

N.B. This is a translation of the Swedish original wording. In case of discrepancies, the Swedish version shall prevail.

The Board of Directors' of Smart Eye Aktiebolag (publ):s (the "Company") proposal for the extraordinary general meeting ("EGM") to resolve on (A.) the establishment of a long-term incentive program (LTIP 2021:2) directed at certain senior executives and other employees of the Smart Eye group, and (B.) directed issue of Warrants under LTIP 2021:2 to the wholly owned subsidiary JN Data i Göteborg AB and approval of transfer of these Warrants to participants or a financial intermediary in connection with exercise.

A. Introduction of LTIP 2021:2

The Board of Directors of the Company proposes that the EGM resolves to establish a long-term incentive program ("LTIP 2021:2") that shall consist of 137,500 warrants that may be allotted to participants (the "Warrants") directed at certain senior executives and other employees in, and participants who within the foreseeable future may be employed within, the Smart Eye group, in accordance with the main terms and conditions set out below.

A.1. Description etc.

The Board of Directors proposes that the EGM resolves to introduce a new long-term incentive program. LTIP 2021:2 shall consist of 137,500 Warrants that may be allotted to participants and LTIP 2021:2 means that the Company issues a maximum of 137,500 Warrants. The right to subscribe for Warrants shall, with deviation from the shareholders' preferential rights, be allocated to the wholly owned subsidiary JN Data i Göteborg AB ("JN Data"), with the right and obligation for JN Data to handle the Warrants in accordance with the terms of LTIP 2021:2. JN Data shall, in accordance with instructions from the Company's Board of Directors, be entitled to transfer the Warrants to the appropriate participant or a financial intermediary in connection with exercise. Each Warrant entitles to subscription of one share.

Employees shall be allotted Warrants free of charge no later than 30 November 2021 (the "**Allotment Date**"). LTIP 2021:2 will include certain senior executives and other employees (approximately 126 current employees in total), and participants who may be employed within the Smart Eye group in the foreseeable future, and shall, following a decision by the Company's Board of Directors, be mainly distributed in accordance with the main terms and conditions set out below.

Subject to the fulfilment of certain conditions, each Warrant entitles the holder to acquire one share in the Company at a predetermined price during the period from (and including) 15 November 2024 to (and including) 15 December 2024. The price per share shall correspond to 125 percent of the volume weighted average price of the Smart Eye share during the five trading days preceding the Allotment Date. The subscription price shall be paid in cash.

Costs for the incentive programme

LTIP 2021:2 will be recognised in accordance with K3, which means that the Warrants will be expensed as a personnel expense over the Vesting Period. The Warrants are distributed free of charge to employees and may thus give rise to social fees and costs in accordance with the accounting principles of K3. The Board of Directors estimates that the costs for LTIP 2021:2 will be limited and the Board of Directors has thus decided not to propose any actions for covering these to the EGM.

Dilution

Based on the existing number of shares in the Company, upon exercise of all 137,500 Warrants, LTIP 2021:2 will result in a full dilution corresponding to approximately 0.7 percent of the total number of outstanding shares in the Company. If all outstanding incentive programs in the Company are included in the calculation, the corresponding maximum dilution, at the time of the EGM, amounts to approximately 2.4 percent of the share capital. Upon full exercise of the Warrants, the share capital will increase by a maximum of SEK 13,750.

Other ongoing incentive programs

Information on the Company's existing incentive programs is found in the annual report for the financial year 2020 and on the Company's website, www.smarteye.se.

Preparation of the proposal

LTIP 2021:2 has been prepared by the Board of Directors in consultation with the Company's executive management and has been discussed by the Board of Directors at a meeting in September 2021.

A.2. Main terms and guidelines for LTIP 2021:2

- (a) LTIP 2021:2 shall include certain senior executives and other employees (approximately 126 current employees in total) and participants who may be employed within the Smart Eye group in the foreseeable future and shall not exceed 137,500 Warrants.
- (b) The allotment of Warrants shall be resolved by the Board of Directors of the Company and the Warrants will in principle be distributed according to the following:
 - (i) The deputy CEO in Affectiva Inc. may be allotted no more than 7,500 Warrants in total.
 - (ii) Other senior executives may together be allotted no more than 25,000 Warrants in total.
 - (iii) Other key employees may together be allotted no more than 50,000 Warrants in total.
 - (iv) Other employees may together be allotted the remaining Warrants which will amount to no more than 55,000.
- (c) The Board of Directors shall resolve on allotment of Warrants no later than on 30 November 2021.
- (d) Subject to the fulfilment of certain conditions under (f) and (g) below, each Warrant entitles the holder to acquire one share in the Company at a predetermined price between 15 November 2024 and 15 December 2024. The price per share shall correspond to 125 percent of the volume weighted average price of the Smart Eye share during the five trading days preceding the Allotment Date.

- (e) In order for the Warrants to entitle the participant to acquire a share, the participant must have been employed by the Smart Eye group until (and including) the date of the publication of the Company's financial report for the third quarter of 2024 or, if no such report is made public, 1 November 2024 (the "**Vesting Period**").
- (f) In addition to the fact that the participant must have been employed by the Smart Eye group throughout the Vesting Period, in order for the participant to be entitled to acquire a share, the total shareholder return based on share price increases and reinvestment of any dividends shall amount to at least 30 percent calculated on the volume weighted average price 10 trading days before the meeting and the volume weighted average price 10 trading days prior to the publication of the Company's quarterly financial report for the third quarter 2024 or, if such a report is not published, 1 November 2024, as applicable.
- (g) The exercise price as set out above shall be rounded to the nearest SEK 0.10, whereby SEK 0.05 shall be rounded downwards. The exercise price and the number of shares that each Warrant entitles to subscription of shall be recalculated in the event of a split, consolidation, new share issue, etc. in accordance with market practice.
- (h) The Warrants may not be transferred and may not be pledged.
- (i) The Board of Directors, or a special committee set up by the Board, shall be responsible for preparing the detailed design and administration of the terms and conditions of LTIP 2021:2, in accordance with the presented terms and guidelines including provisions on recalculation in the event of an in-between bonus issue, share split, rights issue and/or similar measures. In connection therewith, the Board of Directors shall be entitled to make adjustments to meet specific foreign regulations or market conditions. The Board of Directors shall also be entitled to make other adjustments if significant changes occur in the Smart Eye group or in its environment that would result in that the adopted terms for the LTIP 2021:2 no longer fulfils their objectives.

B. Directed issue of warrants under LTIP 2021:2 to the wholly owned subsidiary JN Data and approval of transfer of these to employees of the Smart Eye group or a financial intermediary under the incentive program

The Board of Directors proposes that the Company, with deviation from the shareholders' preferential rights, in order to secure delivery of shares under LTIP 2021:2 and, if necessary, to cover costs, issue a maximum of 137,500 warrants, as a result of which the Company's share capital may increase by a maximum of SEK 13,750.

The following terms shall apply for the issue:

- (a) Each warrant shall entitle to the subscription of one share in the Company.

- (b) With deviation from the shareholders' preferential rights, the person entitled to subscribe is the wholly owned subsidiary JN Data for transfer to participants or a financial intermediary in connection with exercise in accordance with LTIP 2021:2.
- (c) The warrants shall be issued free of charge and shall be subscribed for on a special subscription list no later than on 30 November 2021. The Company's Board of Directors shall have the right to extend the subscription period. Oversubscription must not take place.
- (d) Subscription for shares under the warrants shall take place during the period from (and including) 15 November 2024 to (and including) 15 December 2024. The Board of Directors has the right to extend the subscription period, however with not more than six months.
- (e) The subscription price for the shares subscribed for under the warrants shall be an amount equal to the shares quotient value. The subscription price shall be paid in cash.
- (f) The exercise price set out above shall be rounded to the nearest whole SEK 0.10, whereby SEK 0.05 shall be rounded downwards. The exercise price and the number of shares that each Warrant entitles to subscription of shall be recalculated in the event of a split, consolidation, new share issue, etc. in accordance with market practice.
- (g) Shares added as a result of subscription entitle to dividends for the first time on the record date for dividends that occurs immediately after subscription has been executed.

The Board of Directors also proposes that the EGM resolves to approve that the wholly owned subsidiary JN Data, within the framework of LTIP 2021:2, may transfer Warrants to participants in the incentive program and manage the Warrants in accordance with LTIP 2021:2. Transfer of Warrants to participants shall be made in accordance with the terms above.

C. Other rules for LTIP 2021:2

As reasons for deviation from the shareholders' preferential rights, the Board of Directors invokes the following. Incentive programs contribute to higher motivation and commitment among employees and strengthen the ties between the employees and the Company. Furthermore, it is the Board's assessment that LTIP 2021:2 will contribute to the opportunities to recruit and retain knowledgeable and experienced employees and is expected to increase employees' interest in the operations and performance of the Company. Overall, it is the Board's assessment that LTIP 2021:2 will benefit both the employees and the Company's shareholders through an increased share value.

Regarding the basis for the calculation of the subscription price, the Board of Directors refers to relevant parts of the present proposal.

The full terms and conditions of the Warrants are set out in [Appendix 1](#). As stated in Appendix 1, the subscription price as well as the number of shares that warrants entitle to subscription of may be recalculated in the case of bonus issue, new share issue, issue of warrants or convertibles, and in some other cases.

D. Majority requirements and special authorisations

The Board of Directors' proposal for resolutions above constitute a package, as the various proposals are dependent on and strongly linked to each other. Therefore, it is proposed that the EGM make a single resolution in connection with the abovementioned proposals, in compliance with the majority requirement specified in Chapter 16, Section 8 of the Swedish Companies Act, meaning that the resolution shall be supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the meeting.

The Board of Directors proposes that the EGM instruct the Board of Directors to implement the decisions above and to ensure that the Board of Directors of JN Data transfers the Warrants in accordance with the above.

The Board further proposes that the EGM instruct the Board, or whomever the Board appoints, to make such minor adjustments in the abovementioned proposed resolutions that may prove necessary in connection with registration with the Swedish Companies Registration Office.

Göteborg in September 2021
Smart Eye Aktiebolag (publ)
Board of Directors