

## **BioInvent International AB (publ)** **The Nomination Committee's proposal and reasoned statement - 2017**

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### ***Information about the Nomination Committee***

In accordance with the principles for nomination adopted by the general meeting, the Nomination Committee ahead of the Annual General Meeting 2017 has consisted of Björn O. Nilsson, chairman of the Board, Vincent Ossipow, as representative of Omega Fund IV, LP, Erik Esveld, as representative of Van Herk Investments B.V. and Mattias Cramby, representing Mexor i Skellefteå (own shareholding). Erik Esveld has been elected chairman of the Nomination Committee. The members of the Nomination Committee have, as provided by the Swedish Code of Corporate Governance, each determined that there is no conflict of interest to accept the assignment.

### ***Proposal of the Nomination Committee***

#### **Chairman of the annual general meeting**

Björn O. Nilsson (chairman of the Board)

#### **Board members and chairman of the Board**

The Board shall consist of six members elected by the general meeting.

Re-election of the current members Björn O. Nilsson, An van Es Johansson, Lars Ingelmark and Vincent Ossipow. Birgitta Stymne Göransson, Leonard Kruimer and Martin Nicklasson have declined re-election. Information about the candidates proposed for re-election is found in the company's Annual Report 2016.

New election of Niklas Prager and Dharminder Chahal.

Election of Björn O. Nilsson as chairman of the Board.

#### **Fees**

The company's Nomination Committee proposes that the annual basic fee to the members of the Board of Directors shall correspond to an amount of SEK 235,000. The basic fee to the Chairman of the Board shall correspond to an amount of SEK 525,000, including fees for any committee work. The fee for work as a Chairman of the Audit Committee shall amount to SEK 50,000 and the fee to other members of the Audit Committee shall amount to SEK 40,000. No fee for work in the Remuneration Committee is paid.

Provided that the general meeting approves the Nomination Committee's proposal for (A) Board Share Program 2017 and (B) directed issue of warrants series 2017/2018 and approval of transfer of the warrants, Board members shall have the option to receive 45

per cent of the basic board fee in the form of shares in BioInvent instead of a cash amount. If a Board member do not wish to receive part of the basic fee in shares, the annual basic fee to a Board member shall instead amount to SEK 160,000, excluding fees for any committee work, and to the Chairman of the Board to SEK 400,000, including fees for committee work.

*The Nomination Committee's motivated statement*

The Nomination Committee has held five minuted meetings. The committee members have also had telephone contacts.

As a basis for its proposal, the Nomination Committee has reviewed the result of the evaluation of the Board and its work, as well as the CEO's and chairman's report on how the board works and the company's business, goals and strategies.

The Nomination Committee has been informed that the members of Birgitta Stymne Göransson, Leonard Kruimer and Martin Nicklasson have declined re-election. The Nomination Committee has thoroughly discussed skills, experience and background for supplementing the board and found that the four candidates proposed for re-election can be expected to assure the Board broad expertise and experience in relevant fields. In addition hereto, the Nomination Committee has proposed new election of Niklas Prager and Dharminder Chahal.

*Niklas Prager is born 1970 and was President and CEO of Medivir AB 2014-2017.*

*Education: Master of Business Administration, Stockholm School of Economics.*

*Background: 20+ years of experience from executive and leading positions working both in Sweden and in the US for i.a. Merck & Co. Inc., Pfizer AB, Qbtech AB and Envirotainer AB.*

*Current board assignments: Adero AB, CellaVision AB and Qbtech AB.*

*Shareholding: 0*

*Dharminder Chahal is born 1976, lives in the Netherlands and is the CEO of SkylineDx (2013- ). He is also currently the Chief Executive Officer at Quorics (formerly known as CardioGenx), Managing Director at Exponential BV, and Fund Manager at Swanbridge Capital.*

*Education: M.Sc. in Aerospace Engineering and M.Sc. in Business Economics.*

*Background: Extensive board experience in the life sciences in current and previous (observer) board roles at at Agendia, Bioinvent International (2013-2016), deVGen, Innate Pharma, and Octoplus. Investment manager at Nationaal Grondbezit (part of the van Herk Group), private equity investor at Robeco Alternative Investments, and an associate at Kempen & Company. Founder of Skyline Dx. CEO and co-founder of CardioGenx.*

*Current board assignments: DCPrime (Chairman), Isobionics and VitalneXt.*

*Shareholding: 250,000*

The Nomination Committee has considered the matter of gender equality, and has applied Section 4.1 of the Swedish Corporate Governance Code as diversity policy, but concludes that the final proposal will regrettably not achieve the ambition that 40% of its members shall represent the underrepresented gender. In this context, the Nomination Committee notes that the two employee representatives appointed to the Board are both women.

The Nomination Committee has also considered the matter of independence of the proposed Board members in accordance with Sections 4.3-4.5 of the Swedish Corporate Governance Code, and in the view of the Nomination Committee, all directors proposed are to be regarded as independent, both in relation to the company, the company's management and to the larger shareholders.

***The Nomination Committee's proposal for (A) Board Share Program 2017 and (B) directed issue of warrants series 2017/2018 and approval of transfer of the warrants***

**(A) Implementation of Board Share Program 2017**

The company's Nomination Committee proposes, after consultation with the major shareholders, that the Annual General Meeting resolves to adopt a Board share program for the members of the Board (the "**Board Share Program 2017**").

The Board program entails that the members of the Board who wish to participate in the program are allocated 45 per cent of the basic fee for the Board assignment (i.e. excluding fee for committee work) in shares in BioInvent to a number that at the time of allocation in terms of value is equivalent to 45 per cent of the fee. The value shall be determined based on the volume weighted average price paid for the company's share on Nasdaq Stockholm (the "**Stock Exchange**") during a period of ten trading days prior to the Annual General Meeting 2018. The Board members shall have notified the company no later than 30 June 2017 if they wish to receive a part of the basic fee in shares, otherwise they will receive the lower cash fee. Vesting of the Board shares is conditional upon the Board member remaining as a Board member during the entire mandate period until the Annual General Meeting 2018. If no shares have vested (due to the premature ending of the assignment), the lower cash fee is paid.

The shares, which will be delivered in the form of warrants in accordance with item (B) below for immediate subscription of shares, will be received in connection with the Annual General Meeting 2018 against payment of a strike price per share amounting to the share's quota value (presently SEK 0.08).

The Board member shall on customary terms and conditions undertake to not sell shares received in the program as long as the Board members remain as a member of the board of the company and during six (6) months thereafter.

**(B) Directed issue of warrants series 2017/2018 and approval of transfer of the warrants**

In order to secure the fulfilment of the company's obligations towards Board members who chooses to receive a part of their fee in shares in accordance with the Board Share Program 2017, the Annual General Meeting is proposed to resolve on issue of warrants and approval of transfer of the warrants to the Board members on following terms and conditions:

1. A maximum of 900,000 warrants shall be issued.
2. Right to subscribe shall, with deviation from the shareholder's preferential right, be granted to BioInvent's wholly-owned subsidiary BioInvent Finans AB (the

“**Subsidiary**”).

3. Subscription of the warrants shall be made on a separate subscription list no later than 31 July 2017.
4. The warrants shall be issued free of charge.
5. Each warrant shall entitle to subscribe for one (1) new shares in the company.
6. The subscription price per share shall amount to the share’s quota value (presently SEK 0.08).
7. Subscription of shares in the company by virtue of the warrants shall be made no later than 30 July 2018.
8. Shares issued following exercise of a warrant during a certain financial year shall entail to dividend for the first time on the record day for dividend which occurs following registration of the shares with the Swedish Companies Registration Office.
9. Other terms and conditions for the warrants are set forth in “*Terms and conditions for BioInvent International AB’s warrants 2017/2018*”, Appendix 1.

The reason for the deviation from the shareholder’s preferential right is that the issue forms part of the implementation of the Board Share Program 2017.

The Nomination Committee further proposes that the Annual General Meeting resolves to approve that the Subsidiary free of charge may transfer warrants to Board members participating in the Board Share Program 2017 (directly or indirectly by company) with a right and obligation for the Board members to immediately subscribe for new shares in BioInvent, or otherwise dispose of the warrants in order to secure BioInvent’s commitments in connection with the Board Share Program 2017.

**Dilution of existing shares and votes etc.**

Based on the assumption of a share price of SEK 2.50 when the shares are paid and the participation of all members, the Board Share Program 2017 would comprise 306,000 shares, which corresponds to approximately 0.1 per cent of the shares and votes in the company.

In order to hedge BioInvent’s ability to fulfil its obligations pursuant to Board Share Program 2017 even at a price fall of the company’s share, the proposed hedging activities pursuant to item (B) comprise the issue of a maximum of 900,000 warrants, which corresponds to approximately 0.3 per cent of the shares and votes in the company. Assuming that all warrants are exercised for subscription of new shares in BioInvent, the company’s share capital will increase with SEK 72,000

Costs associated with the Board Share Program 2017 relates to ordinary social security contributions payable on the fee. The Board Share Program 2017 is not expected to affect any important key figures.

The Board Share Program 2017 is proposed to be passed as one single resolution, pursuant to the majority provisions of chapter 16 of the Swedish Companies Act, meaning that shareholders representing not less than nine-tenths of both the votes cast and the shares represented at the general meeting must vote for the proposal.

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In April 2017

*The Nomination Committee of BioInvent International AB (publ)*