

*The English text is a translation of the Swedish original version. In the event of a conflict between the English and the Swedish texts the Swedish text shall prevail.*

## **Camurus AB (publ)**

### **Proposal by 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**

At the 2016 annual general meeting it was resolved to establish an incentive program for employees in Camurus AB (publ) (the "Company") based on issue and transfer of subscription warrants (the "**Warrants Program 2016/2019**"). In the opinion of the Board of Directors, Warrants Program 2016/2019 has 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 it has also contributed to the Company's ability to recruit new employees. Against this background and in line with the ambition presented when establishing Warrants Program 2016/2019, that the incentive program is intended to be annual, the Board proposes that the 2017 annual general meeting resolves on a corresponding warrants program, "**Warrants Program 2017/2020**". 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 2017/2020, the Board proposes that the general meeting resolves on (A) an issue of subscription warrants series 2017/2020 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**

1. A maximum of seven hundred fifty thousand (750,000) subscription warrants shall be issued.
2. 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 in section B below.
3. The subscription warrants shall be issued free of charge.

4. Subscription for the subscription warrants shall be made on a separate subscription list on 1 June 2017 at the latest, with a right for the Board to extend the subscription period.
5. Each subscription warrant shall entitle to subscription for one (1) new share in the Company.
6. Subscription for shares by virtue of the subscription warrants may be effected as from 15 May 2020 up to and including 15 December 2020.
7. 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 2017 up to and including 16 May 2017.
8. 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.
9. Applicable terms for re-calculation and other terms for the Subscription Warrants Program 2017/2020 are set forth in the "*Terms and conditions for subscription warrants series 2017/2020 regarding subscription for shares in Camurus AB (publ)*".
10. The Board, or anyone appointed by the Board, shall be authorized to make such minor adjustments of the resolutions of the general meeting, including appendices, that may be necessary in connection with registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

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**

Warrants Program 2017/2020 shall principally be carried out in accordance with what is stated below.

1. The subscription warrants shall against payment be transferred by Camurus Development AB, on one or several occasions, to employees within the Camurus group, in accordance with the guidelines stated in sections B.3 and B.4.
2. Transfer according to section B.1 shall be made at market value at the time of transfer, to be established by Öhrlings PricewaterhouseCoopers AB, as an independent valuation institute, by application of the Black & Scholes valuation method.

3. Of the total number of subscription warrants, a maximum of 625,000 warrants (“**Warrants Group 1**”) shall be allotted to those who, at the time of allotment of the warrants in Warrants Group 1, are employed within the Camurus group, in accordance with the following guidelines:

| <b>Category</b>  | <b>Base allotment</b>                                |
|--|--|
| CEO  | a maximum of 60,000 subscription warrants            |
| Senior group functions (currently 0 persons)                                   | a maximum of 50,000 subscription warrants per person |
| Chief Commercial Officer   | a maximum of 40,000 subscription warrants            |
| Others in group management and regional general managers (currently 9 persons) | a maximum of 25,000 subscription warrants per person |
| Senior specialist and key regional roles (currently 2 persons)                 | a maximum of 20,000 subscription warrants per person |
| Other specialists and key functions (currently 20 persons)                     | a maximum of 10,000 subscription warrants per person |
| Other employees (currently 32 persons)   | a maximum of 2,500 subscription warrants per person  |

Allotment of subscription warrants in Warrants Group 1 is expected to take place during June 2017. There will be no guaranteed allotment. Any subscription warrants remaining in Warrants Group 1, 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.

4. If the number of subscription warrants subscribed for in Warrants Group 1 exceeds the maximum number of warrants in Warrants Group 1, reduction down to the maximum number of warrants in Warrant Group 1 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.

5. In light of the Company's anticipated expansion during the coming year, a minimum of 125,000 subscription warrants, or the higher number of subscription warrants that could remain after allotment of the warrants in Warrants Group 1 in accordance with sections B.3 and B.4, are reserved for allotment and transfer to future employees at market value, applicable from time to time. Such allotment to future employees shall take place in accordance with the allotment principles stated in sections B.3 and B.4, however, the highest number of subscription warrants in the Base allotment shall correspond to the highest number of subscription warrants for each category in Warrants Group 1, after completion of over-allotment or under-allotment in accordance with section B.4. In such case, the above stated number of employees in each category may be changed. Transfer of subscription warrants to future employees may not occur after the 2018 annual general meeting.
6. Right to allotment in Warrants Program 2017/2020 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.

### **C. Stay-on bonus**

As part of the Warrants Program 2017/2020, 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 2018, 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 2019, 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.

### ***Participants in other jurisdictions***

For participants in jurisdictions other than Sweden, it is implied that the further transfer of the subscription warrants is legally possible and that further transfer, in the Board's opinion, can be carried out with reasonable administrative and financial efforts at the subscription warrants' established market value. The Board shall have the right to adjust the terms of the Warrants Program 2017/2020 to the extent required in order for allotment of subscription warrants to participants in other jurisdictions, to the extent practically possible, to be carried out under the same conditions imposed by the Warrants Program 2017/2020.

### ***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 15.00, to amount to a maximum of approximately SEK 14.0 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 2017/2020 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 750,000 subscription warrants in Warrants Program 2017/2020 are exercised for subscription of new shares, the Company's share capital will increase by a maximum of SEK 18,750, resulting in a maximum dilution effect equivalent to approximately 2.0%. The key figure earnings per share for the full year 2016 had in such case been affected such that the loss per share had been reduced by approximately SEK 0.04 from SEK -2.17 to SEK -2.13. Furthermore, after completed allotment, the current Warrants Program 2016/2019 comprises a maximum of 405,000 new shares in Camurus, corresponding to a maximum dilution effect of approximately 1.1%. In total, Warrants Program 2016/2019 and Warrants Program 2017/2020 may result in a maximum dilution effect of approximately 3.1%.

The above calculations are subject to 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 2017/2020, 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.

Lund in March 2017  
**Camurus AB (publ)**  
*The Board of Directors*

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