shall contribute to the possibility to create conditions for the Company to retain and recruit competent and committed employees in order to successfully implement the Company's business strategy and meet the Company's long-term interests, including sustainability. The guidelines shall further stimulate an increased interest in the business and

earnings development as a whole, and to increase the motivation for the senior executives and increase positive cohesion in the Company. The Guidelines shall also contribute to good ethics and corporate culture.

In order to achieve the Company's business strategy, the total annual remuneration must be market based and competitive in the employment market in which the senior executive is situated and taking into account the individual's qualifications and experience and that exceptional performance must be reflected in the total remuneration.

These incentive programs have been approved by the general meeting and therefore the guidelines do not apply to these incentive programs. Each year, the board of directors evaluates whether a long-term share-related incentive program should be proposed to the annual general meeting.

The board of directors finds it that it is in all shareholders interests that senior executives and other employees and other key personnel have a long-term interest in a positive value development in the Company's share. A long-term ownership commitment is expected to stimulate an increased interest in the business and the development of earnings as a whole, and to increase the motivation for the participants and aims to achieve an increased community interest between the participant and the Company's shareholders and thereby contribute to the Company's business strategy, long-term interests and sustainability. Long-term share-related incentives also helps to attract when recruiting new executives.

#### **The forms of remuneration etc.**

The remuneration to the senior executives in the Company shall comprise of fixed salary, possible variable cash remuneration and other customary benefits and pension payments. The total remuneration, including pension benefits, shall, on a yearly basis, be in line with market practice and competitive on the labor market where the senior executive is based and take into account the individual qualifications and experiences of the senior executive as well as reflecting any notable achievements. The fixed salary shall be revised on a yearly basis.

#### **Fixed salary**

The senior executives' fixed salary is to be competitive and based on the individual senior executive's competences, responsibilities and performance.

#### **Variable remuneration**

The senior executives may receive variable remuneration in addition to fixed salaries. Variable cash remuneration is conditional upon the fulfillment of defined and measurable goals which should be determined by results. The variable cash remuneration should at most amount to 50 percent of the annual fixed salary for the respective senior executive.

The targets for receiving variable cash remuneration may include share based or financial targets, either on group or section level, operative goals and goals for sustainability and social responsibility, employee engagement or customer satisfaction. These targets are to be established and documented annually. The Company has established financial targets and KPIs in relation strategic and business critical initiatives and projects which ensures alignment with the business plan and business strategy for a continued sustainable business. The variable remuneration shall also be designed with the aim of achieving greater community of interest between the participating senior executive and the Company's shareholders in order to contribute to the Company's long term interest.

Cash based variable remuneration shall be calculated proportionally during the vesting year and requires continued employment and no notice of termination at the year end. Terms for variable cash remuneration should be designed so that the board of directors may limit or omit payment of variable cash remuneration, provided that exceptional economic circumstances are at hand or if it motivated because of any other reasons, if the board of

directors finds the payments unreasonable and incompatible with the Company's responsible in relation to its shareholders. The board of directors shall also have the right to pay variable remuneration on individual level in special circumstances for extraordinary achievements or during the year change the criteria for fulfillment of bonus targets if special reasons for it and a deviation is necessary to ensure the Company's long-term interests and sustainability or to ensure the Company's economic viability. Such remuneration may not exceed an amount corresponding to 30 percent of the fixed annual salary and not be paid more than once a year per individual. A resolution for such remuneration shall be made by the board after proposal from the remuneration committee. The Company has no right according to agreements to reclaim variable remuneration paid in cash.

### **Other benefits**

The Company may provide other benefits to senior executives in accordance with local practice. Such other benefits may include company car and company healthcare etc. Such benefits may amount to a maximum of 20 percent of the fixed annual cash salary. For executives who are stationed in a country other than their home country, additional remuneration and other benefits may be paid to a reasonable extent, taking into account the particular circumstances associated with such expatriation, whereby the overall purpose of these guidelines is to be met as far as possible. Such benefits may amount to a maximum of 30 percent of the fixed annual cash salary.

### **Pensions**

Pension benefits for the CEO and other senior executives must reflect customary market terms, compared with that which generally applies to executives in comparable positions in other companies, and should normally be based upon defined contribution pension plans. Retirement occurs at the relevant/applicable retirement age.

Pension benefits, including health insurance, must be defined in contribution schemes with respect to the CEO. Variable cash payments shall not entitle to pension. Pension premiums for defined contribution schemes shall amount to a maximum of 30 percent of the fixed annual cash salary.

For other senior executives, pension benefits, including health insurance, must be defined in contribution schemes unless the employee is covered by defined-benefit pensions under compulsory collective agreement provisions. Variable cash compensation must be pension-based insofar as it is compelled by compulsory collective agreement provisions applicable to the senior executive. Pension premiums for defined contribution schemes shall amount to a maximum of 30 percent of the fixed annual cash salary.

### **Consultancy fees**

Payment of consultancy fees and additional remuneration may be paid to directors after decision by the board of directors, after preparation by the remuneration committee, if a director performs services on behalf of the Company, which do not constitute board work. Such remuneration shall be designed in accordance with these guidelines.

### **Notice of termination and severance pay**

Fixed salary during the notice period and any severance pay shall in total not exceed an amount corresponding to a maximum of a two years' fixed salary. The maximum mutual notice period in any senior executive's contract may be no more than twelve months during which time salary payment will continue. The Company shall not allow any additional contractual severance payments.

### **Deviations from the guidelines**

The board of directors shall be entitled to deviate from the guidelines, for example with respect to recruitments of senior executives on the global labor market to be able to offer competitive terms and conditions, in an individual case if there are special reasons for it and a deviation is necessary to ensure the Company's long term interests and sustainability or to

ensure the Company's economic viability. An arrangement deviating from the guidelines can be renewed but each such arrangement shall be limited in time and shall not exceed a period of 24 months and twice the remuneration that the individual would have received had no additional arrangement been made.

**Preparation, decision processes etc.**

Decisions regarding salary and other remuneration to the managing director and other senior executives are prepared, within the scope of the guidelines resolved upon by the annual general meeting, by the remuneration committee and resolved on by the board of directors.

The remuneration committee shall also prepare the board of directors' decisions on issues concerning principles for remuneration. The remuneration committee shall also monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the senior executives and monitor and evaluate the application of these guidelines for remuneration to the senior executives, as well as and current remuneration structures and levels in the Company.

The board of directors shall prepare proposals for new guidelines at least every four years and submit the proposal for resolution at the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting.

The guidelines shall be applied in relation to every commitment on compensation to senior executives and every change in such commitment, which is resolved after the annual general meeting at which the guidelines were adopted. Thus, the guidelines have no impact on already pre-existing contractually binding commitments. Guidelines resolved upon may also be amended by way of a resolution by any other general meeting. Within the scope and on the basis of the guidelines, after preparation by the remuneration committee, the board of directors shall annually decide on the specific revised remuneration terms for the CEO and each senior executive and make such other decisions on compensation to senior executives that may be required. The CEO or other senior executives shall not participate in the remuneration committee's and the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The remuneration committee shall annually prepare a remuneration report regarding the compensation to the senior executives. The remuneration report shall be made available to the share-holders on the Company's website by the remuneration committee no later than three weeks prior to the annual general meeting.

Day to day costs such as travel expenses for the CEO are approved by the chairman of the board. Other day to day costs are approved by the CEO. Payout of fixed base pay is prepared by local payroll departments and are approved before payout by the local HR representative. Payout of short-term variable remuneration to senior executives and the CEO is subject to approval from the remuneration committee. Eligibility for share-related incentive program must be approved by the board of directors based on the proposal approved at the annual general meeting.

Compliance with guidelines is controlled annually through the following activities:

- Collection of documented annual targets for short-term variable pay
- Random samples of salary payout approvals
- Sample reports from payroll systems to identify any out of the ordinary payouts

The results of the controls are summarized and reported to the Remuneration Committee.

In the preparation of the board of directors' proposal for these guidelines for compensation to the CEO and other senior executives, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total

remuneration, the components of the remuneration and increase and growth rate over time, in the board of directors' basis of decision.

The board of directors considers that the guidelines on remuneration to senior executives are proportionate in relation to salary levels, remuneration levels and conditions for other employees in the group.

### **Information regarding remuneration**

Information regarding remuneration to the senior executives, the Company's incentive programs and previously paid variable remuneration which is not yet due for payment shall be included in the Company's annual accounts, which are held available at the Company's website [www.ovzon.com](http://www.ovzon.com).

### **Item 12: Resolution regarding authorization for the board of directors to issue shares and warrants**

The board of directors of the Company proposes that the annual general meeting resolves to authorize the board of directors during the period up until the next annual general meeting to, on one or more occasions, resolve to issue shares and/or warrants, with or without preferential rights for the shareholders, in the amount not exceeding twenty (20) percent of the total number of shares in the Company at the time when the authorization is used the first time, to be paid in cash, in kind and/or by way of set-off.

The purpose for the board to resolve on issuances with deviation from the shareholders preferential rights in accordance with the above is primarily for the purpose to raise new capital to increase flexibility of the Company and possibility to advance the development of the Company's satellite projects or in connection with acquisitions.

Issuances of new shares under the authorization shall be made on customary terms and conditions based on current market conditions. If the board of directors finds it suitable in order to enable delivery of shares in connection with a issuance as set out above it may be made at a subscription price corresponding to the shares quota value.

The board of directors or a person appointed by the board of directors shall be authorized to make such minor adjustments in the above resolution that may be required in connection with the registration with the Swedish Companies Registration Office.

### **Item 13: Resolution regarding long-term incentive program LTIP 2022**

The board of directors of the Company proposes that the annual general meeting passes a resolution on the implementation of a Long Term Incentive Program 2022 ("**LTIP 2022**"). This proposal is divided into three items:

- A. Warrants program for primarily Swedish participants (the "**Warrants Program**"), including issuing warrants of series 2022:A
- B. Employee stock option program for primarily American participants (the "**US Program**"), including issuing warrants of series 2022:B
- C. Other matters related to LTIP 2022

The Board wishes to establish a long-term incentive program for all employees in the Company in order to encourage personal long-term ownership in the Company as well as to increase and enhance its ability to recruit, retain and motivate employees in the Company. The intension is also to use LTIP 2022 to unite the interest of the employees with the interest of the shareholders. The Board therefore proposes that the general meeting resolves to implement LTIP 2022 for employees in the Company. The term of LTIP 2021 is more than three (3) years. Considering the different market conditions, the Board proposes to implement one part of the LTIP program for mainly Swedish employees, the Warrants Program, and a separate part for mainly American employees, the US Program. In both parts of LTIP 2022 employees in other countries may participate and shall be determined

from what is most suitable from local regulations. What is said about "employees" in this proposal also concerns consultants being of significant value for the Ovzon group.

## **A. Warrants program**

### **A.1 Approval of transfer of warrants**

A.1.1 The Board further proposes that the general meeting resolves to approve that the Company may transfer the warrants to the participants of series 2022:A in accordance with the following terms.

A.1.2 Right to acquire warrants from the Company shall be entitled two categories of Swedish participants (the "**Participants**") in accordance with the table below. The allocation to the categories has been based on the Participants' position, seniority and work performance.

Category	No of Participants	Total number of Warrants per Participant	Total number of Warrants per category
A. Management	Maximum 4	Maximum 25,000	Maximum 100,000
B. Other participants	Maximum 25	Maximum 5,000	Maximum 125,000

A.1.3 The warrants shall be issued to the Participants to market value. The Company will, to the Participants acquiring the maximal amount of warrants, pay a single payment bonus of SEK 100,000 to Participants in category A and SEK 30,000 to Participants in category B, see item C.1 below. The market value shall be performed by an independent valuation institution, applying the Black & Scholes valuation model.

The value of each warrant have preliminary been calculated to SEK 4.88 based on the assumptions of a market value of the underlying share of SEK 52, a subscription price of SEK 91 per share, a term of 3.13 years, a risk-free interest of 0.41 percent and a volatility of 37 percent.

The preliminary calculation above presume no dividend yield will be paid out during the term until the warrants can be exercised. Such dividends will fully be compensated through recalculation in accordance with the complete terms of the series 2022:A.

A final valuation of the warrants will be carried out in connection to the Participants acquisitions of the warrants and will be based on the by that time current market conditions.

A.1.4 A prerequisite for the transfer of warrants to the Participants is that the acquisition can take place legally and that it according to the Board may be executed with reasonable administrative and financial efforts.

- A.1.5 Notice of the Participant's intention to participate shall be given no later than 16 May 2022. The Board shall be entitled to extend the subscription period as well as set forth a new notice of subscription period for such new employees whose acquisition will take place following the end of the initial subscription period. Warrants remaining after the end of the initial subscription period shall be transferred to new employees in accordance with the principles in this proposal. Transfer shall be made at the then current market price. The remaining term of the warrants may be less than three years when the transfer is made to new employees. Such transfers are nevertheless of material importance for the company since it is of critical importance to adhere new employees to the corresponding incentive structure that applies for other employees and to have an alignment to work for the long-term and sustainable development of the company.
- A.1.6 Payment for warrants to be acquired shall be made within two days following the notice of acquisition. Notwithstanding the previous, the Board shall have the right to prolong the period of payment as well as specify a equivalent period of payment for new employees who's acquisitions will take place following the end of the initial period of payment.
- A.1.7 The Company will not repurchase warrants should the employment be terminated or in other situations. The terms of the warrants shall also be in accordance with customary market terms.
- A.1.8 Warrants held by the Company which have not been transferred to, or repurchased from, a Participant may be cancelled following a passed board resolution.
- A.2 Issue of warrants of series 2022:A
- A.2.1 The Board proposes that the general meeting resolves to carry out a private placement in respect of not more than 225,000 warrants entailing an increase in the share capital of not more than SEK 22,500 if the private placement is fully taken up.

**Following terms and conditions shall be deemed applicable**

- A.2.2 The right to subscribe for the warrants, with derogation from the shareholders' pre-emption rights, shall vest in the Company, with right and obligation to transfer the warrants to the Participants in the Warrants Program or otherwise to third parties in accordance with below.
- No oversubscription is allowed.
- A.2.3 The reason for derogation from the shareholders' pre-emption rights is to establish a long-term incentive program for all present and future employees of the Company shall be able to hold a personal long-term ownership in the Company and to encourage an increase in value of the Company's share for the suggested time span of the LTIP, as well as well as to increase and enhance the Company's ability to recruit and retain competent and committed employees.
- A.2.4 The warrants shall be issued at no consideration to the Company.
- A.2.5 Subscription for the warrants shall take place on the same day as the date of the resolution to issue warrants. The Board shall be entitled to extend the subscription period.

- A.2.6 Each warrant entitles the holder to subscribe for one new share in the Company.
- A.2.7 The warrants may be exercised to subscription for new shares during the period commencing on 1 June 2025 until 30 June 2025.
- A.2.8 The subscription price per share shall correspond to 175 percent of the volume-weighted average price according to Nasdaq Mid Cap Stockholm's official price list for the share during the 28 April to 11 May 2022.
- A.2.9 The share premium shall be transferred to the unrestricted premium reserve.
- A.2.10 The shares subscribed for based on the warrants shall carry a right to participate in dividends for the first time on the next record date for dividends, which occurs after subscription is completed.
- A.2.11 Other terms and conditions for the warrants according to the complete terms and conditions for series 2022:A.

## **B. Employee stock option program for American participants**

### **B.1 The US Program**

#### **B.1.1 Basis features of the US Program**

The US Program shall comprise a maximum of 225,000 employee stock options. The employee stock options within the framework of the US Program may be granted to employees in the Ovzon Group. The participants are based in the US and other countries where the Ovzon group is operating. The employee stock options shall be granted to employees without consideration. Each employee stock option entitles the holder to acquire one (1) share in the Company in accordance with the following conditions.

Each employee stock option entitles the holder, after the end of the Qualification Period (defined below) and provided continued employment (with certain exceptions), to acquire one (1) share in the Company at an exercise price corresponding to 175 percent of the volume-weighted average price according to Nasdaq Mid Cap Stockholm's official price list for the share during 28 April to 11 May 2022.

The holder's employee stock options will be subject to time-based vesting for three (3) years (the "**Qualification Period**"), after which all the holder's employee stock options shall be deemed vested and can thus be exercised for subscription of shares in the Company. Employee stock options that have not been vested shall expire immediately (with certain exceptions) in connection with the termination of the participants employment in the Ovzon Group.

Customary recalculation of the exercise price as well as of the number of shares that each employee stock option corresponds to may occur if the share capital or the number of shares in the Company changes due to bonus issue, split or reverse split, redemption of shares, certain new issues and other similar corporate events, and if certain other measures are taken.

Other terms for the employee stock options are set out in the 2022 Equity Plan.

- B.1.2 Participation in the US Program  
 Right to acquire warrants from the Company shall be entitled three categories of American participants ("the **Participants**") in accordance with the table below. The allocation to the categories has been based on the Participants' position, seniority and work performance.

Category	No of Participants	Total amount of Warrants per Participant	Total amount of Warrants per category
A. CEO	1	Maximum 50,000	Maximum 50,000
B. Management	Maximum 4	Maximum 25,000	Maximum 100,000
C. Other employees	Maximum 15	Maximum 5,000	Maximum 75,000

- B.1.3 Implementation and administration etcetera  
 The Board shall in accordance with the resolutions by the general meeting set forth herein be responsible for the detailed design and implementation of the US Program. The Board may also decide on the implementation of an alternative cash based incentive for participants in countries where the allotment of employee stock options is not appropriate, as well as if otherwise considered appropriate. Such alternative incentive shall to the extent practically possible be designed to correspond to the terms of the US Program.

**B.2 Issue of warrants series 2022:B**

- B.2.1 To accommodate a delivery of shares to Participant's in the US Program the Board proposes that the general meeting resolves to carry out a private placement in respect of not more than 225,000 warrants of series 2022:B, entailing an increase in the share capital of not more than SEK 22,500 if the private placement is fully taken up.
- B.2.2 The right to subscribe for the warrants, with derogation from the shareholders' pre-emption rights, shall vest in the Company, with right and obligation to transfer the warrants to present and future employees of the Company in accordance with the US Program. Acquisition of the may be executed without consideration in accordance with the US Program.
- No oversubscription is allowed.
- B.2.3 The reason for derogation from the shareholders' pre-emption rights is to establish a long-term incentive program for all present and future employees of the Company shall be able to hold a personal long-term ownership in the Company and to encourage an increase in value of the Company's share for the suggested time span of the LTIP, as well as well as to increase and enhance the Company's ability to recruit and retain competent and committed employees.
- B.2.4 The warrants shall be issued at no consideration.

- B.2.5 Subscription for the warrants shall take place on the same day as the date of the resolution to issue warrants. The Board shall be entitled to extend the subscription period.
- B.2.6 Each warrant entitles the holder to subscribe for one new share in the Company.
- B.2.7 The warrants may be exercised to subscription for new shares during the period commencing on 1 June 2025 to 30 June 2025.
- B.2.8 The subscription price per share shall correspond to the quota value of the share.
- B.2.9 The share premium shall be transferred to the unrestricted premium reserve.
- B.2.10 The shares subscribed for based on the warrants shall carry a right to participate in dividends for the first time on the next record date for dividends, which occurs after subscription is completed.
- B.2.11 Other terms and conditions for the warrants according to the complete terms and conditions for series 2022:B.

## **C Other matters related to LTIP 2022**

### **C.1 Effect on important key ratios and costs for the Company**

Given the above assumptions regarding costs, and that LTIP 2022 was introduced in 2021 instead, it is estimated that the key figure earnings per share for full year 2021 only would have been affected marginally. The Company's future revenue per share may be affected by the potential dilution of the warrants.

#### The Warrants Program

The warrants will be transferred for market value meaning that neither any benefit value will be at hand, nor any costs of personnel for the Company concerning Participants in Sweden. For any eventual Participants taxed in another country than Sweden, smaller costs concerning social security charges may arise. The single payment bonus being paid according to item A.1.3 above can be no higher than SEK 1,150,000. To this are added social security contributions in the amount of SEK 361,000. In addition the Warrants Program will bring some limited costs consisting of external consultancy fees and administration.

#### The US Program

The costs for the employee stock options, which are charged in the profit and loss account, are calculated according to the accounting standard IFRS 2 and distributed on a linear basis over the vesting period. The calculation has been made based on the following assumptions: (i) no dividend is paid by the Company during the term of the program, (ii) an assessment of future volatility in respect of the Company's common share, and (iii) full vesting of the employee stock options. In total, this can lead to maximum costs for the US Program of approximately SEK 1,1 million, excluding social security costs. The costs for social security charges are calculated to approximately SEK 0.2 million assuming an annual share price increase of 26 percent during the vesting period.

**C.2 Dilution of existing shares and votes**

Based on the number of shares and votes outstanding in the company, the LTIP 2022 implies, upon exercise of all 450,000 warrants, a full dilution corresponding to approximately 0,9 percent of the total number of shares and votes outstanding in the company. If all outstanding and proposed LTIPs in the Company are included in the calculation the corresponding dilution would estimate to 3,3 percent with reservation for eventual recalculations according to the warrant terms for each program.

**C.3 Calculation of the market value**

The independent valuation institute, PwC, makes a calculation of the value of the warrants applying the Black & Scholes valuation model.

**C.4 Other share-related incentive programmes**

The Company's other share-related incentive programs are described on pages 73-74 in the annual accounts for 2021 financial year.

**C.5 Instructions for the Board**

The general meeting instructs the Board to execute the resolutions A and B above. In addition, the Board of Directors, or a person appointed by the Board of Directors, shall be authorized to make minor adjustments to the resolutions above that may be necessary in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB, and if applicable any local regulation respectively in connection of the launch of LTIP 2022.

**C.6 The background and rationale for the proposal**

The Board wished to implement a long-term incentive program for all present and future employees of the Company shall be able to hold a personal long-term ownership in the Company and to encourage an increase in value of the Company's share for the suggested time span of the LTIP, as well as well as to increase and enhance the Company's ability to recruit and retain competent and committed employees

**C.7 Preparation of the proposal**

The basis for the LTIP 2022 has been prepared by the remuneration committee of the Company. The work has been supported by external advisors and has been made in consultation with shareholders. The Board has thereafter decided to present this proposal for the general meeting. Except for the staff that have prepared the matter upon instruction from the Board of Directors, no employee that may be a Participant of the program has participated in the preparations of the program's terms.

**Majority requirements**

Resolutions in accordance with item 12 is valid only where supported by shareholders holding not less than two-thirds of both the shares voted and of the shares represented at the general meeting.

Resolutions in accordance with item 13 is valid only where supported by shareholders holding not less than nine-tenths of both the shares voted and of the shares represented at the general meeting.

**Number of shares and votes**

The total numbers of shares and votes in the Company on the date of this notice are 51,270,876. The Company holds no own shares.

**Other**

Copies of accounts, auditor statement, proxy form, form for advanced voting and the complete proposals and other documents that shall be available in accordance with the Swedish Companies Act are available at least three weeks in advance of the meeting. All documents are available at Baker & McKenzie Advokatbyrå's premises on Vasagatan 7 in Stockholm and at the Company's website [www.ovzon.com](http://www.ovzon.com) in accordance with the above and will be sent to shareholders who request it and provide their e-mail or postal address.

The shareholders hereby notified regarding the right to, at the annual general meeting, request information from the board of directors and managing director according to Ch. 7 § 32 of the Swedish Companies Act.

**Processing of personal data**

For information on how personal data is processed in relation the meeting, see the Privacy notice available on Euroclear Sweden AB's website:  
<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammorengelska.pdf>.

\* \* \* \* \*

Stockholm in March 2022

**Ovzon AB (publ)**

The board of directors