The Board of Directors of JM AB's proposal that the Annual General Meeting resolves to issue and transfer convertibles with a nominal value not to exceed SEK 154,000 000 (JM Convertibles 2007/2011).

The Board of Directors proposes, that the Annual General Meeting resolve that JM AB, ("The Company"), raise a debenture loan with a nominal value not to exceed SEK 154,000,000 by issuing a maximum of 700,000 convertible debentures, transferable as specified below, and with a term from June 15, 2007 through June 14, 2011, which will mean that upon full conversion of JM Convertibles 2007/2011 the Company's share capital could increase by a maximum of SEK 700,000. The Board of Directors also proposes raising equivalent convertible debenture loans in 2008 (JM Convertibles 2008/2012), 2009 (JM Convertibles 2009/2013), 2010 (JM Convertibles 2010/2014) and 2011 (JM Convertibles 2011/2015). Raising the aforementioned convertibles is subject to the approval of the Annual General Meeting each year.

Each JM Convertibles 2007/2011 debenture may be converted into one share in the Company, each share with a par value of one (1) Swedish krona, at a price equivalent to 125 percent of the latest noted average price paid for the period commencing on May 3, 2007 up to and including May 10, 2007 for shares in JM, on the official exchange list of the Nordic Exchange. In the absence of a quoted paid price, the last bid price quoted shall be used in the calculation instead. Days on which neither a transaction price nor a bid price is quoted shall not be included for the purposes of the calculation. The conversion price referred to above shall be rounded off to the nearest whole krona, whereby fifty öre shall be rounded down. However, the conversion price shall be no lower than SEK 220.

The following terms and conditions in general shall apply for JM Convertibles 2007/2011:

1. Only AB Garantihus, Company Registration No. 556073-0524, ("the Subsidiary"), a wholly owned subsidiary of the Company, is entitled to Subscription rights, with waiver of shareholders' rights of pre-emption, for JM Convertibles 2007/2011, with the right and obligation for the Subsidiary to offer employees at JM Group in
Sweden the right to acquire JM Convertible 2007/2011 at market rates. The Subsidiary shall have the right to offer at market rates any subscribed JM Convertibles 2007/2011 that might be left after allotment to persons hired by the JM Group after expiration of the subscription period.


In order to facilitate administration of the offering the Subsidiary has the right to transfer JM Convertibles 2007/2011 to a banking institution or other third party, with the right and obligation for the banking institution or the third party to offer JM Convertibles 2007/2011 in the same way that the Subsidiary undertakes as described above.

2. The offer to employees to subscribe to JM Convertibles 2007/2011 shall be made not later than May 23, 2007, which means that the employee has the right until June 1, 2007, to submit a binding application to subscribe to JM Convertibles 2007/2011 from the Subsidiary.

Any JM Convertibles 2007/2011 subscribed by the Subsidiary and which after allotment as specified below are left over, shall be offered on equivalent terms and conditions to persons employed at a later date by the JM Group, provided that such an offer can be made without costs and administrative interventions measures that materially exceed the costs and administrative measures of the initial offer.

3. The convertible debenture loan shall be issued at a price equivalent to 100 percent of the nominal amount, equivalent to the conversion price.

4. JM Convertibles 2007/2011, as described in detail in Annex A, shall carry an annual interest rate based in part on the conversion price and the calculated market value of JM Convertibles 2007/2011 at the time of issue of the convertible debenture loan. Assumptions for the calculations can be seen in Annex A. The interest rate shall amount to Stibor 360 as at June 13, 2007 plus interest margin, according to calculations shown in Annex A. The annual interest rate is 3.90
percent, assuming an average share price during the benchmark period of SEK 220, a conversion price of SEK 275 and a risk-free rate of 3.70 percent.

Interest is paid annually in arrears. When calculating interest for periods shorter than one year, one year shall be considered to consist of 12 months, each with 30 days. Interest falls due for payment on June 15 each year, the first time on June 15, 2008. The bank sets the interest rate two Banking Days prior to the beginning of each interest period.

5. JM Convertibles 2007/2011 shall have a term from June 15, 2007 up to and including June 14, 2011.

6. JM Convertibles 2007/2011 may be converted during the period commencing June 1, 2009 up to and including June 1, 2011, with the exception of the period January 1 up to and including the dividend record date each year.

7. Offers to acquire JM Convertibles 2007/2011 shall be made at market rates and otherwise primarily as follows.

The offer to acquire JM Convertibles 2007/2011 shall be given to all employees who as at April 23, 2007 are employees of the JM Group in Sweden. After expiration of the subscription period the offer to acquire JM Convertibles 2007/2011 shall be extended to those hired by the JM Group within 18 months of April 23, 2007. Moreover, “employee” refers to any permanent employee who has not given notice or been given notice to terminate employment and regardless of any sick leave, leave of absence, parental leave or part-time position.

Those who are employed by the JM Group in Sweden as at April 23, 2007, can be divided into five groups. The group to which the employee belongs determines the nominal value that each employee is guaranteed to be able to acquire and the maximum value they may acquire. Employees in Group A, comprising the CEO, are guaranteed a nominal amount of SEK 1,000,000 and may acquire a maximum of JM Convertibles 2007/2011 for a nominal value of SEK 2,000,000.
Employees in Group B, comprising the Executive Management team (about 10 persons), are guaranteed a nominal amount of SEK 700,000 and may acquire a maximum of JM Convertibles 2007/2011 for a nominal value of SEK 1,500,000.

Employees in Group C, comprising Regional and Subsidiary managers (about 20 persons), are guaranteed a nominal amount of SEK 400,000 and may acquire a maximum of JM Convertibles 2007/2011 for a nominal value of SEK 1,000,000.

Employees in Group D, comprising Other Key Personnel (about 20 persons), are guaranteed a nominal amount of SEK 300,000 and may acquire a maximum of JM Convertibles 2007/2011 for a nominal value of SEK 1,000,000.

Employees in Group E, comprising Other Employees, are guaranteed a nominal amount of SEK 60,000 and may acquire a maximum of JM Convertibles 2007/2011 for a nominal value of SEK 300,000.

Swedbank intends to provide the employees with an offer for market-based financing for acquisition of JM Convertibles 2007/2011.

Employees shall subscribe to JM Convertibles 2007/2011 in multiples of SEK 10,000, rounded down to the nearest whole number of convertibles. The lowest nominal amount for subscription shall be SEK 10,000, rounded down to the nearest whole number of convertibles.

If the offer is oversubscribed, first of all, the employees will receive their guaranteed allotment; second of all, employees will receive their allotment pro rata in relation to the number of JM Convertibles 2007/2011 covered by the application for subscription (though not to exceed the maximum allotment and no employee may receive more JM Convertibles 2007/2011 than the application covers) and third of all, by drawing lots. According to a decision on the 19th of March the Board have announced the mandate for the Remuneration Committee to allocate JM Convertibles 2007/2011 as described above.
8. In the event of full subscription and full conversion of the aforementioned transferred JM Convertibles 2007/2011, the Company's share capital could increase by a maximum of SEK 700,000 through the issue of a maximum of 700,000 shares, each with a par value of one (1) Swedish krona, assuming a minimum conversion price of SEK 220. This corresponds with a dilution of about 0.8 percent of share capital and voting rights, though with reservation for the increase that may occur because of adjustment of the conversion price in the event of bonus issue, new issue and in certain other cases as specified in Annex B. Dilution calculations are based on the number of shares registered.

9. Complete terms and conditions in general for JM Convertibles 2007/2011 can be seen in Annex B.

10. The Chairman of the Board and the Chief Executive Officer are authorized to make minor adjustments to the resolution as may prove to be necessary in conjunction with registration with the Swedish Companies Registration Office.

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Reasons for waiver of shareholders' rights of pre-emption

The Company considers all employees in the entire JM Group to be an invaluable asset. As part of this philosophy, the Board of Directors wants to give the employees an opportunity to share in the Company's growth with this proposed issue and JM Convertibles. In order for the Company to achieve long-term, successful growth, it is important to motivate employees to positively contribute to the development of the operation. The Board of Directors feels it is essential to offer employees a personal ownership commitment, in order to enhance and elevate interest in the Company's operations. Improved financial performance and a greater sense of solidarity with the Company among employees are in the common interest of both the Company's shareholders and the employees. The proposed JM Convertibles for employees also fit in well with the JM Group's total reimbursement system.

The proposal is therefore intended to benefit the Company and thus also its shareholders.

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In light of the above, it is the Board's opinion that allowing the employees to own a stake in the Company in this way benefits the Company and the shareholders.

Valuation, etc.
When formulating the proposal for terms and conditions for JM Convertibles 2007/2011 the Board of Directors had Swedbank Markets carry out calculations of the value of interest-bearing debentures without conversion option, as well as of the value of the conversion option according to the “Black & Scholes” model. Moreover, it has been noted that the liquidity of JM Convertibles 2007/2011 is assumed to be limited since there are no plans to list them at this time. The calculations are presented in their entirety in Annex A.

Management etc.
This proposal has been formulated with the assistance of Swedbank Markets, by the Company's executive management team on behalf of the Remuneration Committee. At the board meeting on January 22, 2007 the Board was informed about the main features of the intended proposal for JM Convertibles 2007/2011. Subsequently the biggest shareholders were informed by Lars Lundquist about the intended proposal. All of the major shareholders stated that they were in favor of JM Convertibles 2007/2011. After that the major shareholders have been informed about the intended proposal by Lars Lundquist. All major shareholders has stated that they are positive to the intended proposal for JM Convertibles 2007/2011. At the board meeting on March 19, 2007 the Board resolved to put forth the current proposal for JM Convertibles 2007/2011 to the 2007 Annual General Meeting.


Majority requirement
The resolution about the issue by the Meeting in accordance with the Board’s proposal requires that the Meeting’s decision is supported by shareholders representing at least nine tenths of the votes cast as well as the shares represented at the meeting.
JM AB (publ)

Stockholm March 19, 2007

Board of Directors