



## **The Nomination Committee's proposal to adopt a long-term incentive program for Board members of the Company (item 8)**

The Nomination Committee for Veg of Lund AB ("Veg of Lund" or the "Company") proposes that the EGM resolves to issue a maximum of 75,000 warrants within the scope of a long-term incentive program for certain Board members in Veg of Lund as follows.

The incentive program includes three of the Board members Håkan K. Pålsson, Anders Gustafsson and Rolf Bjerndell. The incentive program entails that participants are offered to subscribe for warrants at market value calculated according to Black-Scholes valuation formula.

Each warrant shall entitle the holder to subscribe for one new share in the Company, during the period from and including 1 January 2026 to and including 31 January 2026, at an exercise price corresponding to 150 percent of the volume weighted average price of the Company's share during the period of ten trading days immediately after the publication of the Company's quarterly report for the period 1 January–30 September 2022, however, not less than the quota value of the Company's share.

The price per warrant upon transfer to the participants shall be determined by an independent valuation institute as appointed by the Company and correspond to the market value of the warrant at the time of the acquisition, calculated in accordance with the Black-Scholes valuation formula. Based on a share price of SEK 7.95, the market value of the warrants has been preliminarily calculated at SEK 1.44 per warrant.

The number of shares that each warrant entitles to, as well as the exercise price, will be recalculated should the Company resolve on a share split, consolidation of shares, issue, etc. in accordance with customary recalculation conditions. The full terms and conditions for the warrants shall apply in all other aspects, as set out in [Appendix A](#).

To be entitled to participate in the incentive program, the participant must have entered into an advance purchase agreement with Veg of Lund, whereby Veg of Lund, with certain exceptions, reserves the right to repurchase warrants if the participant's employment or assignment in Veg of Lund ends or if the participant in turn wishes to transfer the warrants before the warrants can be exercised.

### *Allocation of warrants*

The right to acquire warrants shall accrue to the Board members Håkan K. Pålsson, Anders Gustafsson and Rolf Bjerndell, provided that the participant has entered into an advance purchase agreement with the Company, whereby the Chairman of the Board, Håkan K. Pålsson, shall be offered to acquire a maximum of 37,500 warrants, and Anders Gustafsson and Rolf Bjerndell a maximum of 18,750 warrants each.



### *Costs and dilution*

The warrants will be transferred at market value, which means that no social security contributions are to be paid by Veg of Lund due to the acquisition of the warrants.

Based on the number of shares in Veg of Lund per day of the notice to the EGM, the maximum dilution effect of the warrant program will be approximately 0.53 percent. Taking into account also shares that can be issued in accordance with previously implemented incentive programs in the Company, the maximum dilution amounts to approximately 5.78 percent.

For a description of the Company's other long-term incentive programs, please visit Veg of Lund's website, [ir.dugdrinks.com](http://ir.dugdrinks.com).

The incentive program is only expected to have a marginal effect on the Company's key ratios.

### *The rationale for the incentive program*

The Nomination Committee considers that a share-related incentive program is an important part of a competitive remuneration package to attract and motivate competent Board members, as well as maximize value for all shareholders. The Nomination Committee further considers that the warrant program will increase the Board members' involvement in the Company's operations, strengthen the loyalty to the Company and be in favor of both the Company and its shareholders.

### *Preparation of the proposal*

The incentive program has been prepared by the Nomination Committee, whereby the Board has been instructed to include the proposal in the notice.

### **Majority requirements**

The resolution above require approval of at least nine tenths (9/10) of the shares represented and votes cast at the EGM.

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Malmö, November 2022  
**Veg of Lund AB (publ)**  
*The Nomination Committee*



## Appendix A

### **Resolution on an issue of warrants**

The Nomination Committee proposes that the EGM resolves on an issue of not more than 75,000 warrants, meaning that the share capital can increase by not more than SEK 4,800.

1. The right to subscribe for warrants shall, with deviation from the shareholders' pre-emption rights, accrue to the Chairman of the Board, Håkan K. Pålsson, and Anders Gustafsson and Rolf Bjerndell, who are proposed for election at Veg of Lund's EGM to be held on 9 December 2022, meaning not more than three participants.
2. The warrants shall be issued on market terms, whereby the subscription price shall correspond to the market value determined using the Black-Scholes valuation formula calculated by an independent valuation institute. Based on a share price of SEK 7.95, the market value of the warrants has been preliminarily calculated at SEK 1.44 per warrant.
3. Each warrant shall entitle the holder to subscribe for one new share in the Company, during the period from and including 1 January 2026 to and including 31 January 2026, at an exercise price corresponding to 150 percent of the volume weighted average price of the Company's share during the period of ten trading days immediately after the publication of the Company's quarterly report for the period 1 January – 30 September 2022, however, not less than the quota value of the Company's share. Any premium shall be distributed to the non-restricted share premium reserve.
4. Subscription for warrants shall take place not later than 23 December 2022. The Board of Directors shall be entitled to extend the subscription period.
5. Payment for the warrants shall be made not later than 23 December 2022. The Board of Directors shall be entitled to extend the payment period.
6. The full terms and conditions for the warrants shall apply in all other aspects, as set out in the complete terms and conditions, Appendix A1.

Furthermore, it is proposed that the CEO is authorised to make minor adjustments and clarifications of the resolution to the extent that such should be required for the registration with the Swedish Companies Registration Office (*Sw. Bolagsverket*).

The reason for the deviation from the shareholders' pre-emption rights is to implement an incentive program for the Board of Directors in the Company.

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