

Minutes from Annual General Meeting

Company Karolinska Development AB (publ) (556707-5048)
Date May 24, 2017
Place Solna

1. Opening of the meeting

The meeting was declared opened by the chairman of the board of directors, Bo Jesper Hansen.

2. Election of chairman of the meeting

It was resolved to appoint lawyer Johan Hessius as chairman of the meeting. It was noted that Ulf Richenberg, General Counsel at Karolinska Development, had been appointed to keep the minutes at the meeting.

3. Preparation and approval of the voting list

The voting list for the meeting was approved, Appendix 3. It was noted that four directors of the board, the CEO, the auditor in charge Björn Ohlsson and the chairman of the Nomination Committee Niclas Adler were present. It was approved that persons not being shareholders in the company (such as employees of the company) and shareholders that had not notified the company of their participation or not had shares registered with a nominee temporarily registered in their own name within the stipulated time frame should be entitled to participate in the meeting.

4. Approval of the agenda

It was resolved to approve the agenda in accordance with the notice of the meeting.

5. Election of one or two persons to verify the minutes

It was resolved that the Chairman together with Peter Lundkvist, representing Tredje AP-fonden, should verify the minutes.

6. Determination of whether the meeting was duly convened

It was noted that the notice of the meeting had been published in *Post- och Inrikes Tidningar* on April 21, 2017 and that information that the notice had been issued was published on the same date in *Svenska Dagbladet*. The notice has also been available on the company's website since April 20, 2017.

The meeting was declared duly convened.

It was noted that Joel Kaufmann criticized the choice of date for the AGM 2017, being the day before a public holiday.

7. Presentation of the annual report and the auditor's report and the group annual report and the auditor's group report

It was noted that the annual report and the auditor's report, and the group annual report and the auditor's group report, **Appendix 7**, were available at the meeting and had been available on the company's website and at the company's office three weeks prior to the meeting and had been sent to shareholders upon request.

Björn Ohlsson, auditor in charge of the company's auditors Ernst & Young, presented the auditor's reports and the audit work.

It was established that the annual report and the auditor's report, and the group annual report and the auditor's group report had been duly presented.

8. Information from the CEO

Jim Van heusden, CEO, presented information about the company's business during the financial year 2016 and part of 2017 and Viktor Drvota, who will become CEO introduced himself. The shareholders had the opportunity to ask questions.

9. Report on the work of the board of directors

The chairman of the board of directors presented information regarding the work of the board of directors and the committees during the financial year 2016.

10. Resolutions regarding:

a) adoption of the profit and loss statement and the balance sheet, and consolidated profit and loss statement and consolidated balance sheet

It was resolved, in accordance with the auditor's approval, to adopt the profit and loss statement and the balance sheet and the consolidated profit and loss statement and the consolidated balance sheet.

b) appropriation of the company's result according to the adopted balance sheet

It was resolved, in accordance with the auditor's approval, to approve the allocation of the result, proposed by the board and the CEO: in total SEK -12 406 768 be allocated as follows: To be carried forward SEK -12 406 768.

c) discharge from liability of the directors and the CEO

It was resolved, in accordance with the auditor's approval, to grant the directors and the CEO discharge from liability for the financial year 2016. It was noted that neither the directors of the board, nor the CEO, that were entitled to vote, participated in the resolution.

It was noted that Nils Kjellberg voted against discharge for the director Tse Ping and that Joel Kaufman abstained from Voting.

It was also noted that Åsa Wesshagen, representing Sveriges Aktiesparares Riksförbund, asked why Sino Biopharmaceutical Ltd at the previous shareholders meeting voted in favour of the set off issue, but chose not to set off its convertible debt, and asked to have this question noted in the minutes.

11. Resolution regarding the number of directors and auditors and deputy auditors to be appointed

Niclas Adler presented the nomination committee's proposal regarding the number of directors and deputy directors as well as auditors and deputy auditors to be appointed.

Nils Kjellberg proposed that the number of directors shall be six.

It was resolved, in accordance with the nomination committee's proposal, that the number of directors shall be seven without deputies and that the number of auditors shall be one. No deputy auditor shall be appointed.

It was noted that Nils Kjellberg, Sveriges Aktiesparares Riksförbund, Knut Stangenberg och Joel Kaufman voted in favour of Nils Kjellberg's proposal.

12. Resolution in respect of the fees for the board of directors and for the auditor

Niclas Adler presented the proposal of the nomination committee regarding fees for the directors of the board and for the auditor.

It was resolved that the chairman will be paid a fixed amount of SEK 400,000. All other directors will be paid a fixed amount of SEK 200,000.

It was further resolved, in accordance with the nomination committee's proposal, that the auditor will be paid as per invoice.

13. Election of chairman of the board of directors, directors and auditors and deputy auditors

Niclas Adler presented the proposal of the nomination committee regarding election of chairman of the board and election of directors and auditors and deputy auditors.

It was noted that information regarding positions in other companies held by the proposed directors was presented.

It was resolved, in accordance with the nomination committee's proposal, to re-elect the directors Tse Ping, Niclas Adler, Vlad Artamonov and Hans Wigzel; to elect Hans-Olov Olsson, Anders Härfstrand and Magnus Persson; to elect Niclas Adler as Chairman of the Board of Directors. The composition of the Board of Directors meets the independence requirement of the Swedish Corporate Governance Code.

It was resolved, in accordance with the nomination committee's proposal, to elect Ernst & Young, AB as auditor, currently with Björn Ohlsson as auditor in charge, for the time until the end of the 2018 Annual General Meeting.

It was noted that Nils Kjellberg voted against re-election of Tse Ping as director.

It was also noted that Åsa Wesshagen, representing Sveriges Aktiesparares Riksförbund, claimed that that the number of board seats that Magnus Persson has in listed companies is six in total and due to that Sveriges Aktiesparares Riksförbund abstained from voting as regards Magnus Persson. Also Joel Kaufmann had the same opinion regarding the number of board seats and Knut Stangenberg voted against election of Magnus Persson.

14. Principles for appointing members of the nomination committee

Niclas Adler presented the nomination committee's proposal regarding the principles for appointing members of the nomination committee.

I was resolved, in accordance with the nomination committee's proposal, that The Nomination Committee shall have five members of which the five largest owners (voting power, as set forth in the share register kept by Euroclear Sweden AB as of 31 August 2017) shall appoint one member each. The chairman of the Board of Directors shall convene the first meeting. If a shareholder does not exercise its right to appoint a member, the shareholder next in order of voting power, who has not already appointed a member or has a right to appoint a member, shall have the right to appoint a member to the Nominating Committee. The members of the Nomination Committee shall be made public as soon as the members have been appointed, and in no case later than six months prior to Annual General Meeting 2018. The members shall among themselves appoint the chairman of the committee. If a member resigns or is prevented from pursuing his/her assignment, the shareholder that has appointed such member shall appoint a new member. In the event that the shareholding in the Company is materially changed, before the Nomination Committee has completed its assignment, the Nomination Committee may decide to change the composition of the Nomination Committee, as determined by the Nomination Committee (considering the principles applicable for the appointment of the Nomination Committee). Any change in the composition of the Nomination Committee shall be announced as soon as possible. No fees shall be paid to the members of the Nomination Committee. Out of pocket expenses shall be reimbursed by the Company. The mandate of the committee shall be until the members of the succeeding committee have been announced. The Nomination Committee shall carry out the tasks that, according to the Swedish Corporate Governance Code, are the responsibility of the Nomination Committee.

15. The board of directors' proposal regarding principles for remuneration to executive management

Björn Ohlsson, auditor in charge of the company's auditors Ernst & Young, presented his report whether the board of directors and the CEO during the financial year 2016 had complied with the adopted principles for remuneration to executive management.

It was noted that the proposal was available at the meeting and had been available on the company's website and at the company's office three weeks prior to the meeting and had been sent to shareholders on request.

It was noted that Åsa Wesshagen, representing Sveriges Aktiesparares Riksförbund, voted against the section with the exit bonus and that Knut Stangenberg questioned why the board can decide on exemptions from the Guidelines and proposed that this should be deleted from the proposal.

It was resolved to approve the proposal by the board of directors regarding principles for remuneration to executive management in accordance with Appendix 15.

16. The Board of Directors' proposal regarding authorization for the Board of Directors to resolve on transfer of own shares

It was resolved to authorize the board of directors to decide, on one or several occasions and until the next Annual General Meeting, to transfer earlier acquired shares of series B amounting to 244,285 to cover charges in the form of social security fees in PSP 2014 and PSP 2015. Transfer of the Company's shares may be carried out with or without deviation from the shareholders' preferential rights. Transfers shall be made on Nasdaq Stockholm. Transfers can only be made at a price within the price interval registered at each time for the share.

It was noted that the resolution was made with the required majority. It was also noted that the proposal was available at the meeting and had been available on the company's website and at the company's office three weeks prior to the meeting and had been sent to shareholders on request.

17. The board of directors' proposal regarding authorisation for the board of directors to resolve on new issues of shares

It was resolved to authorize the board of directors for the period up to the next Annual General Meeting to resolve, whether on one or several occasions, with or without deviation from the shareholders' priority rights, and for payment in cash, by set-off or in kind, to issue new shares of series B up to a number that, at the time of the first resolution under this authorization, corresponds to ten (10) per cent of the total share capital; provided however that any such issue must not result in the Company's share capital exceeding the Company's maximum allowed share capital as set out in the articles of association.

It was noted that the resolution was made with the required majority and that Sveriges Aktiesparares Riksförbund, Knut Stangenberg and Joel Kaufman voted against the proposal. It was noted that the proposal was available at the meeting and had been available on the company's website and at the company's office three weeks prior to the meeting and had been sent to shareholders on request.

18. The Board of Directors' proposal regarding approval of issue of warrants to employees in subsidiaries

It was resolved to approve, in accordance with Chapter 16 of the Swedish Companies Act, a new issue of warrants by Umecrine Cognition AB directed to Umecrine Cognition personnel in accordance with [Appendix 18](#).

It was noted that the resolution was made with the required majority and that Sveriges Aktiesparares Riksförbund, Knut Stangenberg and Joel Kaufman voted against the proposal. It was noted that the proposal was available at the meeting and had been available on the company's website and at the company's office three weeks prior to the meeting and that it had been sent automatically to shareholders that had notified the company of their intention to attend the meeting and provided their postal address.

19. The Board of Directors' proposal for an incentive program for the company's employees by way of a (A) directed issue of warrants and (B) approval of transfer of warrants

It was resolved to approve the proposal by the board of directors regarding a directed issue of warrants and transfer of warrants, in accordance with [Appendix 19](#).

It was noted that the resolution was made with the required majority and that Sveriges Aktiesparares Riksförbund, Knut Stangenberg and Joel Kaufman voted against the proposal. It was noted that the proposal was available at the meeting and had been available on the company's website and at the company's office three weeks prior to the meeting and that it had been sent automatically to shareholders that had notified the company of their intention to attend the meeting and provided their postal address.

20. The Board of Directors' proposal regarding resolution on (A) amendment of the company's articles of association and (B) reduction of the share capital

It was resolved to approve the proposal by the board of directors regarding amendment of the company's articles of association and reduction of the share capital, in accordance with [Appendix 20](#).

It was noted that the resolution was made with the required majority and that Sveriges Aktiesparares Riksförbund, Knut Stangenberg, Nils Kjellberg and Joel kaufman voted against the proposal. It was noted that the proposal was available at the meeting and had been available on the company's website and at the company's office three weeks prior to the meeting and had been sent to shareholders on request.

21. Closing of the meeting

During the meeting, Bo Jesper Hansen was thanked for his period as Chairman. Bo Jesper also thanked the current board and management and wished the new board good luck.

The meeting was closed.

Keeping minutes

Ulf Richenberg

Verified

Johan Hessius

Peter Lundkvist