

## **Minutes from annual general meeting 2011**

Company Karolinska Development AB (publ) (org. nr/CIN 556707-5048)

Date May 25, 2011

Place Solna

### **1. Opening of the meeting**

The meeting was declared opened by the chairman of the board of directors, Hans Wigzell.

### **2. Election of chairman of the meeting**

It was resolved to appoint Hans Wigzell as chairman of the meeting. It was noted that Ulf Richenberg, General Counsel at Karolinska Development, was 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 1**. It was noted that six directors from the board, the auditor in charge and four members from the nomination committee 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 made temporary registration of nominee registered shares within the stipulated time should be entitled to participate in the meeting.

### **4. Approval of the agenda**

It was resolved to approve the agenda.

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

It was resolved that the Chairman together with Magnus Fernström representing FAM and Peter Markborn representing PMAC AB should verify the minutes.

### **6. Determination of whether the meeting was duly convened**

It was noted that notice of the meeting had been published in Svenska Dagbladet and Post- och Inrikes-Tidningar on April 21, 2011 and had been available on the company's website. The meeting was declared duly convened.

### **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 2**, 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. The auditor in charge Thomas Strömberg presented the auditor's reports and how the work with the audit had been performed.

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**

Information about the operation was presented by Torbjørn Bjerke, CEO.

### **9. Report on the work in the Board of Directors during the past year**

The chairman of the board of directors presented information regarding the work in the board during the past year. The shareholders had the opportunity to ask question.

## **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 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 to approve the allocation of the result, proposed by the board and the managing director: the amount at the disposal of the shareholders, SEK 1,015,404,019, is to be carried forward.

### **c) Discharge from liability of the directors and the CEO**

It was resolved to grant the directors and the CEO discharge from liability for the financial year 2010. It was noted that directors of the board that were entitled to vote, did not participate in the decision.

It was noted that the decision was unanimous.

## **11. Report on the work by the nomination committee**

Gillis Cullin, chairman of the nomination committee presented the composition of the nomination committee and the work of the committee during the past year.

## **12. Resolution regarding the number of directors of the board and auditors and deputy auditors to be appointed**

Gillis Cullin presented the Nomination Committee's proposal regarding the number of directors. 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 resolved that the number of directors shall be seven and that the number of auditors shall be one. No deputy auditor shall be appointed.

## **13. Resolutions in respect of the fees for the board of directors and for the auditor**

Gillis Cullin presented the proposal of the committee regarding fee for the directors of the board. 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 resolved that the compensation to the board's chairman shall be 220,000 SEK. Each other board member shall be paid an amount of 130,000 SEK. In addition, each board member shall be entitled to compensation amounting to 10,000 SEK for each board meeting attended and 5,000 SEK for each telephone board meeting that he/she participates in. The fees are unchanged.

The Auditors will be paid as per invoice.

## **14. Election of chairman of the board, deputy chairman and directors and auditors and deputy auditors**

Gillis Cullin presented the proposal of the committee regarding election of chairman and deputy chairman of the board and election of directors and auditors and deputy auditors. 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 information regarding positions in other companies held by the proposed directors was presented.

It was resolved to (i) re-elect Hans Wigzell, Per Olof Edin, Michael Rosenlew, Ulrica Slåne, Rune Fransson and Peter Sjöstrand as directors of the board; (ii) elect Raymond Hill as director of the board; (iii) elect Hans Wigzell as chairman of the board and; (iv) elect Per-Olof Edin as deputy chairman of the board.

It was resolved to elect Deloitte AB as auditor, currently with Thomas Strömberg as auditor in charge, for the time until the end of the annual general meeting 2012.

#### **15. Procedure to appoint members of the nomination committee etc**

It was resolved that (i) the Nomination Committee shall have five members; (ii) the five largest owners (as set forth in Euroclear Sweden's register as of September 1, 2011) shall appoint one member each. 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 before to the date of the 2012 Annual General Meeting. 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 the member shall appoint a new member. If the holding of the company is materially changed, the Nomination Committee may decide to change (at the discretion of the Committee) the representation of the Committee. No fee 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 has been made official. The Nomination Committee shall pursue the tasks that, according to the Swedish Code of Corporate Governance, are the responsibility of the Nomination Committee.

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.

#### **16. The board of directors' proposal regarding Guidelines for the Remuneration to Executive Management**

It was resolved to approve the proposal from the board of directors regarding *Guidelines for Remuneration to Executive Management*, **Appendix 3**. 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.

#### **17. The board of directors' proposal regarding new issue of compensatory warrants of the current incentive program**

##### **a) Compensatory warrants related to the 2008 incentive program**

It was resolved on so-called compensatory issue of warrants within the scope of the 2008 part of the company's long-term incentive plan and to approve the disposition of the warrants in accordance with the board of directors' proposal in **Appendix 4**.

##### **b) Compensatory warrants related to the 2009 incentive program**

It was resolved on so-called compensatory issue of warrants within the scope of the 2009 part of the company's long-term incentive plan and to approve the disposition of the warrants in accordance with the board of directors' proposal in **Appendix 5**.

##### **c) Compensatory warrants related to the 2010 incentive program**

It was resolved on so-called compensatory issue of warrants within the scope of the 2010 part of the company's long-term incentive plan and to approve the disposition of the warrants in accordance with the board of directors' proposal in **Appendix 6**.

It was noted that the proposals above 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 on request and that it had been sent automatically to shareholders that had notified the company of their intention to attend the meeting and presented their mailing address.

#### **18. The board of directors' proposal regarding new Articles of Association**

It was resolved to adopt new Articles of Association in accordance with **Appendix 7**. In brief the voting limits and the provisions regarding liquidation are deleted, due to the listing of the company. In addition there are changes due to changes in the Swedish Company's Act. Notice for general meetings will be made by advertisement in *Post- och Inrikes Tidningar* and on the company's website. Information regarding the notice will be announced in SvD. The time limits for notices are deleted from the Articles since they are set forth in the Swedish Company's Act. Wordings about deputy directors have been deleted. The board of directors or the

one the board of directors appoints is authorized to make such minor adjustments to this decision that may be necessary in connection with the registration.

It was noted that the decision was unanimous, with a proposed minor editorial adjustment. 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.

#### **19. The board of directors' proposal regarding authorisation for the board of directors to decide on new issue of shares**

It was resolved to authorise the board for the period up to the next annual shareholders' meeting to adopt decisions, whether on one or several occasions, without pre-emption rights for the shareholders, with or without payment in form of contribution in kind, to issue new shares of Series B up to a number that, at the time of the first decision under this authorisation, 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. The shares are intended for consideration in commercial transactions. It is the main intention that that the new issues shall be new issues with consideration in kind.

The board of directors or a person that the board of directors appoints is authorised to make such minor adjustments to this decision that may be necessary in connection with the registration.

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.

#### **20. The board of directors' proposal regarding approval of new issue in subsidiaries**

It was resolved to approve, in accordance with Chapter 16 of the Swedish Companies Act, decisions by the subsidiaries Inhalation Sciences Sweden AB, Pergamum AB, Pharmanest AB and Athera Biotechnologies AB in accordance with **Appendix 8**

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 and that it had been sent automatically to shareholders that had notified the company of their intention to attend the meeting and presented their mailing address.

#### **21. Closing of the meeting**

The meeting was closed.

Keeping minutes

Ulf Richenberg

Verified

Magnus Fernström

Hans Wigzell

Peter Markborn