

## Minutes from Annual General Meeting

Company	Karolinska Development AB (publ) (556707-5048)
Date	June 28, 2019
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 lawyer Johan Hessius from Cirio law firm 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 a quorate board of directors, the CEO, the company's auditor and the chairman of the Nomination Committee Peter Lundkvist 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 Jenny Hildén from Walthon Advokater AB, representing Coastal Capital International, Ltd., 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 May 31, 2019 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 May 29, 2019.

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 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, from the company's auditor Ernst & Young AB, 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

Viktor Drvota, CEO, presented information about the company's business during the financial year 2018 and part of 2019. 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 2018. The shareholders had the opportunity to ask questions.

### 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 296,986,457, to be carried forward.

*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 2018. 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 the decision was unanimous.

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

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

It was resolved, in accordance with the nomination committee's proposal, that the number of directors shall be six without deputies and that the number of auditors shall be one without deputies.

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

Peter Lundkvist 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 to be paid out in proportion to board meetings attended. All other directors not employed by the Company will be paid a fixed amount of SEK 200,000 to be paid out in proportion to board meetings attended. The fees remain unchanged compared to the previous year.

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**

Peter Lundkvist presented the proposal of the nomination committee regarding election of chairman of the board and election of directors and auditor.

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 Hans Wigzell, Tse Ping, Vlad Artamonov, Magnus Persson and Theresa Tse, and new election of Viktor Drvota. Election of Hans Wigzell as chairman of the Board of Directors.

The composition of the Board of Directors fulfils the independence requirements under 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 2020 Annual General Meeting.

**14. Principles for appointing members of the nomination committee**

Peter Lundkvist presented the Nomination Committee's proposal regarding the principles for appointing members of the Nomination Committee.

It 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 2019) 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 2020. 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. The Nomination Committee's proposal is based on previously applied principles for the Nomination Committee's composition.

It was noted that Joel Kaufmann proposed that the principles for appointing members of the nomination committee should be adjusted so that a representative from Sveriges Aktiesparares Riksförbund is part of the nomination committee to represent small and medium-sized shareholders. It was further noted that Joel Kaufmann reserved against the Nominations Committee's proposal.

**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 2018 had complied with the adopted principles for remuneration to executive management.

It was noted that the proposal was available at the meeting, had been included in the notice and had been available on the company's website and at the company's office three weeks prior to the meeting. Further, the proposal has been sent on request to shareholders which have provided their postal address.

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

**16. The board of directors' proposal regarding authorisation 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 more occasions, with or without deviation from the shareholders' preferential rights, and until the next Annual General Meeting, to transfer all own shares of series B held by the company at any given time. Transfers may be made on Nasdaq Stockholm or in any other way. Transfers on Nasdaq Stockholm shall be made at a price per share within the registered price interval at any given time. Other transfers shall be made at market conditions.

It was noted that the resolution was unanimous. It was noted that the proposal was available at the meeting, had been included in the notice and had been available on the company's website and at the company's office three weeks prior to the meeting. Further, the proposal has been sent on request to shareholders which have provided their postal address.

**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 more occasions, with or without deviation from the shareholders' preferential 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 twenty (20) 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 shareholder Sino Biopharmaceutical Limited had made a request that the Annual General Meeting requests that the board of directors strive to limit the size of the authorization so that, in case where they intend to issue shares corresponding to more than 10 per cent of the total share capital, such issue should only be made to settle any remaining convertible debt. The board of directors noted the request.

It was noted that the decision was unanimous. It was noted that the proposal was available at the meeting, had been included in the notice and had been available on the company's website and at the company's office three weeks prior to the meeting. Further, the proposal has been sent on request to shareholders which have provided their postal address.

**18. The board of directors' proposal regarding authorisation for the board of directors to resolve on repurchase of convertibles**

It was resolved to authorize the board of directors for the period up to the next Annual General Meeting, on one or more occasions, to resolve to repurchase the Company's outstanding convertibles (Karolinska Development KV1) which were issued through a resolution at the extraordinary general meeting in 2014. Acquisition of the convertibles shall be made at a price no higher than the market value at the decision date. It was further resolved to authorize the board of directors to resolve on the more detailed terms for the execution and the administrative measures required to implement this resolution.

It was noted that the proposal was available at the meeting, had been included in the notice and had been available on the company's website and at the company's office three weeks prior to the meeting. Further, the proposal has been sent on request to shareholders which have provided their postal address. It was further noted the Joel Kaufmann abstained from voting.

**19. The Board of Directors' proposal regarding approval of issue of warrants to board member in subsidiary**

It was resolved to approve, in accordance with Chapter 16 of the Swedish Companies Act, a new issue of warrants by Umecrine Cognition AB (publ) directed to key persons in Umecrine Cognition AB (publ) in accordance with **Appendix 19**.

It was noted that the decision was unanimous. It was noted that the proposal was available at the meeting, had been included in the notice and had been available on the company's website and at the company's office three weeks prior to the meeting. Further, the proposal has been sent on request to shareholders which have provided their postal address.

**20. a) Proposal on amendments of the Articles of Association (share capital limits and number of shares) and b) resolution on approval of the Board of Director's resolution on a directed new issue of shares to the convertible holders**

It was resolved to amend the Articles of Association (share capital limits and number of shares) and to approve the Board of Director's resolution of May 29, 2019 on a directed new issue of B-shares to the holders of the Company's outstanding convertibles 2015/2019 on principally the terms and conditions set forth in **Appendix 20**.

It was noted that the Annual General Meeting was informed that the shareholder Sino Biopharmaceutical Limited, from the Swedish Securities Council on June 4, 2019, received an exemption from the mandatory bid obligation which could arise through the transaction. Further, the Annual General Meeting was informed about the ownership, in relation to capital and votes, that Sino Biopharmaceutical Limited can obtain at the most and about applicable majority requirements.

It was noted that the decision was unanimous. It was noted that the proposal was available at the meeting, had been included in the notice and had been available on the company's website and at the company's office three weeks prior to the meeting. Further, the proposal has been sent on request to shareholders which have provided their postal address.

**21. Closing of the meeting**

The meeting was closed.

*Keeping minutes*

Ulf Richenberg

*Verified*

Johan Hessius

Jenny Hildén