

## **NOTICE OF ANNUAL GENERAL MEETING IN BIOARCTIC AB (PUBL)**

The shareholders in BioArctic AB (publ), corporate identity number 556601-2679 (the "Company") are hereby summoned to the Annual General Meeting to be held on May 7, 2020, at 5 p.m., at Lindhagen Konferens, Lindhagensgatan 126, Stockholm, Sweden. The registration starts at 4:30 p.m.

### **Right to participate at the Annual General Meeting**

Shareholders who wish to participate at the Annual General Meeting must

- be recorded in the share register kept by Euroclear Sweden AB on Thursday April 30, 2020; and
- notify the Company of their intention to participate so that the notification is received by the Company no later than Monday May 4, 2020. Notice can be made by email to [ir@bioarctic.se](mailto:ir@bioarctic.se), by telephone + 46 (0)73 531 8870 on weekdays between 9 a.m. and 5 p.m., or by mail to BioArctic AB, Warfvinges väg 35, SE-112 51 Stockholm, Sweden.

The notification shall include the shareholder's name, social security number or corporate identity number, address, daytime telephone number, number of shares, details on any advisors (not more than two), and details on any deputy or proxy, if applicable. If the shareholder is represented by proxy, a power of attorney in original form (together with the appropriate authorization documents such as a registration certificate) must be provided to the Company in due time before the Annual General Meeting. The date of issuance shall be stated on the power of attorney and the validity of the power of attorney may not exceed a period of five years from its issuance. The Company provides a form of power of attorney at request and the form is also available at the Company's website, <https://www.bioarctic.se/en/>.

### **Nominee-registered shares**

In addition to notify the Company of their participation, shareholders whose shares are registered in the name of a nominee must register their shares in their own name (so-called voting rights registration). The registration can be temporary and must be completed by Thursday April 30, 2020 in order for the shareholder to be entitled to participate in the annual general meeting. This means that such shareholders must advise their nominees of this request well in advance of this date.

### **Proposed agenda**

1. Opening of the Annual General Meeting and election of the chairman of the meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Determination of whether the Annual General Meeting has been duly convened
5. Election of one or two persons to approve the minutes
6. Presentation by the CEO
7. Presentation of the annual report and the auditor's report, as well as the consolidated financial statements and the auditor's report on the consolidated financial statements
8. Resolutions on:
  - a) adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet,
  - b) allocation of the Company's result pursuant to the adopted balance sheet, and

- c) discharge from liability for the board members and the CEO.
9. Resolution on the number of board members and the number of auditors and deputy auditors
  10. Resolution on the remuneration to the board members and the auditor
  11. Election of board members
  12. Election of auditor
  13. Resolution regarding the establishment of a Nomination Committee and instructions to the Nomination Committee
  14. Resolution on guidelines for remuneration to senior executives
  15. Resolution to amend the Articles of Association
  16. Closing of the Annual General Meeting

### **Main proposals for resolutions**

*Item 1 – Election of the chairman of the meeting*

The Nomination Committee proposes that advokat Gunnar Mattsson at Advokatfirman Lindahl be elected chairman of the meeting.

*Item 8b) – Allocation of the Company's result pursuant to the adopted balance sheet*

The board proposes that the profits at the general meeting's disposal, i.e. in total SEK 833,968,288, be carried forward. The board's proposal entails that no dividend is paid for the financial year 2019.

*Item 9 – Resolution on the number of board members and the number of auditors and deputy auditors*

The Nomination Committee proposes that the board shall consist of eight (8) members without deputies.

The Nomination Committee proposes that a registered public accounting firm be elected as the Company's auditor and that no deputy auditor be appointed.

*Item 10 – Resolution on the fees to the board members and the auditor*

The Nomination Committee proposes that the board's remuneration for the time until the next Annual General Meeting shall amount to SEK 500,000 to the chairperson, SEK 300,000 to the deputy chairperson and SEK 250,000 to each of the other board members not employed by the Company.

An additional remuneration shall be payable for work in the audit committee, where SEK 100,000 shall be payable to the chairperson of the audit committee and SEK 60,000 to each other member of the audit committee who is not employed by the Company.

An additional remuneration shall be payable for work in the remuneration committee, where SEK 60,000 should be payable to the chairperson of the remuneration committee and SEK 40,000 to each other member of the remuneration committee who is not employed by the Company.

The proposal means that the remuneration to the board remains unchanged.

The Nomination Committee further proposes that the remuneration to the auditor shall be paid against approved invoice.

#### *Item 11 – Election of board members*

The Nomination Committee proposes re-election of the board members Wenche Rolfsen, Ivar Verner, Lars Lannfelt, Pär Gellerfors, Hans Ekelund, Eugen Steiner and Mikael Smedeby and election of Håkan Englund as a new member for a term of office extending until the end of the next Annual General Meeting. Further, the Nomination Committee proposes that Wenche Rolfsen be re-elected as chairperson of the board and that Ivar Verner be re-elected as deputy chairperson of the board.

Ewa Björling has informed the Nomination Committee that she is not available for re-election.

Håkan Englund has more than 40 years of experience from the life science industry and has an education background within economics, chemistry and polymer technology. Håkan Englund has had several leading commercial roles in sales and marketing within the Pharmacia group and is expected to be able to contribute valuable expertise in these areas to the board. Håkan Englund also has experience from several board assignments in both public and private companies in the life science sector. Håkan Englund is independent in relation to the Company, the Company's management and its major shareholders.

#### *Item 12 – Election of auditor*

The Nomination Committee proposes, in accordance with the Audit Committee's proposal, re-election of the registered auditing firm Grant Thornton Sweden AB to be the Company's auditor for a term of office extending until the end of the next Annual General Meeting. Grant Thornton Sweden AB intends to appoint public authorized auditor Mia Rutenius as the auditor in charge.

#### *Item 13 – Resolution regarding the establishment of a Nomination Committee and guidelines for the work of the Nomination Committee*

The Nomination Committee proposes that the Annual General Meeting resolves to establish a Nomination Committee for the Annual General Meeting 2021, which is to be appointed according to the following principles, and that the Annual General Meeting adopts instructions for the work of the Nomination Committee as set out below.

##### *Principles for appointing the members of the Nomination Committee*

The general meeting authorizes the chairperson of the board to contact the three largest shareholders in terms of voting power according to Euroclear Sweden AB's transcription of the share register as of September 30, 2020, each of them appointing a member of the Nomination Committee. In the event that any of the three largest shareholders does not wish to appoint a member of the Nomination Committee the fourth largest shareholders should be asked and so forth, until the Nomination Committee consists of three members. The composition of the Nomination Committee shall be announced on the Company's website no later than six months prior to the next Annual General Meeting.

The term of office of the appointed Nomination Committee shall run until a new Nomination Committee has been appointed under a mandate from the next Annual General Meeting.

If a member leaves the Nomination Committee before its work is completed and the Nomination Committee finds that there is a need for replacing this member, the Nomination Committee shall appoint a new member in accordance with the principles described above, but based on Euroclear Sweden AB's transcription of the share register as soon as possible after the member left the Nomination Committee. Any change in the composition of the Nomination Committee shall be announced immediately.

##### *The assignment of the Nomination Committee*

The Nomination Committee shall prepare and present proposals regarding the following items for the Annual General Meeting 2021:

- a) Election of chairman of the meeting,
- b) Resolution on the number of board members and auditors,
- c) Resolution on the fees and other remuneration to the Board of Directors and its committees, divided between the chairperson, the deputy chairman and other board members,
- d) Resolution on the fees to the auditors,
- e) Election of board members and chairperson of the board and deputy chairperson of the board,
- f) Election of auditors, and
- g) Proposal for principles for the composition and instructions regarding the work of the Nomination Committee in preparation for the Annual General Meeting 2022.

The Nomination Committee shall perform the tasks assigned to the Nomination Committee in accordance with the Swedish Corporate Governance Code (the “**Code**”) and duly consider the Code while performing its assignment.

#### *The work of the Nomination Committee*

The Nomination Committee appoints the chairperson of the committee. The chairperson of the board or another board member shall not be the chairperson of the Nomination Committee.

The Nomination Committee shall meet as often as is necessary for the Nomination Committee to fulfil its duties, but at least once per year. Notices convening meetings are issued by the chairperson of the Nomination Committee. If a member requests that the Nomination Committee be convened, the request shall be complied with. The chairperson of the board may participate at the Nomination Committee's meetings.

The Nomination Committee is quorate if at least two members are present. Resolutions of the Nomination Committee shall be adopted by a simple majority of the members present or, in the event of a tied vote, the chairperson shall have the casting vote.

Minutes shall be kept at the Nomination Committee's meetings.

#### *Remuneration*

No remuneration shall be paid to the members of the Nomination Committee. However, any necessary expenses incurred in connection with the Nomination Committee's work shall be borne by the Company.

#### *Item 14 – Resolution on guidelines for remuneration to senior executives*

The board proposes guidelines for remuneration to senior executives with the following main contents. The complete version of the board's proposed guidelines for remuneration to senior executives will be available on the Company's website.

#### *The scope and applicability of the guidelines*

These guidelines apply to remuneration payable to the CEO and other members of BioArctic's senior management from time to time. The guidelines also apply to the members of the board, to the extent that they work for or provide services to the Company outside the scope of their board assignment. The guidelines apply to remuneration that is agreed, and to amendments to agreed remuneration that are made, after the guidelines have been adopted by the Annual General Meeting 2020. The guidelines do not apply to remuneration which is decided or approved by the Annual General Meeting, such as share-related incentive programs. At the

Annual General Meeting 2019, it was decided to introduce an employee stock option program for the company's management, researchers and other employees. The employee stock option program is described in more detail in the annual report. Senior executives that are board members or deputy board members in other group companies shall not be entitled to additional compensation for such assignments.

*How the guidelines contribute to the Company's business strategy, long-term interests and sustainability*

BioArctic is a Swedish research-based biopharmaceutical company focused on disease-modifying treatments and reliable biomarkers and diagnostics for neurodegenerative diseases, such as Alzheimer's disease and Parkinson's disease. BioArctic focuses on innovative treatments in areas with a great medical need. The project portfolio is a combination of fully funded projects which are carried out in partnership with global pharmaceutical companies as well as own innovative projects with large market and out-licensing potential.

BioArctic's vision is to create world-leading pharmaceutical products that improve the lives of patients with diseases affecting the central nervous system. The Company's work is based on scientific discoveries and BioArctic's researchers collaborate with strategic partners such as research groups at universities and large pharmaceutical companies. Within BioArctic there is leading scientific expertise and a long-standing experience of developing pharmaceutical products from idea to market. BioArctic's business model is to initially carry out early research and development projects in-house and subsequently to enter into research collaboration agreements or to license certain commercial rights to global pharmaceutical companies once the projects have reached a development phase that requires more resources or expertise.

The successful implementation of the Company's strategy and the safeguarding of the Company's long-term interests is depending on that the Company can recruit and retain a management with high qualifications and the capacity to achieve set goals. These guidelines contribute to the Company's business strategy, long-term interests and sustainability by giving the Company the opportunity to offer senior executives a competitive remuneration.

*Types of remuneration*

The Company's remuneration system shall be competitive and in accordance with market practice. The remuneration may consist of fixed salary, variable cash remuneration, pension benefits and other benefits.

*Fixed salary* shall be determined individually for each senior executive and be based on the executive's position, responsibility, skills, experience and performance.

*Variable remuneration* shall be linked to the outcome of the Company's goals and strategies and shall be based on predetermined and measurable criteria designed to promote long-term value creation. The share of the variable compensation in relation to the total compensation may vary depending on the executive's position. However, variable remuneration should not exceed an amount corresponding to 50 percent of the executive's annual fixed salary. The variable remuneration shall not qualify for pension benefits, unless otherwise required pursuant to mandatory collective bargaining agreements. The board shall have the possibility to request, in accordance with law or agreement, that variable remuneration that has been paid on incorrect grounds be repaid to the company.

*Pension benefits* shall be paid to a defined contribution scheme (premium based), unless the executive is covered by a defined benefit scheme in accordance with mandatory collective bargaining agreements. Pension benefits shall not exceed 40 percent of the executive's annual fixed salary.

*Other benefits* may consist of car benefits, corporate health benefits, life and health insurance and other similar benefits. These benefits shall be of limited value in relation to the total

remuneration and may correspond to a maximum of 10 percent of the executive's annual fixed salary.

*Consultancy fees* shall be payable on market terms.

In addition to and regardless of these guidelines, the Annual General Meeting may decide on share-based incentive schemes and similar remunerations.

*Criteria for payment of variable remuneration*

The criteria for variable remuneration shall be determined annually by the board in order to ensure that the criteria are in line with BioArctic's current business strategy and financial targets. The criteria can be individual or collective, financial or non-financial and shall be designed in such a way that they promote the Company's business strategy, sustainability strategy and long-term interests. For example, the criteria may be linked to the Company achieving certain goals within the framework of its clinical studies, the Company initiating or completing a certain step or achieving a certain research result within its development projects, the Company initiating a research collaboration with a particular partner or the Company entering into a certain agreement. The criteria may also be linked to the employee, for example a requirement that the employee has been employed by the Company for a certain minimum period of time.

The fulfillment of the criteria shall be assessed based on a measurement period which is at least one year. The assessment of the extent to which the criteria have been met shall be made at the end of the measurement period. The assessment of whether financial criteria have been met shall be based on the latest financial information published by the Company. The board decides on the payment of any variable remuneration, after preparation in the remuneration committee.

*Termination and severance pay*

The notice period for the CEO shall not exceed twelve months, if the employment is terminated by the Company, and shall not exceed six months, if the employment is terminated by the CEO.

For senior executives other than the CEO, the notice period shall be at least three months and a maximum of twelve months, if the employment is terminated by the Company, and be at least three months and a maximum of six months, if the employment is terminated by the employee, unless otherwise applies in accordance with applicable law.

Severance pay may be paid to senior executives if the employment is terminated by the Company. Fixed salary during the notice period and severance pay shall, in total, not exceed an amount corresponding to the fixed salary during a two-year period.

*Deviations from the guidelines*

The board may decide to temporarily deviate from the guidelines if there are special and considerable reasons for doing so and the deviation is necessary to meet Bio Arctic's long-term interests and sustainability or to ensure the Company's financial viability. Considerable reasons may, for example, be that a deviation is deemed necessary to recruit or retain key personnel or in exceptional circumstances such as the Company achieving a certain desired result in a shorter time than planned, that the Company succeeds in concluding a certain agreement in a shorter time and better conditions than expected or that the Company increases in value or increases its turnover or profits to a greater extent than projected.

*Item 15 - Resolution to amend the Articles of Association*

The Board of Directors proposes that the Annual General Meeting resolves to adopt new Articles of Association with the effect that paragraph 9 of the articles is amended as follows:

Current wording:

**9. Registration**

*To participate in the general meeting shareholders must be included in a print-out or other representation of the entire share register showing the status five days prior to the meeting, and also register their participation to the Company no later than the day specified in the notice. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and may not fall earlier than the fifth weekday before the meeting.*

*Shareholders or representatives may bring a maximum of two (2) advisors at the general meeting only if the shareholder notifies the number of advisors to the company in the manner stated above.*

Proposed wording:

**9. Registration**

*To participate in the general meeting shareholders shall, in addition to the conditions for participation set forth in the Swedish Companies Act, also notify the company of their intention to participate no later than the date specifies in the notice. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, and may not fall earlier than the fifth weekday before the meeting.*

*Shareholders or representatives may bring a maximum of two (2) advisors at the general meeting only if the shareholder notifies the number of advisors to the company in the manner stated above.*

**Majority requirements**

A resolution in accordance with the proposal in item 15 above requires that it is supported by shareholders representing at least two-thirds of both the votes cast and the shares represented at the meeting.

**Number of shares and votes**

At the time of issuing this notice the total number of shares in the Company amounts to 88,059,985, of which 14,399,996 are A-shares and 73,659,989 are B-shares. The total number of votes are 217,659,949.

**The shareholders' right to information and provision of documents**

The shareholders are reminded of their right to request information from the Board of Directors and the CEO in accordance with Chapter 7 Section 32 of the Swedish Companies Act. Anyone wishing to submit questions in advance may do so by email to [ir@bioarctic.se](mailto:ir@bioarctic.se), or by mail to BioArctic AB, Warfvinges väg 35, SE-112 51 Stockholm, Sweden.

The annual report and the auditor's report, complete proposals for resolutions and all other documents pursuant to the Swedish Companies Act will be available at the Company's website <https://www.bioarctic.se/en/> and the Company's office at Warfvinges väg 35, Stockholm no later than three weeks before the meeting, i.e. no later than April 16, 2020. The documents will be sent free of charge to the shareholders who request this and state their address. The documents will also be available at the meeting.

The Nomination Committee's complete proposal (including the Nomination Committee's reasoned statement) will be made available on the Company's website <https://www.bioarctic.se/en/> when the notice to the general meeting has been published.

## **Processing of personal data**

In connection with the general meeting personal data will be processed in accordance with the Company's privacy policy, which is available at <https://www.bioarctic.se/en/privacy-policy-shareholders-3839/>

## **Information due to the new corona virus (Covid-19)**

To reduce the spread of the new corona virus, BioArctic has decided to take several precautions at the Annual General Meeting. The aim is that the meeting shall be short and efficient with a minimum risk of transmission of the disease. This may entail that speeches and presentations are shortened. Refreshments will not be provided at the meeting.

BioArctic reminds its shareholders of the possibility of not attending the meeting personally. Instead, shareholders can appoint a representative who votes on their behalf. Shareholders who are ill, have recently visited an area where the virus has been widely spread or belong to a risk group should in particular consider the opportunity to participate through a representative. Proxy forms are available at the Company's website <https://www.bioarctic.se/en/>.

BioArctic closely monitors the development of the spread and the recommendations from Swedish authorities. If needed, BioArctic will publish updated information on the Company's website <https://www.bioarctic.se/en/>. Any changes regarding the date and place of the meeting will be announced through a press release.

Stockholm in April 2020

**BioArctic AB (publ)**

**The Board of Directors**

*The information was submitted for publication on April 7, 2020 at 08:00 a.m. CET.*