

## ANNUAL GENERAL MEETING IN BIOINVENT INTERNATIONAL AB

The shareholders of **BioInvent International AB (publ)**, reg no 556537-7263, are hereby invited to attend the Annual General Meeting (the “AGM”) to be held at 10 a.m., Thursday March 25, 2013 at Edison Park, Emdalavägen 16 in Lund, Sweden.

### A. NOTICE OF ATTENDANCE

Shareholders who wish to attend the AGM must:

- (i) be recorded in the printout of the share register maintained by Euroclear Sweden AB (“Euroclear”), as of Friday April 19, 2013;

and

- (ii) notify the company of their intention to attend the Meeting at the address Sölvegatan 41, SE-223 70 Lund, Sweden, att: Marie Serwe, by telephone +46 46 286 85 50, by telefax +46 46 211 08 06, or by e-mail [marie.serwe@bioinvent.com](mailto:marie.serwe@bioinvent.com), Friday April 19, 2013 at the latest, preferably before 4 p.m.

On giving notice of attendance, the shareholder shall state name, personal identity number/registration number, number of shares held, phone number and, if applicable, the name of the representative. Proxy to act on behalf of a shareholder should be sent together with the notice of attendance. Representative of a legal person shall hand in a copy of a registration certificate or similar papers of authorisation. The company will supply proxy forms upon request from a shareholder.

In order to participate in the proceedings at the AGM, shareholders with nominee-registered shares must request their bank or broker to have the shares temporarily owner-registered with Euroclear. Such registration must be made as per Friday April 19, 2013 and the bank or broker should therefore be notified in due time before said date.

### B. AGENDA FOR THE MEETING

#### Proposal for Agenda

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the voting list.
4. Election of persons to check the minutes.
5. Determination of compliance with the rules of convocation.
6. Approval of the Agenda.
7. The Managing Director's report for the financial year 2012.
8. Account for the Board's and the committees' work for the financial year 2012.
9. Presentation of (a) the Annual Report and the Auditor's Report and the Consolidated Financial Statements and the Group Auditor's Report for the financial year 2012 and (b) the statement by the Auditor on the compliance with the guidelines for remuneration to management applicable since the last AGM.
10. Resolutions regarding
  - (a) adoption of the Statement of Income and the Balance Sheet and the Consolidated Statement of Income and the Consolidated Balance Sheet,
  - (b) appropriation of the company's result according to the adopted Balance Sheet, and
  - (c) discharge from liability of the Board of Directors and the Managing Director.
11. Resolutions on
  - (a) amendment of the articles of association, and
  - (b) reduction of the share capital and the statutory reserve for the purpose of covering loss.
12. Establishment of the number of members of the Board of Directors.
13. Establishment of fees for the Board members.
14. Election of Board members and Chairman of the Board of Directors.
15. Establishment of fees for the auditors.
16. Determination of guidelines for remuneration to management.
17. Resolution regarding authorisation of the Board of Directors to issue shares.
18. Resolution regarding (a) employee incentive program and transfer of warrants/shares in connection therewith (b) directed warrants issue.
19. Closing of the Meeting.

## **Proposals regarding items on the Agenda**

### Election of Chairman of the Meeting (item 2)

The Nomination Committee has proposed that the Chairman of the Board of Directors, Björn O. Nilsson, shall be Chairman of the Meeting.

### Appropriation of the company's result (item 10 b)

At the disposal of the AGM is the following funds: the premium fund of SEK 169,722,530, profit carried forward of SEK 982,000 and the loss for the year of SEK -187,845,249. Thus, the accumulated loss amounts to SEK -17,140,719. The Board of Directors proposes that the accumulated loss is carried forward. Thus, it is proposed that no dividend be given for the financial year 2012.

### Resolutions on amendment of the articles of association and reduction of the share capital and the statutory reserve (item 11)

#### (a) Amendment of the articles of association

The Board proposes that the AGM, for the purpose of enabling the reduction of the share capital to cover loss as proposed in item 11(b) below, resolves in accordance with the following:

The limits of the share capital of the company shall be amended from currently being no less than SEK 30,000,000 and no more than SEK 120,000,000 into being no less than SEK 15,000,000 and no more than SEK 60,000,000, entailing that §4 of the articles of association will read as follows:

*The share capital shall amount to no less than SEK fifteen million (15,000,000) and no more than SEK sixty million (60,000,000).*

#### (b) Proposal for reduction of the share capital and the statutory reserve for the purpose of covering loss

For the purpose of covering the company's accumulated loss, while at the same time better adapt the size of the share capital to the company's business, the Board proposes that the AGM resolves on reductions of the share capital and the statutory reserve in accordance with the following:

The company's share capital, which currently amounts to SEK 36,962,891, shall be reduced by SEK 17,002,930 to cover loss. The reduction shall be effected without retirement of shares and without repayment to the shareholders.

After the reduction, the company's share capital will amount to SEK 19,959,961, allocated between a total number of 73,925,782 shares. The reduction entails a reduction of the quota value of the shares with SEK 0,23 from SEK 0,50 to SEK 0,27.

The reduction of the share capital is subject to the amendment of the articles of association in accordance with item 11(a) above.

In addition, the Board proposes that the AGM resolves on a reduction of the statutory reserve by SEK 137,789 in order to cover the remaining part of the total accumulated loss of SEK 17,140,719.

The resolution of the AGM pursuant to items 11(a) and (b) is to be passed as one single resolution. Such resolution is subject to support by shareholders representing at least two thirds of both the votes cast and the shares represented at the Meeting.

### Elections and fees (items 12-15)

The Nomination Committee, consisting of Dharminder Chahal (Van Herk Groep), Tony Sandell (B&E Participation AB), Mikael Lönn (representing his own shareholding) and Björn O. Nilsson (Chairman of the Board), has informed the company of the following proposals.

The Board of Directors shall consist of six members elected by the General Meeting, without deputy members.

The Nomination Committee proposes re-election of the Board members Lars Backsell, Lars Ingelmark, Elisabeth Lindner and Björn O. Nilsson, and new election of Dharminder Chahal and Jonas Jendi. Björn O. Nilsson is proposed to be re-elected as Chairman of the Board.

Dharminder Chahal is 36 years old. Dharminder Chahal holds an M.Sc. in Aerospace Engineering from Delft University of Technology and a M.Sc. in Business Economics from the Erasmus University of Rotterdam. Dharminder Chahal is CEO and Co-founder of CardioGenx, a research-phase diagnostics company. Furthermore, Dharminder Chahal consults Van Herk Groep on the life sciences investment portfolio. Previously, Dharminder Chahal was on the Board of Octoplus N.V. and an observer on the Board of Devgen N.V. Dharminder Chahal is member of the Advisory Committee of Gilde Healthcare II.

Jonas Jendi is 42 years old. Jonas Jendi has a degree from the Stockholm School of Economics and built up Cogmed Systems AB, of which he, since 2002, has worked as the Managing Director and thereafter also as the Managing Director of Cogmed America, Inc. After Pearson Clinical Assessments' acquisition of Cogmed Systems, he has worked as vice president and general manager of Pearson Clinical Assessments until September 2012. He is now an independent consultant within the field of commercialization of innovation. Jonas Jendi is a Board member of Diamyd Medical AB.

Fees to the Board members shall be paid as before in the amounts of SEK 400,000 to the Chairman of the Board and SEK 160,000 to each of the other Board members, who are not employed by the company. In addition hereto, unchanged fees are proposed for committee work, although not to the Chairman of the Board, in the amounts of SEK 20,000 to each of the members in the Remuneration Committee, SEK 50,000 to the Chairman of the Audit Committee and SEK 40,000 to each of the other members in the Audit Committee.

#### Resolution regarding the determination of guidelines for remuneration to management (item 16)

The Board of Directors' complete proposal for guidelines for remuneration to management appear from the Directors' Report and is unchanged in relation to the guidelines that were resolved last year, except that the maximum amount of variable compensation is decreased from SEK 3 million to SEK 2,2 million due to the reduced number of members of the management group. The proposal principally entails that the remuneration and employment terms for the management shall be in accordance with market conditions. In addition to the fixed yearly salary, the management may obtain variable remuneration, which shall be limited and mainly related to technical and commercial milestones within the own pharmaceutical projects. Remuneration may also emanate from warrants or other share related incentive programs resolved by the General Meeting.

#### Resolution regarding authorisation of the Board of Directors to issue new shares (item 17)

The Board of Directors proposes the AGM to authorise the Board to resolve on the issue of new shares on one or several occasions during the period up to the next annual general meeting. The number of shares to be issued by virtue of the authorisation shall not exceed 15 per cent of the registered share capital (as per the date of the resolution on the issue of new shares). The issue may take place with or without a deviation from the shareholders' preferential right and with or without provisions on contribution in kind or set-off or any other terms. The purpose of the authorisation is to increase the company's financial flexibility and enable acquisitions by payment of shares. If the Board resolves on an issue with deviation from the shareholders' preferential right the reason may be to add new capital or new company owners of strategic importance to the company and/or the acquisition of other companies or businesses. At a deviation from the shareholders' preferential right, the issue rate shall be determined in accordance with market conditions. Other terms may be resolved by the Board.

The proposal is subject to the support of shareholders representing at least two-thirds of the votes cast and the shares represented at the Meeting.

#### Resolution regarding employee incentive program (item 18)

The Board of Directors proposes that the AGM resolves to implement a long term incentive program in the form of an employee option program, comprising all of the employees of the BioInvent group.

##### (a) Employee Incentive Program 2013/2017

The program shall comprise a total maximum of 900,000 employee options (*Sw. personaloptioner*).

Employee options shall be granted to the employees free of charge and shall be allotted according to the guidelines below. The employee options shall not be deemed as securities and will be non-transferable. Exercise of the employee options shall be conditional upon the holder still being employed with the group.

The employee options shall be allotted to all employees (approximately 60) of BioInvent as per the day for release of the year-end report regarding the 2013 financial year, except for persons who at the time of allotment have resigned or have been dismissed from their employment. The options will be received

based on performance during the financial years 2013, 2014 and 2015 in accordance with the following principles:

CEO:	maximum 30,000 options per year
Members of the management:	maximum 15,000 options per year
Heads of sections and other key personnel:	maximum 7,000 options per year
Other employees:	maximum 3,000 options per year

Allotment will take place in connection with the year-end report the following year.

Each employee option shall entitle the holder to subscribe for one (1) new share at a subscription price equivalent to 125 per cent of the volume-weighted average price paid for the share in the company on the NASDAQ OMX Stockholm (the "**Stock Exchange**") during the ten trading days following the 2013 AGM. Option holders may exercise allotted employee options as from the day for release of the company's year-end report regarding the 2013 financial year, up to and including 1 December 2017.

In view of the below proposed terms, the size of the allotment and other facts, the Board assesses that the Employee Incentive Program 2013/2017 is well-balanced and that it will be of benefit for BioInvent and its shareholders.

(b) Directed issue of warrants and approval of transfer of warrants

To secure the company's commitments under Employee Incentive Program 2013/2017 and the social security contributions connected therewith, the Board proposes that the AGM resolves on a directed issue of maximum 1,182,780 warrants, essentially according to the following terms.

The warrants shall be issued free of charge and shall, without preferential right for existing shareholders, be subscribed for by the company's wholly-owned subsidiary BioInvent Finans AB (the "**Subsidiary**"). Each warrant shall entitle the holder to subscribe for one (1) new share at a subscription price equivalent to 125 per cent of the volume-weighted average price paid for the share in the company on the Stock Exchange during the ten trading days following the 2013 AGM. The reason for the deviation from the shareholders preferential right is that the issue forms part of the implementation of the Employee Incentive Program 2013/2017.

The Board further proposes that the General Meeting resolves to approve that the Subsidiary transfers the warrants to employees within the group or otherwise disposes of the warrants in order to secure the company's commitments and social security costs in connection with the Employee Incentive Program 2013/2017.

At full exercise of all issued warrants under the Employee Incentive Program 2013/2017 and assuming that the AGM resolves on a reduction of the company's share capital into a share capital amounting to SEK 19,959,961.14, BioInvent's share capital may increase by SEK 319,350.60 to SEK 20,279,311.74. This corresponds to approximately 1.6 per cent of the shares and votes of the company after full exercise. At the AGM 2011, an addendum ("**Employee Incentive Program 2011/2015**") to previously unused employee incentive programs was resolved. Under Employee Incentive Program 2011/2015, where the exercise price is SEK 30.24, a maximum of 55,605 options may be allotted. At full exercise of all 73,077 options which thus may be required in view of Employee Incentive Program 2011/2015, BioInvent's share capital will be increased by an additional SEK 19,730.79. Thus, Employee Incentive Program 2011/2015 and Employee Incentive Program 2013/2017 may in total, at full exercise, entail an increase of BioInvent's share capital by a maximum of SEK 339,081.39 to SEK 20,299,042.53, which corresponds to approximately 1.7 per cent of the shares and votes of the company after full exercise.

The Board expects that the Employee Incentive Program 2013/2017 will lead to costs mainly in the form of salary costs in the accounts and costs for social security charges. Costs for social security are hedged by the warrants issued for such purpose.

The General Meeting's resolution pursuant to items 18(a) and (b) above is to be passed as one single resolution. Such resolution is subject to support by shareholders representing at least two thirds of both the votes cast and the shares represented at the Meeting.

**C. SHAREHOLDERS' RIGHT TO ASK QUESTIONS**

At the AGM shareholders have the right to ask questions concerning the company, the company's financial position and matters and proposals to be dealt with at the Meeting.

**D. AVAILABLE DOCUMENTS ETC**

The proposal and motivated statement of the Nomination Committee and proxy forms are available at the company's website [www.bioinvent.se](http://www.bioinvent.se). Accounting documents, the Auditor's Report and other documents to be held available according to the Swedish Companies Act, will also be available on the company's web page from Thursday, April 4, 2013, at the latest, and be distributed to shareholders who so request and state their postal address.

The total number of shares and votes in the company amounts to 73,925,782.

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Lund in March 2013  
*The Board of Directors*  
BIOINVENT INTERNATIONAL AB (PUBL)