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## Call to Annual General Meeting

Shareholders of Morphic Technologies AB (publ) are hereby invited to attend the company's Annual General Meeting (AGM) to be held at 1 p.m. on October 20, 2008 at the Göteborg Convention Centre (Hotel Gothia Towers), Mässans gata 20, Gothenburg, Sweden.

### Enrolment

To be entitled to participate in the meeting, shareholders must be registered in the transcript of the register of shareholders issued by VPC AB on October 14, 2008 and notify the company of their intention to attend by mail to Morphic Technologies AB, "Årsstämman", Box 47011, 100 74 Stockholm, Sweden, by telephone on +46 (0)8-775 80 27 or by e-mail via the company's website, [www.morphic.se](http://www.morphic.se). Such notification must state the shareholder's name, personal/Social Security/organization number and telephone number as well as the name(s) of any assistants and must be received by the company no later than October 14, 2008.

Shareholders whose shares are registered in the name of a nominee must temporarily have their shares re-registered in their own name. Such registration of voting rights must be completed by October 14, 2008. To ensure that this deadline is met, shareholders are advised to contact their nominees in good time to request registration of voting rights.

### Proposed agenda

1. Open the meeting
2. Elect a chairman for the meeting
3. Draw up and approve the electoral register
4. Approve the agenda
5. Elect one or more persons to check the minutes of the meeting
6. Determine whether the meeting has been duly convened
7. Listen to a presentation by the Chief Executive Officer
8. Listen to a presentation of the annual report and audit report and the consolidated financial statements and consolidated audit report
9. Decide whether to approve the income statement and balance sheet, and the consolidated income statement and consolidated balance sheet
10. Decide on the appropriation of retained earnings, in accordance with the approved balance sheet
11. Decide on freedom from liability for the Directors and Chief Executive Officer
12. Listen to a presentation of the proposals of the Nominating Committee
13. Decide on the number of Directors
14. Decide on Directors' fees
15. Elect the Chairman of the Board of Directors and other Directors
16. Decide on the election of auditors
17. Decide on auditors' fees
18. Decide on a set of principles for compensation and other employment terms for the company's management
19. Decide on amendments to the Articles of Association
20. Decide on authorization for the issue of new shares (i)
21. Decide on authorization for the issue of new shares (ii)

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22. Decide on the nomination process for the 2009 AGM
23. Transact other business
24. Conclude the meeting

## **Proposed decisions**

### **Appropriation of retained earnings (item 10)**

The Board of Directors and Chief Executive Officer propose that the company's retained earnings of approximately SEK 451m be carried forward and that no dividend be paid.

### **Election of a chairman for the AGM, Directors and auditors and decide on Directors' and auditors' fees (items 2 and 12-17)**

The Nominating Committee of Morphic Technologies AB, which consists of Kåre Gilstring (chairman), Peter Enå, Kurt Dahlberg and Lars Bruzelius, representing about 31 percent of the votes for all shares in the company, proposes the following:

- Appoint Erik Nerpin, an attorney, to chair the AGM.
- Elect five Directors with no deputies.
- Unchanged Directors' fees of SEK 200,000 to each of the non-executive Directors.
- Re-elect the Directors Peter Enå, Kurt Dahlberg, Kjell Östergren, Anette Myrheim during the period until the next AGM and elect Peter Ekenger to the Board as a new Director for the same period.
- Re-elect Peter Enå as Chairman of the Board.
- Appoint the registered auditing firm PricewaterhouseCoopers AB as the company's auditors for a mandate period of four years with the authorized public accountant Michael Bengtsson as chief auditor.
- Auditors' fees to be paid on the basis of approved invoices.

Peter Ekenger, born 1945, holds an M.Sc. in Economics and Business from the School of Business, Economics and Law at the University of Gothenburg and a management degree from Harvard Business School. He has long experience of working as an international business consultant, both independently and in various international organizations, focusing on the transport and automotive industries. Peter Ekenger is independent in relation to the company, management and major shareholders. (For more information, see the company's website.)

The Director Jan Alvéen has decline re-election and will transfer to a consulting role in order to assist Morphic during the continued industrial build-up in the Group.

The company's current auditor, Inger Carlsson from Öhrlings PricewaterhouseCoopers AB, who has been the company's auditor since 2000, has decline re-appointment on the grounds of the auditing firm's internal rules limiting the length of assignments.

### **Decide on a set of principles for the compensation and other employment terms for the company's management (item 18)**

The main rationale behind the Board's proposal for principles of compensation and other terms of employment for company management is that the company should seek to offer its leading executives a market-based compensation package. The compensation should be based on the importance of the tasks as well as the skills, experience and performance

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requirements of each role. The compensation should consist of the following components: a fixed basic salary, bonus, pension benefits and other benefits and conditions of termination. Company management consists of the CEO, CFO, Vice President Investor Relations, Director of Human Resources and the CEOs of the wind, energy system and fuel cell businesses.

### **Decide on amendments to the articles of association (item 19)**

The Board proposes the following changes to the articles of association. It is proposed that the company's financial year be changed from May 1–30 April to the calendar year. This would thus imply shortening the current financial year to comprise the period May 1–December 31, 2008. The proposal would require an amendment of the provision on financial year in the company's articles of association. Under the current articles of association, a general meeting of the company can be held in Karlskoga or Gothenburg. The Board proposes that general meetings should instead be held in Karlskoga or Stockholm. Under the current articles of association, the company's share capital may not be less than SEK 3,300,000 or exceed SEK 13,200,000, represented by at least 82,500,000 and no more than 330,000,000 shares. The company's outstanding shares may comprise no more than 10,000,000 shares of series A and no more than 320,000,000 shares of series B. The quota value of a share is SEK 0.04. The Board of Directors proposes that the limits for the company's share capital be increased to no less than SEK 6,000,000 and no more than SEK 24,000,000, represented by no less than 150,000,000 and no more than 600,000,000 shares. The company's outstanding shares may comprise no more than 18,000,000 shares of series A and no more than 582,000,000 shares of series B.

### **Decision on authorization for the issue of new shares (i) (item 20)**

The Board of Directors proposes that the AGM authorize the Board to resolve, on one or more occasions during the period up to the next AGM, to issue 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. If new shares are issued without pre-emption rights for a cash consideration, the issue price must be set at market rates. The purpose of this authorization and the reason for derogating from existing shareholders' pre-emption rights is to enable acquisitions in the company's core business areas for a cash or non-cash consideration or by payment in the form of new shares or a combination of these, and to provide funding and customary collateral under delivery agreements. The number of shares issued under the authorization may not exceed 10 percent of the company's share capital after the previously announced rights issue. If new shares are issued under the authorization with pre-emption rights for existing shareholders, holders of series A shares will have the right to subscribe for A shares and holders of series B shares will have the right to subscribe for B shares in proportion to their existing shareholding. If new shares are issued in derogation of existing shareholders' pre-emption rights, only shares of series B may be issued.

### **Decision on authorization for the issue of new shares (ii) (item 21)**

At the extraordinary general meeting on July 10, 2008 the Board was authorized to decide, on one or several occasions prior to the next AGM, on the issue of new B shares without pre-emption rights for existing shareholders to be used in lieu of cash payment. The authorization may only be used for payment of underwriting fees. The Board proposes that the AGM decide to issue a new authorization with the same content. The

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purpose of the authorization is to enable the company to fulfill its obligations to underwriters who will be paid in the form of new shares used in lieu of cash payment of underwriting fees. The authorization may only be used for this purpose and only in respect of the rights issue based on the authorization from July 10, 2008. The Board expects that the issue of new shares used in lieu of cash payment of underwriting fees will be carried out on the basis of the existing authorization, in which case the proposal described herein will be withdrawn at the AGM if such issue has already been carried out.

### **Decide on the nomination process for the 2009 AGM (item 22)**

The Nominating Committee of Morphic Technologies AB proposes that the AGM pass a resolution stipulating that the nomination process for the 2009 AGM be conducted in the following manner. A Nominating Committee shall 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 shall act as convener. The names of the members of the Nominating Committee shall be announced no later than six months before the 2009 AGM. In case of a material change in ownership before the Nominating Committee has completed its task, the composition of the Nominating Committee can be changed. The Nominating Committee shall prepare proposals for the following decisions at the 2009 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 compensation for the company's auditors, and (vi) a proposal for how to conduct the nomination process for the 2010 AGM. If the AGM approves the Board's proposal on change of financial year, the AGM is expected to take place in May 2009.

### **Other**

A full set of proposals for resolutions can be obtained from the company (address and telephone number as above) and on the company's website, [www.morphic.se](http://www.morphic.se), as of October 6, 2008 and will be sent to shareholders who request this. The annual report is available from the company's office and on the company's website.

The company's registered share capital is SEK 6,554,880.88, represented by 163,872,022 shares, of which 5,984,000 are of series A (one vote per share) and 157,888,022 are of series B (one tenth of a vote per share).

Karlskoga, September 2008

Morphic Technologies AB (publ)  
The Board of Directors

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This is Morphic

Morphic is a Swedish engineering group operating in the areas of fuels cells, wind power, fuel cell energy systems and engineering technology. The Group has about 230 employees and conducts operations in six countries – Sweden, Norway, Japan, Greece, Italy and Switzerland. Morphic Technologies' B shares have been listed on the OMX Nordic Exchange since March 4, 2008, and the number of shareholders is about 25,000.