

## **BioInvent International AB (publ)** **The Nomination Committee's proposal and reasoned statement - 2018**

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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 2018 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 Dharminder Chahal, An van Es-Johansson and Vincent Ossipow. Lars Ingelmark, Björn O. Nilsson and Niklas Prager have declined re-election. Information about the candidates proposed for re-election is found in the company's Annual Report 2017.

New election of Leonard Kruimer, Kristoffer Bissessar and Bernd Seizinger.

New-election of Leonard Kruimer 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 305,500. The basic fee to the Chairman of the Board shall correspond to an amount of SEK 682,500, including fees for any committee work. The fee for work as a Chairman of the Audit Committee shall amount to SEK 57,500 and the fee to other members of the Audit Committee shall amount to SEK 46,000. No fee shall be paid for work in the Remuneration Committee.

Provided that the general meeting approves the Nomination Committee's proposal for (A) Board Share Program 2018 and (B) directed issue of warrants series 2018/2019 and approval of transfer of the warrants, Board members shall have the option to receive up

to 100 percent, but minimum 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 184,000, excluding fees for any committee work, and to the Chairman of the Board to SEK 460,000, including fees for committee work. Vincent Ossipow has advised that for policy reasons he will be accepting the cash alternative.

*The Nomination Committee's motivated statement*

The Nomination Committee has held four 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 Lars Ingelmark, Björn O. Nilsson and Niklas Prager have declined re-election. The Nomination Committee has thoroughly discussed skills, experience and background for supplementing the board and found that the three candidates proposed for re-election and the new election of Leonard Kruimer, Kristoffer Bissessar and Bernd Seizinger, can be expected to assure the Board broad expertise and experience in relevant fields.

**Leonard Kruimer** is born 1958 and is presently independently providing interim management solutions and consulting to companies. He served as a Board Member in BioInvent International between 2016-2017.

*Education: Graduated from University of Massachusetts and Harvard School of Business Administration.*

*Background: Executive and supervisory positions in a number of biotech companies, such as SkylineDx, BBB Therapeutics and ProFibrix. Between 1998-2011, he served as CFO and member of the board of Crucell NV, and he has also held senior executive positions at Royal Boskalis, TIP GE Capital and Continental Can Inc.*

*Current board assignments: Board member of Karmijn Kapitaal Investments.*

*Shareholding: -*

**Kristoffer Bissessar** is born 1968, and is currently running a small consulting company, Evolvere Partners AB.

*Education: Separate courses within, among other things, leadership, tax and bank law, business administration and financial/corporate analysis.*

*Background: Broad experience from the financial industry, he has been operative in banking and finance since 1989 and has, for example, held positions as Global Head of Equities Sales & Research, as well as, Head of Corporate Finance & Equities Sweden with the position of Managing Director at Nordea, Director - Institutional Equity Sales at Deutsche Bank AG (Stockholm) and various positions at Handelsbanken, such as Deputy Head of Equity Sales and discretionary portfolio manager. He has also served as a board member of the Swedish Securities Dealers Association. Current board assignments: Board member in Evolvere Partners AB*

*Shareholding: -*

**Bernd Seizinger** is born 1956, and currently serves as chairman and board member in a number of biotech companies in the U.S., Europe and Canada.

*Education: Doctor of Medicine and Doctor of Neurobiology.*

*Background: President & CEO of GPC Biotech, Executive Vice President and Chief Scientific Officer of Genome Therapeutics Corporation and Vice President of Oncology Drug Discovery and - in parallel - Vice President of Corporate and Academic Alliances at Bristol-Myers Squibb.*

*Current board assignments: Chairman of the board in Oxford BioTherapeutics, Co-Founder and Executive Chairman/Acting CEO in CryptoMedix. Board member and Chairman of the Scientific and Clinical Advisory Board in Opsona, board member and Co-Chair of the Scientific Advisory Board of Oncolytics and board member of Aprea and Vaccibody.*

*Shareholding: -*

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 (> 10 %).

***The Nomination Committee's proposal for (A) Board Share Program 2018 and (B) directed issue of warrants series 2018/2019 and approval of transfer of the warrants***

**(A) Implementation of Board Share Program 2018**

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 2018**").

The Board program entails that the members of the Board who wish to participate in the program are allocated minimum 45 per cent and maximum 100 per cent of the basic fee for the Board assignment (i.e. excluding fee for committee work) in shares in BioInvent (and the remaining amount in cash). The number of shares 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 five trading days after publication of the Q1 report 2019. The Board members shall have notified the company no later than 30 June 2018 if they wish to receive a part of the basic fee in shares, and how much, 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 2019. 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 2019 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 2018/2019 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 the entire fee in shares in accordance with the Board Share Program 2018, 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 2,000,000 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 2018.
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 2019.
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 2018/2019*", 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 2018.

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 2018 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 2018.

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

Based on the assumption of a share price of SEK 2 when the shares are paid and the

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participation of all members, the Board Share Program 2018 would comprise 952,250 shares, which corresponds to approximately 0,3 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 2018 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 2,000,000 warrants, which corresponds to approximately 0,7 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 160,000.

Costs associated with the Board Share Program 2018 relates to ordinary social security contributions payable on the fee. The Board Share Program 2018 is not expected to affect any important key figures.

The Board Share Program 2018 is proposed to 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 March 2018

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