

**Camurus AB**

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## Notice of annual general meeting 2019 in Camurus AB (publ)

The shareholders of Camurus AB (publ), Reg. No 556667-9105, are hereby invited to attend the annual general meeting (the "AGM") to be held on Thursday 9 May 2019 at 5.00 p.m. CET, at Elite Hotel Ideon, Scheelevägen 27 in Lund, Sweden. Registration of attendance commences at 4.00 p.m., when refreshments will be served.

### Right to attend

A shareholder who wish to attend the AGM must:

- be recorded in the share register for the company maintained by Euroclear Sweden AB, as of Friday 3 May 2019, and
- notify the company of its intention to attend the AGM by Friday 3 May 2019 at the latest, preferably before 4.00 p.m. CET.

In order to participate in the AGM, shareholders with nominee-registered shares must have the shares temporarily owner-registered with Euroclear Sweden AB. Such registration must be executed by Friday 3 May 2019. Shareholders are therefore requested to notify their bank or broker in due time before the said date.

### Notice of attendance

Notice of attendance at the AGM shall be made through the website [www.camurus.com](http://www.camurus.com), in writing to Camurus AB (publ), c/o Euroclear Sweden AB, "Årsstämma", Box 191, 101 23 Stockholm, Sweden or by telephone +46-286 38 90. The notice of attendance shall state name, personal or corporate identity number, address, telephone number (daytime) and name of proxy and/or advisor, if any. Shareholders represented by proxy shall issue a written and dated power of attorney. A power of attorney is valid one year from the date of issue or such longer period stated in the power of attorney, however not more than five years. A form of power of attorney is available at the company and on the company's website, [www.camurus.com](http://www.camurus.com) and can also be sent to the shareholder upon request. Representatives of a legal entity shall present a copy of the certificate of registration or similar document of authorisation, showing the signatory power. Shareholders represented by proxy shall submit the original power of attorney and the certificate of registration, if any, to the company by mail to the above stated address before the AGM.

### **Proposal for agenda**

1. Opening of the meeting
2. Election of chairman of the meeting
3. Preparation and approval of the voting list
4. Election of persons to approve the minutes
5. Determination of compliance with the rules of convocation
6. Approval of the agenda
7. The CEO's report
8. Presentation of
  - a) the annual report and auditor's report as well as the group annual report and group auditor's report, and
  - b) the statement by the auditor on the compliance of the applicable guidelines for remuneration to senior executives
9. Resolutions regarding
  - a) adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet,
  - b) appropriation of the company's earnings in accordance with the adopted balance sheet, and
  - c) discharge from liability in relation to the company for the Board members and the CEO
10. Establishment of the number of Board members and the number of auditors and deputy auditors, if any
11. Establishment of fees to the Board members and the auditors
12. Election of the Board members and auditors
13. Proposal of the Board of Directors on guidelines for remuneration to senior executives
14. Proposal of the Board of Directors on authorisation of the Board of Directors to resolve on new share issues
15. Proposal of the Board of Directors for an incentive program for the company's employees by way of (A) directed issue of subscription warrants, (B) approval of transfer of subscription warrants and (C) payment of stay-on bonus
16. Closing of the meeting

### **Proposal for chairman of the meeting (item 2)**

In accordance with the principles for formation of the Nomination Committee adopted by the annual general meeting on 3 May 2016, the Nomination Committee for the AGM 2019 has consisted of chairman Per Sandberg (Sandberg Development AB), Max Mitteregger (Gladiator), Arne Lööv (the Fourth Swedish National Pension Fund) and Per Olof Wallström (chairman of the Board).

The Nomination Committee has proposed that lawyer Jakob Wijkander, Mannheimer Swartling Advokatbyrå, shall be elected as chairman of the AGM.

**Proposal for appropriation of the company's earnings (item 9b)**

The Board has proposed that no dividend should be paid for the financial year 2018 and that the company's available funds of in total KSEK 218,564, including the year's loss of KSEK 238,764, should be carried forward.

**Proposal for the number of Board members and the number of auditors and deputy auditors (item 10)**

The Nomination Committee has proposed that the number of Board members shall be eight (previously seven) that the number of auditors shall be one and that no deputy auditors shall be appointed.

**Proposal for fees to the Board members and the auditors (item 11)**

The Nomination Committee has proposed that fees to the Board, excluding fees for committee work, is paid with SEK 2,100,000 in total, of which SEK 600,000 (previously SEK 550,000) to the chairman of the Board and SEK 250,000 (previously SEK 200,00) to each other member of the Board who is not employed by the company. For work in the Audit Committee, an unchanged fee of SEK 100,000 shall be paid to the chairman and an unchanged fee of SEK 50,000 shall be paid to each other member. For work in the Remuneration Committee, a fee of SEK 50,000 shall be paid to the chairman and SEK 25,000 shall be paid to each other member. The Nomination Committee has further proposed that fees to the auditor is paid as per approved invoice.

**Proposal for election of the Board members and auditors (item 12)**

The Nomination Committee has proposed re-election of the Board members Per-Anders Abrahamsson, Marianne Dicander Alexandersson, Martin Jonsson, Behshad Sheldon, Fredrik Tiberg, Kerstin Valinder Strinnholm and Per Olof Wallström and new election of Mark Never. Per Olof Wallström is proposed for re-election as chairman of the Board.

**Mark Never**, born 1961, is a German and American citizen and has a MBA from Cranfield, Great Britain, and a General Management education from INSEAD in France. Mark Never has more than 35 years of experience in sales, marketing and strategy development from Shering AG, Bristol Myers Squibb and Novartis, and has successfully led the commercialization of a large number of pharmaceutical products in many of the European markets. Mark Never is Head of West European Cluster of Novartis Pharmaceuticals, based in Basel, Switzerland. Mark Never is considered independent in relation to Camurus, the management team and larger shareholders. Mark Never holds no shares in Camurus.

Information about Board members who are proposed for re-election can be found on the company's website [www.camurus.com](http://www.camurus.com).

The Nomination Committee has, in accordance with the recommendation of the Audit Committee, proposed re-election of the registered auditing firm PricewaterhouseCoopers AB for a term of one year. PricewaterhouseCoopers AB has informed that Ola Bjärehäll will be auditor in charge, if the company is elected.

**Proposal for guidelines for remuneration to senior executives (item 13)**

The Board proposes that the AGM resolves on guidelines for remuneration of senior executives that are equivalent to existing guidelines. The Board proposal for guidelines principally entails the following.

The total remuneration and the terms and conditions for the senior executives should correspond to relevant market conditions and will include a balanced composition of fixed salary, variable remuneration, pension benefits, other benefits as well as conditions for termination.

Cash remuneration shall consist of fixed salary and variable remuneration. The fixed salary and, if applicable, variable remuneration is to be linked to the executive's responsibility and authority. The variable remuneration is to be based on the outcome of predetermined well defined objectives. The variable cash remuneration is to be limited to fifty (50) per cent of the fixed annual salary for the CEO and the other senior executives.

Variable remuneration may also be paid in the form of long-term incentive programs. Share based programs shall be resolved by the general meeting. Programs for variable remuneration shall be designed in such a way as to enable the Board of Directors, if exceptional financial conditions prevail, to restrict or omit payment of the variable remuneration if such action is deemed reasonable and consistent with the company's responsibility towards shareholders, employees and other stakeholders.

Pension benefits must be in accordance with the ITP-plan or otherwise premium-based and maximised at 35 per cent of the total remuneration. Benefits other than fixed salary, variable remuneration and pension benefits must be applied restrictively. Salary exchange against car allowance or pension benefit may occur. Fixed salary during the notice period and severance pay shall in total not exceed an amount equal to the fixed salary for 12 months; or for the CEO, the fixed salary for 18 months.

The Board of Directors may derogate from these guidelines in certain cases if there are special reasons for doing so.

**Proposal of the Board of Directors on authorisation for the Board of Directors to resolve on new share issues (item 14)**

The Board of Directors proposes that the annual general meeting resolves to authorise the Board of Directors to resolve upon new issues of shares in accordance with the following conditions:

1. The authorisation may be exercised on one or several occasions up to the annual general meeting 2020.
2. A maximum of 4,797,685 shares, corresponding to 10 percent of the company's share capital, may be issued.
3. An issue may be made with or without deviation from the shareholders' preferential right.

4. An issue may be made against cash payment, by set-off or by contribution in kind.
5. The issue rate shall, in the case of deviations from the shareholders' preferential right, be determined in accordance with market practice. The Board of Directors shall be entitled to determine other terms of the issue.

The purpose of the above authorisation is to enable investments into development, licensing and/or acquisition of product candidates, approved medicines and/or complementary technologies in accordance with Camurus' goals and strategy and with the potential to drive company growth and future revenues.

The Board of Directors, or anyone appointed by the Board of Directors, shall be authorised to make such minor adjustments of the resolution of the general meeting that may be necessary in connection with registration with the Swedish Companies Registration Office.

#### ***Majority requirement***

Under the Swedish Companies Act, the resolution of the general meeting on authorisation for the Board of Directors to resolve on new share issues requires the support of shareholders representing at least two-thirds of both the number of votes cast and the shares represented at the meeting in order to be valid.

#### **Proposal of the Board of Directors for an incentive program for the company's employees by way of (A) directed issue of subscription warrants, (B) approval of transfer of subscription warrants and (C) payment of stay-on bonus (item 15)**

At the 2016, 2017 and 2018 annual general meetings it was resolved to establish incentive programs for employees in Camurus AB based on issue and transfer of subscription warrants (the "Warrants Program 2016/2019", the "Warrants Program 2017/2020" and the "Warrants Program 2018/2021" or together the "Warrants Programs"). In the opinion of the Board of Directors, the Warrants Programs have resulted in high participation among the employees and contributed to the purpose of giving the employees an opportunity to take part in an increase in the value of the company, while they have also contributed to the company's ability to recruit new employees. Against this background and in line with the ambition presented when establishing the Warrants Programs, that the incentive program is intended to be annual, the Board proposes that the 2019 annual general meeting resolves on a corresponding warrants program, "Warrants Program 2019/2022". After having evaluated the program, the Board intends to present a new proposal for a corresponding or an adjusted program ahead of the next annual general meeting.

To implement Warrants Program 2019/2022, the Board proposes that the general meeting resolves on (A) an issue of subscription warrants series 2019/2022 with deviation from the shareholders' preferential right, (B) an approval of transfer of subscription warrants to the employees and (C) the payment of stay-on bonus, on the following terms and conditions:

#### **A. Issue of subscription warrants**

A maximum of one million (1,000,000) subscription warrants shall be issued. The right to subscribe for the subscription warrants shall, with deviation from the shareholders' preferential right, vest in the company's wholly-owned subsidiary Camurus Development AB, with right and obligation for the subsidiary to transfer the subscription warrants to employees within the Camurus group. The subsidiary shall not be entitled to dispose of the subscription warrants other than what is stated below. The subscription warrants shall be issued free of charge. Subscription for the subscription warrants shall be made on a separate subscription list on 3 June 2019 at the latest, with a right for the Board to extend the subscription period. Each subscription warrant shall entitle to subscription for one (1) new share in the company. Subscription for shares by virtue of the subscription warrants may be effected as from 15 May 2022 up to and including 15 December 2022. The subscription price per share shall correspond to 140% of the volume weighted mean value according to Nasdaq Stockholm's official price list for share in the company during the period from 10 May 2019 up to and including 16 May 2019. A share, which has been issued upon subscription, will entitle to dividends for the first time on the first record date for dividend occurring after subscription of shares through exercise of warrants has been executed.

The reasons for the deviation from the shareholders' preferential right are that the Board is of the opinion that an incentive program which offers the employees the opportunity to take part in an increase in value of the company will enhance the commitment and responsibility, and results in an increased motivation to work for a favorable financial development of the company. An incentive program is also expected to improve the possibilities to recruit and retain competent, motivated and committed employees.

**B. Transfer of subscription warrants**

The subscription warrants shall against payment be transferred by Camurus Development AB to employees within the Camurus group. Transfer shall be made at market value at the time of transfer, to be established by Ernst & Young AB, as an independent valuation institute, by application of the Black & Scholes valuation method. The subscription warrants shall be allotted to those who, at the time of allotment of the warrants, are employed within the Camurus group, in accordance with the following guidelines:

Category	Base allotment
CEO	a maximum of 75,000 subscription warrants
Chief Commercial Officer, Chief Financial Officer and Vice President Corporate Development & General Counsel	a maximum of 40,000 subscription warrants per person
Other executive team members, regional general managers and senior R&D functions (currently 8 persons)	a maximum of 25,000 subscription warrants per person
Senior specialists and key regional roles (currently 22 persons)	a maximum of 20,000 subscription warrants per person

	person
Other specialists (currently 19 persons)	a maximum of 10,000 subscription warrants per person
Sales functions (currently approx. 19 persons)	a maximum of 5,000 subscription warrants per person
Other employees (currently approx. 35 persons)	a maximum of 2,500 subscription warrants per person

Allotment of subscription warrants is expected to take place during June 2019. There will be no guaranteed allotment. Any subscription warrants remaining, which has not been subscribed for by participants, shall be allotted to participants who have expressed an interest to acquire additional subscription warrants (over-subscription). Participants shall in such case not be entitled to acquire more than an additional 50 percent of the maximum number of warrants in the Base allotment. No further allotment of subscription warrants may occur after the allotment which is expected to occur in June 2019.

If the number of subscription warrants subscribed for exceeds the maximum number of subscription warrants, reduction down to the maximum number of subscription warrants shall be made in accordance with the following principles. Firstly, participants who have expressed an interest for over-subscription shall have the number of subscription warrants exceeding the Base allotment reduced so that these participants receives over-allotment in proportion to the highest Base allotment, to the extent any over-allotment is possible. Secondly, if the number of subscription warrants is not enough for maximum Base allotment, a participant's allotment shall be reduced in proportion to the original number of subscription warrants subscribed for in the Base allotment.

Right to allotment in Warrants Program 2019/2022 requires that the employee, at the time for allotment, holds its position or has signed an agreement regarding it and has not, at such time, informed or been informed that the employment will be terminated.

**Stay-on bonus**

As part of the Warrants Program 2019/2022, participants receive a three-piece stay-on bonus in the form of gross salary additions from the company, equivalent to the amount paid by the participant for its subscription warrants. The first bonus payout, in total equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs in connection with the participants payment for the subscription warrants. The second bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs on 1 July 2020, provided that the participant at such time remains in its position (or equivalent) within the group. The third bonus payment, equivalent to one-third (1/3) of the amount paid by the participant for its subscription warrants, occurs on 1 July

2021, provided that the participant at such time remains in its position (or equivalent) within the group. With deviation from the above stated principles for bonus payment, the Board may, if necessary in individual cases, resolve on alternative payment schedules.

***Costs, dilution and effect on key figures***

The company's cost, including statutory social security contributions, for the "stay-on bonus" to the participants in accordance with section C is estimated, at full initial participation and at an assumed market value for the subscription warrants of SEK 9.60, to amount to a maximum of approximately SEK 12.6 million. In addition, the company may be charged minor costs for social security contributions for subscription warrants to participants in other jurisdictions. Other than that, the Warrants Program 2019/2022 is not expected to entail any significant costs for the company. For that reason, no measures to secure the program has been taken.

Assuming that all 1,000,000 subscription warrants in Warrants Program 2019/2022 are exercised for subscription of new shares, the company's share capital will increase by a maximum of SEK 25,000, resulting in a maximum dilution effect equivalent to approximately 2.1%. The key figure earnings per share for the full year 2018 had in such case been affected such that the loss per share had been reduced by approximately SEK 0.16 from SEK -6.20 to SEK -6.04. Furthermore, after completed allotment and after re-calculations as a consequence of the company's rights issue in 2019, the current Warrants Program 2016/2019, Warrants Program 2017/2020 and Warrants Program 2018/2021, comprise a maximum of 1,764,941 new shares in Camurus AB, corresponding to a maximum dilution effect of approximately 3.7%. In total, the Warrants Programs and Warrants Program 2019/2022 may result in a maximum dilution effect of approximately 5.8%.

The above calculations are subject to any additional re-calculations of the subscription warrants in accordance with the customary terms stated in the complete terms and conditions. All dilution effects have been calculated as the number of new shares in proportion to the number of existing and new shares.

***Preparation of the proposal***

The proposal from the Board has been prepared by the Board. The members of the Board, other than the CEO, will not be allotted subscription warrants. Fredrik Tiberg, CEO and member of the Board, who may be allotted subscription warrants in the Warrants Program 2019/2022, has not taken part in the preparation of this matter.

***Majority requirement***

The resolution of the general meeting in accordance with the Board's proposals under section A-C above is proposed to be adopted as one joint resolution. A valid resolution requires that shareholders representing at least nine tenths (9/10) of the votes cast and shares represented at the general meeting support the resolution.

***Available documents***

Financial statements, the auditor's report and the statement by the auditor pursuant to item 8b and the Board's complete proposal for the resolutions under items 13, 14



and 15 will be available at the company and on the company's website, [www.camurus.com](http://www.camurus.com), as from Thursday 18 April 2019 at the latest, and will be sent upon request to shareholders who provide their address. Copies will also be available at the AGM.

**Information at the AGM**

The Board and the CEO shall at the AGM, if any shareholder so requests and the Board believes that it can be done without significant harm to the company, provide information regarding circumstances that may affect the assessment of items on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial position and the company's relation to other companies within the group.

**Number of shares and votes in the company**

At the time of this convening notice, the total number of shares in the company amounts to 47,976,858. The company has only one series of shares and the total number of votes in the company amounts to 47,976,858.

**Processing of personal data**

For information about the processing of your personal data, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Lund in April 2019

**Camurus AB (publ)**

The Board of Directors