

## Invitation to extraordinary general meeting

**Shareholders in Morpic Technologies AB (publ) are hereby invited to attend an extraordinary general meeting on Monday, March 3, 2008, at 12.00 in the Stallet conference suite, Bofors Hotell, 691 80 Karlskoga, Sweden**

### Entitlement to participate in the meeting

The shareholders entitled to participate in the meeting are those who are registered on the stock book printed out by VPC AB on February 26, 2008, and who have also registered by post to the address Morpic Technologies AB, Gammelbackavägen 6, 691 51 Karlskoga, Sweden, or by e-mail to [stamma@morphic.se](mailto:stamma@morphic.se). The entry details should contain name, personal ID/company registration number, telephone number and the names of any assistants and should be in the company's possession by February 26, 2008.

A shareholder can be represented by another person through power of attorney. Shareholders who have their stock proxy-registered must temporarily have their stock reregistered in their own name. Voting rights must be registered in this way on February 26, 2008. To ensure that this happens, a request to register voting rights ought to be submitted to the administrator in good time.

### Proposed agenda

1. Opening of the meeting
2. Election of Chairman of the meeting
3. Drawing up and approving the voters' list
4. Approval of the agenda
5. Election of one or two members to verify the minutes
6. Determination of whether the meeting has been properly convened
7. Resolution on option program, covering the issue of subscription options
8. Close of meeting

### Resolution on option program, covering the issue of subscription options

The Board proposes that the meeting should decide on the introduction of an option program. The motive behind the Board's proposals and the reasons for any divergence from the shareholders' preferential rights are to underpin employee interest in the Group's business and to show clearly the link between employee benefits and company development. For the company, it is essential to create the right conditions for recruiting and retaining competent staff. The Board therefore judges the proposed option program to be advantageous to Morpic and its shareholders.

The Board proposes that the general meeting should resolve to approve the issue of a maximum 4,500,000 options. It must be possible to issue the options in two series – employee options and "synthetic" options. The options do not constitute securities and may not be transferred to any third party. Each option gives entitlement to the value of the stock price increase for Morphic stock. The employee option gives entitlement to acquire one B share in Morphic at a predetermined rate. The synthetic option gives entitlement to a cash sum equivalent to the difference between the stock exchange rate for B-shares at the time of exercising the option and a predetermined rate. The Board shall decide on the distribution of the number of options between the two series.

To guarantee the company's obligations with regard to stock options issued and the obligation to pay social fees, a stock issue of 6,000,000 subscription options is proposed. Each subscription option shall entitle the holder to subscribe for one B-share on terms that correspond to the conditions set out for employees. The subscription options shall be subscribed to, free-of-charge, by a wholly-owned Group company.

Every employee option shall give entitlement, during the period March 1 – May 31, 2013, to acquire one new B-share at a rate corresponding to 110 % of the volume-weighted average rate for Morphic B-shares during the period Mars 4 – 17, 2008. Every synthetic option shall give entitlement to a cash sum equivalent to the difference between the rate for exercising an options contract (which is the same as for the employee option) and the volume-weighted average rate for Morphic B-shares during the period May 15 – 31, 2013. The cash sum will be paid out on June 15, 2013. Entitlement to exercise the options can be granted earlier if the following performance conditions for the options are fulfilled earlier than the calendar year 2012.

The right to exercise the options must be combined with a performance condition linked to Group turnover. The performance condition shall be regarded as being met in full if Group turnover during the calendar year, 2012, amount to at least SEK 10 billion. If, during 2012, turnover amounts to SEK 9 billion the option holder may exercise 90 % of the allocated options and, in addition, on a descending scale down to turnover of SEK 3 billion, when 30 % of the allocated options may be exercised. If, during 2012, turnover is less than SEK 3 billion no options may be exercised. The right to exercise the options is also conditional on the option holder still being an employee of the Morphic Group when the options are exercised. Any option holder who resigns from his or her post, however, shall be able in part to exercise the options in conjunction with the termination of that employment. The performance condition shall in such case be determined by the Board.

Options shall be allocated, free of charge, to senior executives and other key people within Group companies and associated companies in Sweden and abroad, taking into account factors such as the employees' salary level, experience and position within the company. It is proposed that the Group CEO should be allocated 1,000,000 employee options.

Morphic's share capital is currently split into 150,772,022 shares (5,984,000 A-shares and 144,788,022 B-shares). If all 6,000,000 subscription options are issued and exercised for subscription to 6,000,000 shares within the framework of the option program, the newly issued shares will be equivalent to approx 3.8 % of share capital.

For a resolution to be valid in the part that relates to employee options, in accordance with Chapter 16 of Sweden's Companies Act [Aktiebolagslagen] (which contains the regulations that were previously

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Morphic Technologies AB (publ)

Karlskoga, January 28, 2008

included in "Lex Leo"), the resolution needs to be supported by shareholders with at least 9/10 of the votes cast and the shares represented at the general meeting. For a resolution to be valid in the part that relates to synthetic options, a resolution needs to be supported by shareholders with at least 2/3 of votes cast as well as the shares represented at the general meeting.

### Other

The Board's full proposal for resolution is made available at the company premises (address and telephone number as given above) and on the company's website at [www.morphic.se/stamma](http://www.morphic.se/stamma) as from February 18, 2008 and will be sent to shareholders who apply for this to the company.

Karlskoga, January 28, 2008

MORPHIC TECHNOLOGIES AB (publ)

*The Board*

### For further information, please contact:

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*Morphic Technologies is a Swedish industrial company, offering energy systems based on renewable electricity production and resource-efficient technology for producing components in large production series. The business is run in Sweden (Karlskoga, Filipstad, Kristinehamn and Gothenburg), and also in Greece, Italy and Switzerland. The company's B-shares are associated with the Stockholm Stock Exchange's First North trading market, with Remium Securities as Certified Advisor. More information on the company is available at [www.morphic.se](http://www.morphic.se).*