

N.B. this is an office translation for information purposes only.

ARTICLES OF ASSOCIATION

1. The name of the company is Artimplant AB. The company is public.
2. The board has seat in the city of Gothenburg and in the county of Västra Götaland.
3. The company conducts its business through the company or through wholly or partly-owned subsidiaries in the fields of production, marketing, sales, research and development of medical products and services and thereto related business activities. The company shall own and manage real estate and personal estate, patents and other intangible assets and engage in business of shares and other securities, excluding banking and credit business.
4. The share capital of the company shall be no less than SEK 1,750,000 and no more than SEK 7,000,000.
5. The number of shares shall be minimum 17,500,000 and maximum 70,000,000.
6. The shares may be issued in two series, A-shares not exceeding 5,000,000 shares with ten (10) votes per share, and B-shares not exceeding 65,000,000 shares with one (1) vote per share.
7. The board shall consist of minimum four (4) and maximum nine (9) board members and maximum five (5) deputy members. Board members are elected annually at and from the annual meeting of stockholders until the next annual meeting of stockholders has been held.

In order to review the annual report, the accounting records, the board's and the Managing director's management of the company one (1) or two (2) auditors and no more than two (2) deputy auditors or one (1) authorized auditing company shall be appointed at the annual meeting of stockholders.

8. Notice to the stockholders' meeting shall be made by advertising in Post och Inrikes Tidningar and in the newspaper Dagens Industri. Notice to the annual meeting of stockholders and notice to extraordinary meeting of stockholders regarding change of the Articles of Association, shall be issued at the earliest six (6) weeks and no later than four (4) weeks prior to the meeting. Notice to any other extraordinary meeting of stockholders shall be issued at the earliest six (6) weeks and no later than two (2) weeks prior to the stockholders' meeting.

9. Stockholders participating in the stockholders' meeting shall be listed in a transcription or other form of the complete share register regarding circumstances five (5) workdays prior to the stockholders' meeting. Participating stockholders shall furthermore make an application to the company no later than 4 p.m. on the date set forth in the notice to the stockholders' meeting. This day may not be a Sunday, public holiday, Saturday, midsummer, Christmas Eve or New Years Eve or not earlier than five workdays prior to the stockholders' meeting. Equivalent application shall be applied regarding proxies representing stockholders at stockholders' meeting.
10. The board of directors may collect proxies at the expense of the company according to the procedure stipulated in the 7th chapter, 4th section, 2nd paragraph of the Swedish Companies Act (2005:551).
11. The annual stockholders' meeting shall be held within six months after the end of the fiscal year. The annual meeting of stockholders shall deal with the following items:
 - I. Election of chairman for the meeting.
 - II. Preparation and approval of voting list.
 - III. Approval of the meeting agenda
 - IV. Election of person to verify the minutes.
 - V. Resolution whether the meeting has been duly summoned.
 - VI. Submission of the annual report and the audit report and, if applicable, the group annual report and the group audit report.
 - VII. Resolutions in respect of:
 - a) adoption of the profit and loss statement and the balance sheet, and if applicable, the adoption of group profit and loss statement and group balance sheet,
 - b) appropriation of profit or loss according to the adopted balance sheet,
 - c) discharge from liability for the board members and the managing director.
 - VIII. Adoption of board and audit fees.
 - IX. Election of board members and when applicable auditors and deputies.
 - X. Other matters to be dealt with by the meeting and which have been authorized referred to the meeting.
12. At stockholders' meeting every person qualified to vote shall be entitled to vote for all shares represented by him. Absent stockholders voting right may be exercised by a proxy.
13. The company's fiscal year shall be the time period 1 January until 31 December.

14. In the case of increase of the share capital through **issue of new shares for cash or set-off**, stockholders shall have pre-emption rights to new shares of the same series of shares in proportion to the number of shares owned by such stockholder prior to the issue. Stockholders with A-shares shall be entitled to new A-shares and stockholders of B-shares shall be entitled to new B-shares. If the Company issues shares for cash or set-off of one (1) series only, all stockholders shall have pre-emption rights to new shares in proportion to the number of shares previously owned. The shares, which are not subscribed by entitled parties, shall be offered to all stockholders, and if not all of those offered shares can be issued, the shares shall be allotted between the subscribers in proportion to the number of their prior ownership of shares, and if not possible drawing of lots.
- In the case of the company deciding to issue **warrants or convertible bonds** through issue of new shares for cash or set-off, the stockholders shall have pre-emption rights to new warrants or convertible bonds in proportion to the number of underlying shares, which can be subscribed or converted. This shall not limit the possibility to make directed share issues for cash or set-off.
- In the case of increase of the share-capital through issue of shares or increase in the nominal value of the shares without any payments (**bonus issue**), new shares shall be issued in proportion to the prior number of shares in each series of shares. The stockholders of the present shares shall have pre-emption rights to the new shares of the same class of shares in proportion to the number of shares each stockholder owned prior to the issue. This shall not limit the possibility to issuing shares of new series through a bonus issue, after necessary change of the articles of association.
15. The shares of the company shall be registered in a reconciliation register according to the Swedish law (1998:1479) of registration of financial instruments.
16. A-shares shall upon request from A-stockholders be converted to B-shares. The request therefore shall be made in writing addressed to the board of the company. The request shall further include the number of shares which are to be converted. The board shall within three months of receipt of the request deal with the issue. The conversion shall without delay be applied for registration and executed when registered.

These articles of association were adopted at the annual meeting of stockholders May 3, 2006.