



THE COMPLETE PROPOSAL OF THE BOARD FOR A RESOLUTION TO ADOPT THE 2006 ORTIVUS AB (PUBL) ("THE COMPANY") 2005 SHARE UNIT PLAN

Background

The 2005 Annual General Meeting resolved to adopt the Ortivus AB 2005 Share Unit Plan, [appendix 1](#). Below is the Board's proposal relating to the grant for 2006.

1. Board's proposal for a resolution to grant stock options in accordance with the 2006 Plan

The Board proposes that the general meeting resolve to grant stock options that give the possibility to acquire class B shares of the Company. The stock options shall be granted in accordance with the terms of the Plan and the terms set out below in section 1.

The stock options shall be offered to key employees within the Ortivus Group. Stock options may also be offered to foreign subsidiaries within the Ortivus group in order to be further transferred to employees abroad. In the 2006 grant, the stock options shall, subject to fulfillment of performance targets and other vesting conditions, entitle to a total of 166,667 Class B shares in the Company. The commitment to deliver shares upon exercise of stock options is proposed to be secured by the issuance of warrants for Class B shares in the Company (see section 2 below), which shall be aimed at the Company's wholly owned subsidiary Elementanalys-Analytica AB.

1.1 Grant levels

According to the Plan stock options will be offered to 13-14 key employees, in accordance with the following three levels at target performance: category 1 – top executives (1 person) – with the possibility of acquiring a maximum of 90,000 shares; category 2 - other senior executives (about 4 people) with the possibility of acquiring 54,000 shares each; category 3 middle management and key employees (about 7 people) – with the possibility of acquiring a maximum of 22,500 shares each. A total of 36,500 options, equivalent to 36,500 shares, will be reserved for 1 to 2 people who are not yet employed and 165,000 options will be granted to protect the parent company against the risk of becoming subject to social

fees in the event of a substantial price increase for Class B shares in the Company.

The Board shall decide who will be included in the categories above.

Directors on the Board are not entitled to stock options.

1.2 Employees outside Sweden

Grant of stock options to employees outside Sweden is conditional on that such grants can lawfully be made and that the Board determines that it can be done with reasonable administrative and/or financial resources.

If legal impediments prevent granting stock options to employees in a country other than Sweden, the Board may instead, if more appropriate, grant synthetic stock options to such employees. The synthetic stock options shall have a similar term and conditions as the stock options granted. However, the synthetic stock options shall only entitle the employee to receive a cash payment upon exercise equal to the difference between the fair market value of the Company class B share at the date of exercise and a predetermined grant value. The grant value shall equal the exercise price of the stock options.

1.3 Vesting requirements

Subject to the requirements stated in the Plan (see sections 1.3 – 1.5 in appendix 1) and the performance requirement specified below, the stock options shall become exercisable according to the following schedule: May 1, 2006 -one-third of the total number of Shares earned under the stock option; May 1, 2007 - two-thirds of the total number of Shares earned under the stock option; May 1, 2008 - all Shares earned under the stock option. The Board notes that no options were earned under the Plan relating to 2005.

The stock options shall be earned in relation to collective performance during the Ortivus Group's 2006 financial year. Performance shall be measured against an increase in business volume (i.e., organic growth in % of “net sales”) compared with the Ortivus Group's preceding financial year in accordance with the following:

1. Shares will be earned if the increase in net sales, excluding any acquisitions of Companies, calculated based on the adopted consolidated accounts, compared with the preceding financial year, exceeds 15%. The comparison between the years shall be based on the outcome of net sales for the twelve-month period of 2005 for the Medos Group.

2. Shares will be earned if operating profit, calculated based on the adopted consolidated accounts for the Ortivus Group, excluding any acquisitions of Companies, exceeds SEK 500,000.

1.4 Exercise price

The exercise price per share, i.e. the price to be paid by an employee to receive a share, shall be determined by the Board in accordance with the principles set out in the Plan (see section 1.6 in appendix 1).

1.5 Term of stock option

The stock options expire on July 31, 2009.

1.6 Theoretical value of the stock options

The stock options do not have any fair market value since they are not transferable. An indicative theoretical value of a stock option has been calculated based on the Black & Scholes option valuation model and to the extent possible according to the principles included in the International Financial Reporting Standard 2 (IFRS 2). The calculation has been based on an assumed share price of SEK 36 and an expected volatility of 40%. The theoretical value for the 2006 grant has been calculated to SEK 5.16 per stock option, which at full grant would give personnel costs for 2006 of about SEK 645,000 and for year 2007 of about SEK 215,000. If the Board resolves to grant synthetic options linked to Ortivus Class B shares, additional personnel costs may arise if share prices climb. Assuming that the Ortivus Class B share reaches a price of SEK 50 at the end of 2006, this would mean increased personnel costs for 2006 in the Ortivus Group of SEK 314,000, based on the people who may be involved according to section 1.2 above. In addition, for both types of program a provision will be made for social security costs, which are recognized as personnel costs, to the extent that the employee is expected to receive a benefit. However, the hedge that serves as part of the proposed issue covers these social security costs.

Because the terms for earning stock options relating to the 2007 financial year have not yet been set, no equivalent calculation for this year can be made.

The purpose of this calculation is not to serve as the basis for calculating tax consequences or for consolidated and individual financial statements (prepared according to IFRS and the Annual Accounts Act, respectively).

1.7 Delivery of shares and costs

To ensure that the Company can fulfill its commitment to the employees upon exercise of stock options (or synthetic stock options if applicable), the Board also proposes that the general meeting of shareholders resolves to issue warrants for Class B shares in the Company for the wholly owned subsidiary Elementanalys-Analytica AB (see section 3 below).

The resolution to grant stock options (synthetic stock options if applicable) in accordance with this section 1 shall be subject to the adoption by the general meeting of shareholders of the resolution proposed under section 2 below. Consequently, the delivery of shares (cash if applicable) should not have any impact on the Company's cash flow.

However, exercise of the stock options will raise liability to pay social security charges in some countries. Based on the residency of the eligible employees, the average employer social security rate has been estimated to 23.6%, which will normally be charged on the difference between the share price at the time of exercise and the exercise price. The following example illustrates the possible social security liability if all stock options were vested and exercised. The example is only indicative since it is based on several assumptions such as the share price at the time of grant (SEK 40.0 which would result in an exercise price of SEK 44.00), the future share price at exercise, social security rates etc.

Example of social security liability

Full vesting

Assumed share price upon exercise (SEK)	50	65	88
Social security costs (SEK 000s)	314	1 101	2 280

2. The Board's proposal to issue warrants for Class B shares and permission to transfer warrants

The Board proposes that the Annual General Meeting shall resolve that the Company shall issue a maximum of 221,667 warrants for subscription of new Class B shares in the Company. As a result thereof, the Company's share capital could rise by a maximum of SEK 1,108,335.

For subscription of warrants the following conditions shall apply.

2.1 Right to subscription

With waiver of shareholders' preferential rights, the company's subsidiary Elementanalys-Analytica AB shall be entitled to subscribe for the warrants, with the right and obligation after subscription and at the request of employees for exercise of employee options issued by the Company (or synthetic stock options if applicable) in accordance with section 1 above, to fulfill the Company's obligations through the transfer of that part of 166,667 warrants related to the employee option program. In addition 55,000 warrants will be issued to cover any social security costs that may arise due to the program. These options may be transferred to external managers as part of the economic hedge of the program.

2.2 Subscription price, period for subscription

The price at which subscription of a new Class B share shall be carried out will be 110% of the average closing price during the 10 trading days directly after the Annual General Meeting, though not below the par value of the share.

Subscription of Class B shares based on the warrants, whereby one (1) warrant carries the right to subscribe for one (1) Class B share, can be carried out during the period from and including May 1, 2007 to and including July 31, 2009.

2.3 Subscription and payment of warrants

Subscription of warrants shall take place no later than May 30, 2006. No payment shall be made for the warrants.

2.4 Terms in other respects for warrants

Terms in other respects for the warrants can be seen in appendix 2 (Terms for Ortivus AB warrants for subscription of new shares 2006/2009)

2.5 Background and motive

The reason for deviation from the shareholders' preemption right is that the Board has proposed that the general meeting of shareholders shall resolve a grant of stock options to employees in accordance with section 1 above. The warrants shall be used to secure the company's commitment to deliver shares upon exercise of granted stock options. A condition for a resolution in accordance with the proposal for granting employee options as described

in section 1 is that the proposed issue of debenture with detachable warrants is made to the subsidiary Elementanalys-Analytica AB.

In addition to the options that will be used in the employee stock option program (maximum exercise 500,000 warrants), Elementanalys-Analytica AB shall subscribe to an additional total of 165,000 warrants to cover social security costs that may arise in conjunction with the stock option program.

2.6 Dilution, etc.

At total exercise of issued warrants the share capital can be increased with a maximum of SEK 1,108,335 by issuance of a maximum 221,667 class B shares corresponding to, at total exercise, about 1.6% of the total number of shares and about 1.1% of the total number of votes in the Company.

The example below illustrates the shareholders' theoretical financial dilution in benefit of the stock option holders at different future share values. As a basis for the example it has been assumed that the price to be paid by the employee to receive a share of the company is SEK 44.00 (equal to 110% of SEK 40.0 which in this example is assumed to be the share price of the class B share at the time of grant) and that all shares subject to stock options that have been earned due to performance will be issued (i.e. it is assumed that additional vesting requirements of continuous employment as well as retained share investment have been met).

The rates stated in the example below show the financial dilution of the shareholders based on the current number of shares in the company. Financial dilution refers to the difference between the share's market value at the time of exercise of the option and the Board's approved exercise price for the share at that point in time applied to the number of warrants issued during the year in relation to the company's market value on the stock exchange. In the example below the expected redemption price for 2006 is SEK 44 and 2007 is SEK 50.

Example

Calculation of financial dilution

	2 006 alternative 1	2 006 alternative 2	2 006 alternative 3	2 007 alternative 1	2 007 alternative 2	2 007 alternative 3
Assumed share price upon exercise (SEK)	50	65	88	55	72	96
Exercise price	44	44	44	50	50	50
Financial dilution	0.19%	0.52%	0.80%	0.15%	0.77%	0.77%

Earnings per share will be affected in accordance with guidelines provided in standard no. 18 of the Swedish Financial Accounting Standards Council 18. The standard provides that only warrants with a discounted subscription price that is less than the fair market value of the shares shall be considered.

2.7 Majority vote requirement, etc.

The decision by the general meeting in accordance with the Board's proposal pursuant to this point 2 requires that the general meeting's decision is supported by shareholders representing at least nine tenths of the votes cast, as well as the shares represented at the meeting.

The Board or anyone authorized by the Board shall have the right to make such minor changes in the resolution of the general meeting of shareholders that might be necessary in connection with registering the issue and (if applicable) connecting the warrants to VPC.
