



Stockholm, November 22, 2001

## PRESS RELEASE

### Effnet calls an Extraordinary General meeting

The Board of Directors of Effnet Group AB has decided to call an Extraordinary general meeting in accordance with the attached notice to attend. Notice to attend will be distributed via an announcement in *Dagens Nyheter* as well as *Post och Inrikes tidningar* on Friday, November 23, 2001.

#### **Notice to attend Extraordinary general meeting**

##### **Effnet Group AB (publ)**

Shareholders of Effnet Group AB (publ) are hereby cordially invited to attend an Extraordinary general meeting, which will be held at Gustafs Konferens, Gustavslundsvägen 151 G, Bromma, Sweden on Friday, December 21, 2001.

#### **Right to participate**

Shareholders who would like to attend the Extraordinary general meeting must

- (i) be entered in the transcription of the share register of Tuesday, December 11, 2001, kept by VPC AB (Swedish Securities Register Center),*
- (ii) provide notice of attendance no later than 4:00 p.m. Tuesday, December 18, 2001.*

Shareholders, whose shares are registered in the name of a nominee, must temporarily be entered into the share register in order to be entitled to participate in the Meeting. The shareholder is requested to inform the nominee in due time before December 11, 2001, when such registration must have been effected.

#### **Notice of attendance**

Shareholders who would like to attend the Extraordinary general meeting shall give notice hereof to the Company, Effnet Group AB, Gustavslundsvägen 151 G, 167 15 Bromma, by fax at 08-564 605 60, via e-mail: [helena.bolling@effnet.com](mailto:helena.bolling@effnet.com) or by telephone at 08-564 605 50. When giving notice of attendance, please indicate name, date of birth or corporate identity, address and telephone number.

#### **Proposed agenda**

1. To open the Meeting and elect the Chairman of the Meeting
2. To draw up and approve the list of voters

3. To approve the agenda of the Meeting
4. To elect one or two persons approving the minutes
5. To consider whether the Meeting has been properly announced
6. Resolution regarding amendments to the articles of incorporation
7. To determine the number of members and deputy members of the Board of Directors
8. To elect the Board of Directors
9. Grant of options in accordance with the Group's Global Option Program
10. Resolution regarding authorization for the Board to issue subordinated debentures with detachable warrants
11. Other business
12. Adjournment of the Meeting

### **Proposed resolutions**

#### *Resolution regarding amendments to the articles of incorporation (item 6)*

In accordance with § 2, the Company's legal domicile shall be located in Stockholm. In accordance with § 3, the proposed nature of the Company's business shall concern the development and trade of products and services in network technology and data security, to develop technology companies, to own and manage stock and other equities, as well as other partake in otherwise connected business. Finally, the Board proposes that § 8 in the articles of incorporation be revised in such a way that the resolution stating that the General Meeting should be able to held in several locations be stricken.

#### *Grant of options in accordance with the Group's Global Option Program (item 9)*

The Board proposes that the General Meeting approve the granting of and additional 1,438,000 call options in accordance with the Group's Global Option Program, which was adopted by the Annual Shareholders' Meeting on November 29, 2000. No more than 438,000 options shall be granted to employees in possession of previously issued options with an exercise price of SEK 10 per share, no more than 500,000 options shall be granted to employees not previously in possession of options, and no more than 500,000 options shall be granted to newly elected board members. Senior managers and key employees of the Group may each be granted no more than 250,000 options, and residual employees no more than 25,000 options. Newly elected board members may each be granted no more than 250,000 options. At the allotment of options, the employee's performance and position within the Group shall be taken into consideration. Furthermore, local adjustments may be made in order to meet certain regulations or market conditions in each country. At the allotment of options, employees in possession of previously allotted options may only be granted new call options on the condition that he or she return the previously allotted options or abstain from exercising said options.

In the event that all 1,438,000 options are allotted, the Group's employees and board members will be able to acquire shares in the Company in the amount corresponding to a dilution of approximately 1.79 percent. In consideration of previously adopted option plans, the total dilution amounts to approximately 4.79 percent. In calculating the combined dilution, the returning of employees' previously granted options in lieu of new options has been taken into account. Furthermore, earlier subscription warrant programs with exercise prices amounting to SEK 216, SEK 56, and SEK 54, respectively, have not been taken into account as the board does not perceive this leading to any dilution for shareholders.

#### *Authorization for the Board of Directors to issue subordinated debentures with detachable warrants (item 10)*

The Board of Directors proposes that the General Meeting authorize the Board to, not later than the next Annual general meeting, at one or more occasions, resolve to issue subordinated debentures with not more than 1,941,300 detachable warrants, which each shall entitle the holder to subscribe for one share in the Company. Entitlement to subscribe for the debentures shall, with deviation from the shareholders' preemptive rights, rest with wholly owned subsidiaries in the Group.

In the event the authorization is utilized in full and all 1,941,300 warrants are exercised for the subscription of shares, the share capital of the Company will increase by SEK 970, 650. The reason for the deviation from the preemptive rights of the shareholders is to guarantee the fulfillment of the obligation to grant options in accordance with the share option plan described above and to cover administrative costs, social security costs and equivalent foreign taxes which may be incurred due to the plan.

#### **Additional information**

The resolution in accordance with section 9 implies that employees of the Group and board members are granted options that entitle the holder to acquire shares in the Company. For stock market companies, such allotments must be made in accordance with the Act (1987:464) pertaining to Certain Directed Issues in Stock Market Companies, the so-called Leo Act. This entails that resolutions concerning the options program are only valid if approved by a majority of nine-tenths of both the votes given as well as the shareholders represented at the meeting. Because Effnet is not a stock market company, the Leo Act does not apply. Irrespective of this, the Board's proposal presupposes, for reasons of market ethics, that the majority carries the resolution stated in the Leo Act.

The Board's complete proposal in accordance with items 6, 9, and 10, in addition to documents in accordance with chapter 4, 4 § of the Swedish Companies Act will be available from the Company at Gustavslundsvägen 151 G, 167 15 Bromma as of December 14, 2001. Shareholders requiring these documents shall make known their request to the Company, whereupon said documents shall be forwarded by post.

Stockholm, November 2001  
Effnet Group AB (publ)  
The Board of Directors

#### **About Effnet**

*Effnet innovates and licenses award-winning key technologies that resolve data speed, efficiency and security challenges in Internet Protocol (IP) networking and IT security. Effnet focuses on software development in Robust Header Compression (ROHC), a technology viewed as becoming essential for providers of IP-based wireless networks. Effnet's wholly-owned subsidiary, Wkit Security, develops copy protection software. The Effnet group employs approx. 55 persons. Effnet Group AB shares are traded on Sweden's Nya Marknaden (symbol: EFFN). Read more about Effnet at [www.effnet.com](http://www.effnet.com). Read about Wkit at [www.wkit.com](http://www.wkit.com).*

#### **For additional information contact:**

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