

Minutes taken at the Annual General Meeting of the shareholders of Morphic Technologies AB (publ), org.no. 556580-2526, at 1 p.m. on Friday October 19, 2007 at the Göteborg Convention Centre (Hotel Gothia Towers), Mässans gata 20 in Gothenburg

**Item 1**

The Chairman of the Board, Peter Enå, opened the Annual General Meeting and announced that, in addition to the shareholders present at the meeting, a group of shareholders would be following the AGM via webcam.

**Item 2**

Erik Nerpin, an attorney, was elected to chair the AGM.

**Item 3**

The enclosed list of shareholders present at the AGM, Annex 1, was adopted as a valid electoral register at the AGM.

**Item 4**

The Board's proposed agenda, Annex 2, which was included in the notice of AGM, was adopted as the agenda for the AGM.

It was recorded that the Board has withdrawn its proposal under item 20 on the agenda relating to a proposed employee stock option scheme involving the issue of warrants.

**Item 5**

In addition to the chairman, Olle Törnblom, representing the Swedish Shareholders' Association, and Ramsay Brufer, representing Alecta Pensionsförsäkring, were appointed to check the minutes for the day.

**Item 6**

After it was announced that a notice of AGM had been published, in accordance with Article 8 of the Articles of Association, in *Dagens Nyheter* and *Post- och Inrikes Tidningar* on September 19, 2007, it was recorded that the AGM regarded itself as having been duly convened.

**Item 7**

A presentation was given by the Chief Executive Officer, Jonas Eklind, who then answered questions from the shareholders together with representatives from the Board and company management.

**Item 8**

The Board's and CEO's annual report for the company for the fiscal year May 1, 2006 – April 30, 2007, Annex 3, was presented.

The company's auditor, the authorized public accountant Inger Carlsson from Öhrlings PricewaterhouseCoopers, presented the audit report for the company and Group for the fiscal year May 1, 2006 – April 30, 2007, which is included in the annual report.

It was recorded that the AGM considered the annual report to have been duly presented.

**Item 9**

The parent company and consolidated income statements for the fiscal year May 1, 2006 – April 30, 2007 and the parent company and consolidated balance sheets at April 30, 2007 included in the Board's and CEO's annual report were adopted.

**Item 10**

It was decided, in accordance with the appropriation of retained earnings proposed by the Board and CEO in the annual report (page 43), that the parent company's retained earnings of SEK 204,255,532 should be carried forward.

**Item 11**

In accordance with the auditor's recommendation, the members of the Board and the Chief Executive Officer were discharged from liability for their administration during the fiscal year May 1, 2006 – April 30, 2007.

**Item 12**

It was decided to elect eight Directors with no deputies.

**Item 13**

It was decided to approve annual Directors' fees of SEK 200,000 for each of the company's non-executive Directors.

**Item 14**

The Chairman stated that information about current Directors' other assignments is given on pages 80-81 of the annual report.

Eva-Lotta Kraft and Lars-Olof Nilsson, who were elected to the Board at the extraordinary general meeting on June 27, 2007, presented themselves.

It was decided that all current Directors – Jan Älven, Kurt Dahlberg, Peter Enå, Eva-Lotta Kraft, Anette Myrheim, Lars Olof Nilsson, Börje Vernet and Kjell Östergren – should be re-elected as regular Board members, with Peter Enå as Chairman, for the period until the next ordinary AGM.

#### **Item 15**

It was decided that the auditor's fees should be paid in accordance with the approved invoice.

It was recorded that the mandate of the company's auditor, Inger Carlsson, runs until the 2008 AGM and that no election of an auditor was therefore required.

#### **Item 16**

The AGM voted to approve the Board's proposal for a change of the Articles of Association in respect of a prior notice procedure for the AGM contained in Article 9. After the change, the Articles of Association have the wording contained in Annex 4.

#### **Item 17**

The Board's proposals for authorizations in accordance with items 17 and 18 of the agenda were presented, and the CEO and Directors then answered questions from the shareholders.

The AGM decided, in accordance with the Board's proposals, to authorize the Board to decide, on one or more occasions during the period up to the next AGM, to issue up to 13,600,000 new shares for a cash or non-cash consideration or by set-off or subject to other terms and conditions, and thereby to derogate from existing shareholders' pre-emption rights. In case of issues of new shares for a cash consideration without pre-emption rights, the issue price must be set at market rates.

New A shares can only be issued if the authorization is used for the purpose of deciding on a new issue of shares with pre-emption rights for existing shareholders, whereby all existing A shares will entitle the holder to subscribe for new A shares. In other respects, any issue of new shares under the authorization may only refer to B shares.

The purpose of this authorization and the reason for derogating from existing shareholders' pre-emption rights is to enable the company to raise working capital and capital for use as collateral in connection with delivery agreements. If the authorization is used in full the increase in the share capital would result in a dilution effect of around 10 percent.

Olle Törnblom, the representative of the Swedish Shareholders' Association, objected to the decision in respect of the provision enabling the authorization to be used to issue new shares against cash payment in derogation of existing shareholders' pre-emption rights.

It was established that the decision had been adopted with the requisite majority.

**Item 18**

The AGM decided, in accordance with the Board's proposals, to authorize the Board to decide, on one or more occasions during the period up to the next AGM, to issue up to 13,600,000 new shares for a cash or non-cash consideration or by set-off or subject to other terms and conditions, and thereby to derogate from existing shareholders' pre-emption rights. In case of issues of new shares for a cash consideration without pre-emption rights, the issue price must be set at market rates.

New A shares can only be issued if the authorization is used for the purpose of deciding on a new issue of shares with pre-emption rights for existing shareholders, whereby all existing A shares will entitle the holder to subscribe for new A shares. In other respects, any issue of new shares under the authorization may only refer to B shares.

The purpose of this authorization and the reason for derogating from the pre-emption rights of existing shareholders is to enable the company to make acquisitions of businesses for a cash or non-cash consideration or by payment in the form of new shares or a combination of these. If the authorization is used in full the increase in the share capital would result in a dilution effect of around 10 percent.

Olle Törnblom, the representative of the Swedish Shareholders' Association, objected to the decision in respect of the provision enabling the authorization to be used to issue new shares against cash payment in derogation of existing shareholders' pre-emption rights.

It was established that the decision had been adopted with the requisite majority.

**Item 19**

The AGM decided to adopt the principles for compensation and other terms of employment for company management contained in the Board's proposal, as included in the documents for the AGM, [Annex 5](#).

**Item 20**

It was recorded that the Board has withdrawn its proposal, as included in the notice of AGM, for a resolution on an employee stock option scheme involving the issue of warrants.

The Chairman stated that the Board intends to convene an extraordinary general meeting to present a new proposal for an employee stock option scheme.

**Item 21**

It was decided that the nomination process for the 2008 AGM, which is expected to take place in October 2008, should be conducted as follows.

A Nominating Committee will be appointed, consisting of representatives of the four shareholders holding the largest number of votes in the company as well as the Chairman of the Board, who will act as convener. The circumstances of ownership will be based on shareholder statistics from VPC AB on the last banking day in January 2008. The names of members of the Nominating Committee must be published as soon as they have been appointed, which must be within six months of the 2008 AGM. In case of a material change in ownership prior to completion of the task of the Nominating Committee, it shall be possible to change the composition of the Nominating Committee. The Nominating Committee's mandate will last until a new Nominating Committee has been appointed. The Nominating Committee will appoint a Chairman from among its members. If unanimity cannot be achieved, the person representing the largest number of votes will be appointed as Chairman. The Nominating Committee will prepare proposals for the following decisions at the 2008 AGM: (i) a proposal for election of a chairman for the meeting, (ii) a proposal for election of Directors, (iii) a proposal for election of the Chairman of the Board of Directors, (iv) a proposal for Directors' fees, (v) a proposal for remuneration for the company's auditors, and (vi) a proposal for how to conduct the nomination process for the 2009 AGM.

#### **Item 22**

It was recorded that the issues notified prior to the AGM had been addressed under item 7.

#### **Item 23**

The Chairman declared the AGM ended.

Minute-taker:

Erik Nerpin

Minutes checked by:

Ramsay Brufer  
Olle Törnblom