

## **The board's proposal to a) Reduce the share capital by way of cancellation of repurchased own shares b) Increase the share capital by way of bonus issue**

### **a) Reduction of the share capital by way of cancellation of repurchased own shares**

The board proposes that the annual general meeting 2018 (the "Meeting") resolves to reduce the company's share capital with a total of SEK 2,000,000. The reduction shall be made by cancellation of 1,000,000 shares of series B repurchased by the company by virtue of the authorisation granted by a previous annual general meeting to be transferred to an unrestricted reserve to be used in accordance with item b) below.

The board's statement pursuant to chapter 20, section 13, fourth paragraph of the Swedish Companies Act

As statement pursuant to chapter 20, section 13, fourth paragraph of the Swedish Companies Act the board state the following. The decision to reduce the share capital pursuant to this item a) may be carried out without obtaining consent from the Swedish Companies Registration Office, or in the event of a dispute, permission from a public court, as the company simultaneously carries out a bonus issue as referred to in item b) below, with an amount equivalent to the reduction of the share capital as described above.

All in all, these measures do not reduce the company's restricted equity or share capital. The effect of the board's proposal under this item a) is that the company's restricted equity and share capital will decrease by SEK 2,000,000. The effect of item b) below is that the company's restricted equity and share capital will increase by SEK 2,000,000 through a bonus issue and will therefore return at least to the amount it had before the decrease.

### **b) Increase of the share capital by way of bonus issue**

In order to restore the share capital after the proposed reduction of the share capital as set out above, the board proposes that the Meeting simultaneously resolves to increase the share capital through a bonus issue of SEK 2,000,000 through a transfer of SEK 2,000,000 from the company's unrestricted equity. No new shares shall be issued in connection with the bonus issue.

The board or the person appointed by the board shall be entitled to make such minor adjustments to the above resolutions as may be required to register the resolutions with the Swedish Companies Registration Office or Euroclear Sweden AB and to take the measures required to execute the resolutions.

Resolutions by the Meeting in accordance with item 19 a) – b) above shall be adopted as a joint resolution. A resolution shall be valid only where supported by not less than two-thirds of both the votes cast and of the shares represented at the Meeting.

Stockholm in July 2018

The board of Bergman & Beving Aktiebolag