

# NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The shareholders of **Active Biotech AB (publ)** are invited to the Annual General Meeting of shareholders to be held on Thursday, June 15, 2017, at 5.00 p.m. at Elite Hotel Ideon, Scheelevägen 27 in Lund, Sweden.

## ENTITLEMENT TO PARTICIPATE

Shareholders who wish to participate in the Meeting must (i) be recorded in the register of shareholders maintained by Euroclear Sweden AB on Friday, June 9, 2017, and (ii) notify the Company of their intention to participate in the Meeting not later than on Friday, June 9, 2017.

Shareholders who have trustee-registered their shares must re-register the shares in their own name to be entitled to participate in the Meeting. Such registration, which may be temporary, must be completed on Friday, June 9, 2017. Accordingly, shareholders must inform the trustee of this request in ample time prior to this date.

There are a total of 96,824,320 shares and votes in Active Biotech. The Company holds no treasury shares.

## NOTICE OF PARTICIPATION

Notice of participation in the Meeting can be made in writing to Active Biotech AB (publ), Attn: Susanne Jönsson, P.O. Box 724, SE-220 07 Lund, Sweden, by telephone +46 (0)46-19 20 00 or by e-mail to [susanne.jonsson@activebiotech.com](mailto:susanne.jonsson@activebiotech.com). The notice shall include name, personal/corporate identity number, number of shares held, daytime telephone number and, if applicable, the number of advisors (not more than two) that will accompany the shareholder at the Meeting.

Shareholders represented by proxy shall issue a dated and signed power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or corresponding document shall be appended. The original power of attorney and, where applicable, the certificate should be submitted to the Company at the address indicated above well in advance of the Meeting. Proxy forms are provided at the Company's website, [www.activebiotech.com](http://www.activebiotech.com), and sent to shareholders that so request.

## PROPOSED AGENDA

1. Opening of the Meeting
2. Election of Chairman of the Meeting
3. Preparation and approval of the voting list
4. Election of one or two persons to verify the minutes
5. Approval of the agenda for the Meeting
6. Determination of whether the Meeting has been duly convened
7. Presentation of the Annual Report and the Auditors' Report, and the Consolidated Accounts and the Auditors' Report for the Group
8. CEO's account of operations
9. Resolution concerning the adoption of the Income Statement and the Balance Sheet, and the Consolidated Income Statement and the Consolidated Balance Sheet
10. Resolution concerning the disposition of the Company's results pursuant to the adopted Balance Sheet
11. Resolution on discharge from liability of the members of the Board of Directors and the CEO
12. Determination of the number of members and deputy members of the Board of Directors and the number of auditors and deputy auditors
13. Determination of fees payable to the Board of Directors and auditors
14. Election of the Board of Directors, Chairman of the Board and auditor
15. Resolution concerning Election Committee
16. The Board of Director's proposal regarding guidelines for remuneration of senior executives
17. The Board of Director's proposal regarding share issue authorization
18. The Board of Director's proposal regarding amendment of the articles of association
19. The Board of Director's proposal regarding reduction of the share capital and the statutory reserve
20. Closing of the Meeting

## **PROPOSED RESOLUTIONS**

### **Disposition of the Company's profits or losses (item 10)**

The Board proposes that no dividend be paid and that the Company's accumulated loss be carried forward.

### **Board of Directors, etc. (items 2, 12, 13 and 14)**

The Election Committee, comprising Mats Arnhög (Chairman of the Board), Johnny Sommarlund (MGA Holding) and Tomas Billing (Nordstjernen), proposes the following:

*Chairman of the Meeting:* Attorney at law Erik Sjöman.

*Number of members and deputy members of the Board of Directors:* four ordinary members with no deputies.

*Fees payable to the Board of Directors:* unchanged SEK 250,000 to the Chairman of the Board and SEK 125,000 to each of the other Board members who are not employees of the Company. The fee payable to a member of the Board of Directors may, if agreed with Active Biotech, be invoiced through a company, whereby the invoiced fee shall be adjusted in order to obtain cost neutrality for Active Biotech.

*Board of Directors:* re-election of Mats Arnhög, Magnhild Sandberg-Wollheim, Peter Sjöstrand and Peter Thelin.

*Chairman of the Board:* re-election of Mats Arnhög.

*Number of auditors and deputy auditors:* one auditor with no deputies.

*Fees payable to the auditor:* in accordance with approved invoices within the scope of the tender.

*Auditors:* re-election of KPMG AB.

The proposal regarding auditor is in accordance with the recommendation by the Board of Directors.

### **Election Committee (item 15)**

The Election Committee proposes that the Meeting assign the Chairman of the Board the task of convening an Election Committee, based on the ownership structure at the end of September 2017, comprising the Chairman of the Board and one representative of each of the three largest shareholders of the Company. The Election Committee shall remain in place until the following Election Committee has been appointed. If a member of the Election Committee no longer represents one of the three largest shareholders in the Company, the Election Committee is entitled to dismiss the member. In the event that a member of the Election Committee resigns or is dismissed, the Election Committee may appoint another representative of the major shareholders to replace such a member. The Election Committee shall perform its duties in accordance with the stipulations for Election Committees stated in the Swedish Code of Corporate Governance.

### **Guidelines for remuneration of senior executives (item 16)**

The Board proposes guidelines principally entailing that the Company shall offer total remuneration on market terms, facilitating the recruitment and retention of competent senior executives. Remuneration of senior executives may comprise fixed salary, any variable salary, pensions and other benefits. The fixed salary shall take into consideration the individual's area of responsibility and experience. The variable salary shall, where applicable, depend on the individual's fulfillment of quantitative and qualitative goals. Pension benefits shall comprise defined-contribution schemes. For senior executives covered by the ITP plan, pension premiums shall correspond to the stipulations in the ITP plan. For other senior executives, pension premiums shall not exceed 25 percent of the fixed salary. The guidelines correspond to the principles applied to date.

### **Share issue authorization (item 17)**

The Board proposes that the Meeting resolve to grant authorization to the Board, for a period that does not extend past the date of the next Annual General Meeting, on one or several occasions, with or without pre-emptive rights for shareholders, to resolve on the issue of new shares and/or convertibles. It should also be possible to make such an issue resolution stipulating in-kind payment, the right to offset debt or other conditions. The authorization may not be utilized to a greater extent than would

enable a total of not more than nine million shares to be issued and/or arise through the conversion of convertibles issued with the support of the authorization. The purpose of the authorization is to enable the financing, commercialization and development of the Company's projects and to provide flexibility in commercial negotiations relating to partnerships.

**Amendment of the articles of association (item 18)**

The Board of Directors proposes that the shareholders' meeting resolves to amend the articles association so that the limits for the share capital (§ 4) are decreased from SEK 160,000,000 – 640,000,000 to SEK 500,000 – 2,000,000.

**Reduction of the share capital and statutory reserve (item 19)**

The Board of Directors proposes that the shareholders' meeting resolves on a reduction of the Company's share capital and statutory reserve in accordance with the following.

(i) The share capital shall be reduced by approximately SEK 364,464,039 for allocation to unrestricted shareholders' equity. The reduction shall be made without cancellation of shares.

(ii) The statutory reserve, which amounted to approximately SEK 118,870,784 as of 31 December 2016, shall be reduced by the same amount, approximately SEK 118,870,784, for allocation to unrestricted shareholders' equity.

Following the reductions as set forth above, the share capital will amount to SEK 500,000, divided into 96,824,320 shares, and the statutory reserve will amount to SEK zero. The share's quota value will amount to approximately SEK 0.005.

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**DOCUMENTATION, ETC.**

The Annual Report and other supporting resolution documentation will be held available at the Company's premises at Scheelevägen 22 in Lund, Sweden, and on the Company's website, [www.activebiotech.com](http://www.activebiotech.com), not later than three weeks prior to the Meeting. The documents will be sent to shareholders who request a copy and specify their postal address. Shareholders are reminded of their right to request information under Chapter 7, Section 32 of the Swedish Companies Act.

Lund, May 2017

**The Board of Directors of Active Biotech AB (publ)**