

THE BOARD OF DIRECTOR'S PROPOSAL REGARDING TRANSFER OF SUBSCRIPTION WARRANTS TO EMPLOYEES

The Board of AarhusKarlshamn AB (publ) proposes that the Annual General Meeting 2011 resolves on transfer of subscription warrants to employees in accordance with the following.

The Extraordinary General Meeting in AarhusKarlshamn AB on the 8 November 2010 resolved to implement a subscription warrant program ("Subscription Warrant Program 2010/2015") directed at senior executives and key employees within the group, whereas 1 500 000 subscription warrants were issued to the wholly-owned subsidiary AarhusKarlshamn Invest AB for further transfer to the participants in Subscription Warrant Program 2010/2015 according to the guidelines from the General Meeting.

Since the Subscription Warrant Program 2010/2015 was implemented approximately 1 100 000 subscription warrants have been transferred to senior executives and key employees in the group under the program. Other employees within the group (not comprised by the General Meeting's earlier resolution) have now shown an interest to participate in Subscription Warrant Program 2010/2015. The Board of Directors is positive about the interest shown and wants to offer participation in the program to a wider circle of employees. The Board of Directors is of the view that participation in the Subscription Warrant Program 2010/2015 can give the employees an opportunity to take part of an increase in value of the company and will lead to an enhanced interest in the company's development – as well as the company's share price development – and stimulate a continued loyalty towards the company over the forthcoming years. The company has assessed that there is an interest from other employees within the group to acquire approximately 100 000 subscription warrants. Even after the transfer of subscription warrants to the wider group of employees, the company is of the view that there is a sufficient amount of issued warrants for disposal to transfer warrants to future senior executives and key employees in the group. Against this background, the Board of Directors therefore proposes that transfer of the issued subscription warrants shall be permitted from AarhusKarlshamn Invest AB to other employees within the group, not comprised by the earlier resolution by the General Meeting, in accordance with the following guidelines.

Transfer to employees within the AarhusKarlshamn group shall be made of a maximum of 700 subscription warrants per participant and on the terms and conditions resolved by the General Meeting under the Subscription Warrant Program 2010/2015. Subsequently, the transfers shall be made at a price corresponding to the market value of the subscription warrant at the time of transfer, as has been determined by an independent valuation institute with an established valuation method (Black & Scholes).

The proposal of the Board of Directors must be supported by shareholders representing at least nine tenths of both the number of votes cast and the shares represented at the General Meeting in order to be valid.

Malmö in April 2011
The Board of Directors
AARHUKARLSHAMN AB (publ)