

## Background

For the 2020 AGM, the board of FRISQ proposes the launch of two incentive programs for employees in Sweden and the United States. The programs have been designed with the objective to motivate and maintain competent employees, improve consistency between employee and company objectives, and increase motivation to meet and exceed the company's financial targets. In addition to the proposals from the Board of Directors, a shareholder proposal has been submitted.

### The Board of Directors proposals

#### **(1) Warrant Program 2020/2024**

Warrants in the 2020/2024 program will be offered to all employees in Sweden. The program consists of 340,000 options. A warrant gives the holder the right to, from 15 April – 15 October 2024, acquire a new FRISQ stock for 200% of the volume weighted average cost during the period from 27 March – 14 April 2020.

The participants acquire their options at market value on the exercise date (2020). The value is based on the Black & Scholes model and is calculated by an impartial party. The options are not dependent on employment.

In order to encourage participation in the program, employees are offered a subsidy equal to the amount invested in the options. The subsidy is given as an addition to the participants salary and is equally distributed over four years given that the participant is still under employment.

The maximum amount of options in the program is 340,000, which results in a maximum dilution of 1,04%.

For more information, please review the Notice to the Annual General Meeting 2020, article 11.

#### **(2) Employee Stock Ownership Plan 2020/2024**

Stock options in the 2020/2024 program are available to employees in the USA. The program consists of 60,000 options. The options give the holder the right to, from the

granting of the stock until April 2028, acquire a new FRISQ stock for 100% of the volume weighted average cost during the period from 27 March - 14 April 2020.

Participants receive the options without charge. Participants must be employed by FRISQ to earn and exercise the options.

To ensure that delivery of shares will be available for the holder, and to secure the related costs, a warrant program (series 2020/2028) consisting of 65,000 warrants is suggested.

The maximum amount of options in the program is 65,000, which results in a maximum dilution of 0,2%.

For more information, please review the Notice to the Annual General Meeting 2020, article 12.

### Proposal from Shareholder

#### **(1) Employee Stock Option Plan 2020/2023**

The options in the program 2020/2023 is available to board member Lars Björk and consists of 300,000 options. One option gives the holder the right to, from the granting of the option until April 2026, acquire a new FRISQ stock for 105% of the volume weighted average cost during the period 27 March to 14 April 2020.

The participant receives the options without charge. Furthermore, the participant must be actively engaged in FRISQ to earn and exercise the options.

To ensure that delivery of shares will be available for the holder, and to secure the related costs, a warrant program (series 2020/2026) consisting of 320,000 warrants is suggested.

The maximum amount of options in the program is 320,000, which results in a maximum dilution of 0,98%.

For more information, please review the Notice to the Annual General Meeting 2020, article 13.

## Summary

Below is a summary of the proposed programs.

Program	Participants	No. of Options	Strike Price	Dilution
Warrant Program 2020/2024	Employees in Sweden	340 000	200%	1,04%
Employee Stock Option Plan 2020/2024	Employees in the USA	60 000	100%	0,20%
Employee Stock Option Plan 2020/2023	Board member Lars Björk	300 000	105%	0,98%