

## Press release

# Notice of annual general meeting 2016 and proposal for new incentive program in Camurus AB (publ)

The shareholders of Camurus AB (publ) are hereby invited to attend the annual general meeting (the "AGM") to be held on Tuesday 3 May 2016 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 Wednesday 27 April 2016, and
- notify the company of its intention to attend the AGM by Wednesday 27 April 2016 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 Wednesday 27 April 2016. 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 046-286 38 90. The notice of attendance shall state name, personal or corporate identity number, address, telephone number (daytime), number of shares 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 authorization, 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 auditor deputies, if any
11. Establishment of fees to the Board members and the auditors
12. Election of the Board members and auditors
13. Resolution regarding principles for the formation of Nomination Committee
14. Resolution regarding guidelines for remuneration to senior executives
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 extraordinary general meeting on 15 October 2015, the Nomination Committee for the AGM 2016 has consisted of chairman Jan Andersson (Swedbank Robur Fonder), Per Sandberg (Sandberg Development AB), Mikael Hanell (Catella Fondförvaltning AB) and Per Olof Wallström (chairman of the Board).

The Nomination Committee has proposed that lawyer Hans Petersson 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 2015 and that the company's available funds of in total SEK 610,310,448, including the year's loss of SEK 146,420,974, should be carried forward.

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

The Nomination Committee has proposed that the number of Board members shall be eight, 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 is paid with SEK 1,450,000 in total, of which SEK 350,000 to the chairman of the Board (previously SEK 300,000) and with SEK 150,000 (unchanged) to each other member of the Board who is not employed by the company. For work in the Audit Committee, SEK 100,000 shall be paid to the chairman (previously SEK 50,000) and SEK 50,000 shall be paid to each other member (previously SEK 25,000), whilst for work in the Remuneration Committee no fees shall be paid (unchanged).

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 Olof Wallström, Per-Anders Abrahamsson, Marianne Dicander Alexandersson, Martin Jonsson, Svein Mathisen, Per Sandberg, Fredrik Tiberg and Kerstin Valinder Strinnholm. Per Olof Wallström is proposed for re-election as chairman of the Board. Björn Olsson has declined re-election.

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 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 resolution regarding principles for the formation of Nomination Committee (item 13)**

The Nomination Committee proposes that the following principles for appointment of the Nomination Committee and for the Nomination Committee's assignment are resolved by the AGM 2016, to apply until otherwise is resolved by the general meeting.

The chairman of the Board shall, based on the ownership according to Euroclear Sweden AB as per 31 August of the year before the annual general meeting, contact the three largest shareholders in terms of voting, whom shall each be entitled to appoint one member who, together with the chairman of the Board, shall form the Nomination Committee. If any of the three largest shareholders waive their right to appoint a member of the Nomination Committee, the next shareholder in terms of size shall be given the opportunity to appoint a member. The CEO or other members of the management shall not be a member of the Nomination Committee.

The chairman of the Board is the convenor of the Nomination Committee's first meeting. The Nomination Committee's term lasts until a new Nomination Committee is appointed.

The composition of the Nomination Committee is to be announced no later than six months before the annual general meeting. At the same time all shareholders shall be informed about how the Nomination Committee can be contacted.

If a member resigns from the Nomination Committee before its work is completed a replacement may be appointed by the same shareholder. When significant changes in the ownership occur after the date the Nomination Committee was appointed, the Nomination Committee may, if it considers it necessary, decide to offer a new owner a position in the Nomination Committee in accordance with the principles above. Changes in the Nomination Committee shall be made public immediately.

The Nomination Committee shall prepare and propose the following to the coming annual general meeting:

- election of chairman at the general meeting,
- election of chairman of the Board and other members of the Board,
- fees to the Board, divided between the chairman and other members, and any fees for committee work,
- election of auditor and fee to the auditor and, when applicable,
- new principles for appointment of Nomination Committee.

No fees shall be paid to the members of the Nomination Committee. The Nomination Committee shall have the right to, upon approval by the chairman of the Board, charge the company with costs for e.g. recruitment consultants or other costs necessary for the Nomination Committee to fulfill its duties.

**Proposal for guidelines for remuneration to senior executives (item 14)**

The Board proposes that the AGM resolves on guidelines for remuneration of senior executives that are substantially equivalent to existing guidelines, with the adjustment that the maximum bonus for the CEO is increased from 30% to 40% of the fixed annual salary. 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 forty (40)% of the fixed annual salary for the CEO and thirty (30)% of the fixed annual salary for 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 maximized at 35% 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 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)**

The Board proposes that the AGM resolves on an incentive program for the company's employees (the "Warrants Program 2016/2019"). To implement Warrants Program 2016/2019, the Board proposes that the general meeting resolves on (A) an issue of subscription warrants series 2016/2019 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 five hundred fifty thousand (550,000) subscription warrants shall be issued. The subscription warrants shall be issued free of charge. 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. Subscription for the subscription warrants shall be made on a separate subscription list on 1 June 2016 at the latest and 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 2019 up to and including 15 December 2019. 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 18 May 2016 up to and including 24 May 2016. 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, on one or several occasions, to employees within the Camurus group. Transfer shall be made at market value at the time of transfer. First allotment of subscription warrants shall be made to CEO with a maximum of 60,000 subscription warrants, to Chief Commercial Officer with a maximum of 40,000 subscription warrants, to management group and heads of regions (currently 6 persons) with a maximum of 20,000 subscription warrants per person, to specialists and other key employees (currently 8 persons) with a maximum of 10,000 subscription warrants per person and to other employees (currently 33 persons) with a maximum of 2,500 subscription warrants per person.

The first allotment is expected to take place during June 2016. There will be no guaranteed allotment. There will be no over-subscription. Due to the company's anticipated expansion during the coming year, the total number of subscription warrants issued in the Warrants Program 2016/2019 exceeds the number of subscription warrants expected to be allotted in the first allotment. The subscription warrants remaining after the first allotment may be allotted to future employees at market value, applicable from time to time, in accordance with the allotment principles stated above, whereby the above stated number of employees in each category may be changed. Transfer of subscription warrants to future employees may not occur after the annual general meeting 2017. Right to allotment in the Warrants Program 2016/2019 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 2016/2019, 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 2017, 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 2018, 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 etc.*

The company's cost, including 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 9.45, to amount to a maximum of approximately SEK 6.9 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 2016/2019 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 550,000 subscription warrants in the Warrants Program 2016/2019 are exercised for subscription of new shares, the company's share capital will increase by a maximum of SEK 13,750, resulting in a maximum dilution effect equivalent to approximately 1.5% calculated as the number of new shares in proportion to the number of existing and new shares. The key figure earnings per share for the full year 2015 had in such case been affected such that the loss per share had been reduced by approximately SEK 0.14 from SEK -6.33 to SEK -6.19. The above is subject to re-calculations of the subscription warrants in accordance with the customary terms stated in the complete terms and conditions.

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 2016/2019, has not taken part in the preparation of this matter.

#### **Available documents**

Financial statements, auditor's report and statement by the auditor pursuant to item 8b and the Board's complete proposal for the resolutions under items 14 and 15 will be available at the company and on the company's website, [www.camurus.com](http://www.camurus.com), as from Tuesday 12 April 2016 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**

The total number of shares in the company amounts to 37,281,486. The company has only one series of shares and the total number of votes in the company amounts to 37,281,486.

Lund in March 2016

**Camurus AB (publ)**

The Board of Directors.

#### **About Camurus**

*Camurus is a Swedish research-based pharmaceutical company committed to developing and commercialising innovative and differentiated medicines for the treatment of severe and chronic conditions. New drug products with best-in-class potential are conceived based on the proprietary FluidCrystal® drug delivery technologies and an extensive R&D expertise. Camurus' clinical pipeline includes products for*



*treatment of cancer, endocrine diseases, pain and addiction, developed in-house and in collaboration with international pharmaceutical companies. The company's shares are listed on Nasdaq Stockholm under the ticker "CAMX". For more information, visit [www.camurus.com](http://www.camurus.com).*

**For more information**

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