



To the shareholders of Biotec Pharmacon ASA

## NOTICE OF ANNUAL GENERAL MEETING OF BIOTEC PHARMACON ASA

The Board hereby gives notice of Annual General Meeting of Biotec Pharmacon ASA at Forskningsparken, Sykehusveien 23, Tromsø, **Tuesday 12 May, 2015 at 12:00.**

The Board has proposed the following agenda:

1. Opening of the meeting by the Chairman of the Board, Erik Thorsen. Election of a person to chair the meeting and a person to co-sign the minutes
2. Approval of registration of attending shareholders and proxy holders
3. Approval of the notice and the agenda
4. Presentation by the management on the status of the Group
5. Consideration of the Board's statement on the determination of salary and other remuneration to leading employees
6. Consideration of the Board's statement on Corporate Governance
7. Approval of the Boards of Directors' proposal for annual report and financial statements for 2014, including coverage of the loss for 2014
8. Approval of the auditor's remuneration
9. Alteration in the Articles of Association. The Board proposes that the last paragraph of article 5 shall read:  
*Power of signature for the Company is exercised by two members of the Board of Directors jointly*
10. Board authorization to issue 4.360.000 shares in connection with a capital increase
11. Board authorization to issue 750.000 shares in connection with share option programs for employees
12. Board authorization to purchase 300.000 of own shares
13. Election of members to the Board of Directors
14. Remuneration of the Board of Directors
15. Election of the Nomination Committee
16. Remuneration of the Nomination Committee

Attachments:           1. Board's proposed resolutions  
                              2. Shareholders rights, registration form and proxy form

The Nomination committee's recommendations will be published on the Company's website [www.biotec.no](http://www.biotec.no)

Tromsø, 20 April 2015  
For the Board of Biotec Pharmacon ASA

Erik Thorsen (sign.)  
Chairman of the Board

**5. Consideration of the Board's statement on the determination of salary and other remuneration to leading employees.**

The Board has prepared a statement on determination of the salary and other remuneration for senior employees in accordance with the Public Companies Act § 6-16a. The statement is shown in the Annual Report's note 30, and published on [www.biotec.no](http://www.biotec.no). The Board proposes that the Annual General Meeting adopts the following resolution:

*"The General Meeting adhered to the Board's statement on the determination of salary and other remuneration to leading employees."*

The Board wishes to continue the current practice of granting share options to all employees on certain conditions. The arrangement is described in section 2.6 of the statement. The General Meeting must accept share options to leading employees. The Board proposes that the Annual General Meeting adopts the following resolution:

*"The General Meeting approved the continuation of the practice of granting share options to senior executives as described in section 2.5 and section 2.6 of the statement on determination of salary and other remuneration of leading employees."*

**6. Consideration of the Board's statement on Corporate Governance.**

In accordance with the Accounting Act § 3-3b, the Board provides a Corporate Governance statement. The General Meeting shall deal with this matter cf. the Public Companies Act § 5-6. The Board's Corporate Governance statement is incorporated in the annual report, and published on the Company's website [www.biotec.no](http://www.biotec.no). The Board proposes that the Annual General meeting adopts the following resolution:

*"The General Meeting adhered to the Board's statement on Corporate Governance"*

**7. Approval of the Boards of Directors' proposal for annual report and financial statements for 2014, including coverage of the loss for 2014**

The Directors' annual report and financial statements for 2014 is available on the Company's website [www.biotec.no](http://www.biotec.no). The Board proposes that the Annual General Meeting adopts the following resolution:

*"The financial statements, the Directors' annual report and the auditor's report, including coverage of the loss was approved"*

**8. Approval of the auditor's remuneration.**

In accordance with the Public Companies Act § 7-1, the auditor's remuneration is subject to the approval of the General Meeting. The Board proposes that the Annual General Meeting adopts the following resolution:

*"The General Meeting approved the auditor's remuneration for the audit of Biotec Pharmacon ASA (NOK 90.000), for attestation services (NOK 11.000) and other services (NOK 29.000)."*

**9. Alteration in § 5 of Articles of Association, Board of Directors, last paragraph.**

In order to make registrations and processes that requires the Company's signature easier and quicker, the Board proposes that § 5 in the Articles of Association is changed from:

*The Company's board shall consist of 5 to 8 members as decided by the general meeting, of which minimum 4 and maximum 7 members shall be elected by the shareholders. Personal deputy board*

*members may be elected as decided by the general meeting. The chairman of the board is elected by the general meeting. The serving period for each member of the board is decided by the general meeting, and should not exceed two-year terms.*

*Power of signature for the Company is exercised by the chairman and one other Board member, or three board members jointly.*

To:

*The Company's board shall consist of 5 to 8 members as decided by the general meeting, of which minimum 4 and maximum 7 members should be elected by the shareholders. Personal deputy board members may be elected as decided by the general meeting. The chairman of the board is elected by the general meeting. The serving period for each member of the board is decided by the general meeting, and should not exceed two-year terms.*

*Power of signature for the Company is exercised by two members of the board jointly.*

**10. Board authorization to issue up to 4.360.000 shares in connection with a capital increase.**

The Board has an authorization to issue up to 3.900.000 shares. The authorization has not been used. To ensure flexibility to raise capital quickly if the Board believes this is appropriate, as part of an assessment of the Company's future capital needs, the Board proposes that the Annual General Meeting adopts the following resolution:

*"The Board is authorized under the Public Companies Act § 10-14 to increase the share capital by NOK 4.360.000 by issuing up to 4.360.000 new shares at par value NOK 1, - in one or more share issues. The terms of subscription shall be determined by the Board. Shareholders' rights in accordance with the Public Companies Act § 10-4 may be waived. The authorization is valid until the Annual General Meeting in 2016, limited to 30 June 2016. The authority does not include non-cash share issues, the right to incur special obligations on the Company, or capital increases in connection with mergers in accordance with the Public Companies Act § 13-5. In the event of any changes in the Company's share capital or number of shares resulting from stock split, reverse split, bonus issue etc., the authorization shall be adjusted in accordance with recognized principles. The Company's articles of association shall on a continuous basis be changed by the Board depending on the number of shares issued. This authorization replaces the authorization granted 14 May 2014 by the Annual General Meeting."*

**11. Board Authorization to issue up to 750.000 shares in connection with share option programs for employees.**

In 2011, the Board established a share option program for the Company's permanent employees with a frame of 700.000 shares. 472.800 share options was outstanding on 31 December 2014. The program had a three year vesting period, with the possibility of a declaration in the fourth year. These options expired on 31 March 2015. At the time of the Annual General Meeting 2015, there are no outstanding options in relation to this program.

In June 2014, the Board established a new share option program with a frame of up to 240.000 share options for permanent employees. 203.250 options were outstanding on December 31 2014. The main principles of the share option programs are that the exercise price shall be equal to or higher than the market price when granted. The scheme will provide an incentive to stay with the Company and the scheme shall be graded according to the ability that the employee has to contribute to a positive development for the Company's shares. The program from 2014 has a two-year vesting period, with the possibility of a declaration in the third year. 203.205 share options are outstanding under the 2014 share option program and may be exercised on three possible dates from 01 June 2016 to 31 May 2017. See further details in note 14 of the financial statements.

The Board wishes to maintain the share option program through a new option program with a limit up to 500.000 share options until the next Annual General Meeting, representing 1, 1 % of the shares outstanding.

The Board was granted by the Annual General Meeting in 2014 the authorization to issue 900.000 shares in connection with a share capital increase for employees. This authorization expires on the date of the Annual General Meeting in 2015. The authorization has been used to issue 100,000 shares to the CEO, as he on 10 December 2014 exercised options received upon joining the Company, and to issue 408.500 shares to other employees who exercised their options from the 2011 program on 15 August 2014, 15 December 2014 and 31 March 2015.

The Board proposes that the Annual General Meeting replaces the authorization granted in 2014 with a new authorization, limited up to 750.000 shares, which expires at the Annual general Meeting in 2016, but not later than 30 June 2016. The proposed authorization covers all share options granted in the 2014 program and share options granted until the next Annual General Meeting in 2016. The Board proposes this to receive the Annual General Meeting's acceptance of previous and new share option schemes in the Company. It is assumed that subsequent general meetings will renew the authorization to increase the share capital directed to its employees to meet the Company's commitments under the programs adopted.

The Board proposes that the Annual General Meeting adopts the following resolution:

*“The General Meeting approves the allocation of up to 750.000 share options to the Company's employees for the period until the next Annual General Meeting to cover outstanding options and options to be granted until the next Annual General Meeting in 2016, but not later than 30 June 2016. The Board shall decide the principles for and the allocation of the options.*

*The Board is authorized under the Public Companies Act § 10-14 to increase the share capital by NOK 750.000 by one or more capital increases directed towards employees, as a part of the Company's share option program.*

*In the event of any changes in the Company's share capital or number of shares as a result of stock split, reverse split, bonus issue etc., the authorization shall be adjusted in accordance with recognized principles, although in a manner that the adjustment cannot be in conflict with the Public Limited Companies Act with regards to the total number of shares to be issued pursuant to board authorization or the Public Limited Companies Act prohibition of subscription of shares below the par value. The shareholders' preferential subscription rights will be waived. The authorization is valid until the Annual General Meeting in 2016, limited to 30 June 2016.*

*The Board shall determine the subscription terms and other conditions. The Company's Articles of Association shall on a continuous basis be changed depending on the number of shares issued. The authorization replaces the authorization granted by the general meeting on 14 May 2014. ”*

## **12. Board authorization to purchase up to 300.000 of own shares.**

The Board has an authorization to purchase up to 300.000 of own shares. Purchase of own shares may be an alternative to issuing new shares when share options are exercised, or when it is relevant to offer shares with tax rebate to employees. The Company currently owns no shares, and a full utilization of the authorization will therefore not be in conflict with the Public Limited Companies Act. The Board proposes that the General Meeting adopts the following resolution:

*“The Board is authorized to purchase up to 300.000 shares at a total nominal value of NOK 300.000. The lowest price per share is NOK 1,- and the highest price is NOK 100,-. In the event of any changes in the Company's share capital or number of shares resulting by stock split, reverse split, bonus issue etc., the authorization shall be adjusted in accordance with recognized principles. The authorization is to be used by purchasing shares through the stock exchange. The disposal is done by redemption of share options or by offering employees to purchase shares. The authorization is valid until the Annual General Meeting in 2016, limited to 30 June 2016. The authorization replaces the mandate to acquire own shares, given by the General Meeting on 14 May 2014. ”*

## **13. Election of members to the Board of Directors.**

The Company has the following members of the Board of Directors elected by shareholders:

Erik Thorsen (on election)  
Gunnar Rørstad (on election)  
Inger Rydén (elected for two years in 2014)  
Olav Flaaten (elected for two years in 2014)  
Kjersti Grimsrud (will not take re-election))

The Nomination Committee proposes that the Annual General Meeting adopts the following resolution cf. the Nomination Committee's proposal published on [www.biotec.no](http://www.biotec.no):

*“Erik Thorsen and Gunnar Rørstad were re-elected for 2 years in accordance with the Nomination Committee's proposal. Masha P.N Le Gris Strømme was elected as a new member of the Board for a 2 year term. Erik Thorsen was elected Chairman.”*

#### **14. Remuneration of the Board of Directors.**

The Nomination Committee has assessed the remuneration rates for the Board of Directors, the Audit Committee, and the Remuneration Committee. The Nomination Committee proposes that the rates remain unchanged, with the exception that the remuneration for the Chairman of the Board shall be increased by NOK 50.000 to NOK 350.000. The reason is that the Chairman's time consumption has increased significantly because of limited administrative resources in the Company. The Nomination Committee suggests the following remuneration for the period until Annual general Meeting in 2016:

*“Remuneration in the period until the Annual General Meeting 2016.*

*The Board of Directors:*

*Chairman: NOK 350.000*

*Members of the Board elected by shareholders: NOK 150.000*

*Employee representatives of the Board: 50 % of the remuneration of the members of the Board elected by shareholders*

*The Audit Committee:*

*Chairman: NOK 50.000*

*Member of the Committee: NOK 25.000*

*The Remuneration Committee:*

*Chairman: NOK 25.000*

*Member of the Committee: NOK 15.000.”*

#### **15. Election of the Nomination Committee.**

The Nomination Committee proposes the following members to the Nomination Committee with a term of up to two years:

Arne Handeland (on election)  
Benedicte Fossum (on election)

Tore Andreassen is not running for re-election. At the time of the notice of the Annual General Meeting, a new member is not proposed. When a new member is proposed, it will be published on the Company's website [www.biotec.no](http://www.biotec.no). The Board proposes the Annual General Meeting to adopt the following resolution:

*“In accordance with the Nomination Committee's proposal, The General Meeting re-elected Arne Handeland and Benedicte Fossum. Arne Handeland is elected Chairman.”*

#### **17. Remuneration of the Nomination Committee.**

The Nomination Committee's proposal for remuneration for the Nomination Committee is NOK 50.000 to the Chairman of the Committee and NOK 25.000 for the member of the Committee for the period until the next Annual General Meeting. This is changed from the previous period. The Board proposes the Annual General Meeting to adopt the following resolution:

*"The General Meeting approved the proposal of the Nomination Committee for remuneration of the Nomination committee in the period until the Annual General Meeting 2016:*

*Chairman: NOK 50.000*

*Member: NOK 25.000."*



## **Attendance at the General Meeting**

Biotec Pharmacon ASA has on the date of this notice a share capital of NOK 43.944.673 consisting of 43.944.673 shares with a face value of NOK 1.00. The Company holds no own shares.

Each share holds one vote, and every shareholder is entitled to speak or appoint a spokesperson, and otherwise holds the rights as set out in the Public Limited Companies Act § 5-15. Shareholders cannot demand new matters on the agenda after the deadline for demanding this has expired, cf. the Public Limited Companies Act § 5-11. A shareholder has the right to put forward a proposal for resolution and may require members of the Board and the CEO to furnish in general meetings all available information that may affect the consideration of matters that have been submitted to the shareholders for decision, unless the information cannot be given without disproportionately harming the Company.

Shareholders who are unable to meet in person have the opportunity to authorize the Chairman of the Board or another person to vote for their shares by filling in the attached letter of attorney.

A notice in Norwegian was sent all shareholders in accordance with the shareholder registry in VPS as of 16. April 2015. The Annual Report and other relevant documents are available on [www.biotec.no](http://www.biotec.no) and may be ordered from the Company.

Shareholders who intend to participate in the general meeting, either personally or by proxy, shall notify the Company by sending the enclosed registration/proxy form so that it is received by the Company by Monday 11 May 2015 14:00.

Registration can be done in 3 ways:

Biotec Pharmacon ASA  
Postboks 6463  
9294 Tromsø,  
Norway

By e-mail: [generalforsamling@biotec.no](mailto:generalforsamling@biotec.no)

By telefax: +47 77 64 89 01

This is an office translation of the notice given in Norwegian.

## Registration Form



The undersigned wishes to participate on the Annual General Meeting of Biotec Pharmacon ASA, on Wednesday 12 May 2015 at 12:00.

I/we own \_\_\_\_\_ shares in Biotec Pharmacon ASA.

- I/we will vote for my/our shares in person
- I/we will be accompanied by an advisor
- I/we will be represented by a holder of a power of attorney, in according with the attached signed letter of attorney

Place and date: \_\_\_\_\_

Name (capital letters): \_\_\_\_\_

Signature: \_\_\_\_\_

Deadline for registration is **11. May at 14.00**. May be sent by telefax on +47 776 48 901, or by e-mail: [generalforsamling@biotec.no](mailto:generalforsamling@biotec.no)



## Letter of Attorney



I/we hereby authorize (1 cross):

The Chairman of the Board

\_\_\_\_\_  
(name of proxy holder)

to attend and to vote for mine/our shares in Biotec Pharmacon ASA on the Ordinary General Meeting in the Company on 12 May, 2015. The voting will be in accordance with the below instructions. If no cross has been set in any of the below categories, this will be regarded as a vote in favour of the proposal in the notice. The holder of the power of attorney will decide on the voting in the case that proposals are put forward in addition to or as a replacement for the proposals in the notice. The Company or the chairperson of the General Meeting cannot be held responsible for any loss that may arise as a consequence of the letter of attorney not reaching the holder of the power of attorney in time.

I/we own \_\_\_\_\_ shares in Biotec Pharmacon ASA.

Voting instructions for the holder of the power of attorney:

Item	Item	FOR	AGAINST	ABSTAIN	Decided by holder
2	Approval of registration of attending shareholders and proxy holders				
3	Approval of notice and agenda				
4	Presentation by the management				
5	1. Advisory vote on the declaration of remuneration for leading employees				
	2. The Board's proposal on share option program to leading employees				
6	Consideration of the Board's statement on corporate governance				
7	Approval of the Boards of Directors' proposal for annual report and financial statements for 2014, including coverage of the loss for 2014				
8	Approval of the auditor's remuneration				
9	Alteration in the Articles of Association.				
10	Authorization to issue 4.360,000 new shares				
11	Authorization to issue 900.000 shares for employees' shares schemes				
12	Authorization to purchase a total of 300,000 of own shares				
13	Election of members of Board of Directors:				
	<i>Erik Thorsen , 2 years, re-election</i>				
	<i>Gunnar Rørstad, 2 years, re-election</i>				
	<i>Masha P.N Le Gris Strømme, 2 years, new</i>				
14	Remuneration of the Board until next AGM				
15	Election of the Nomination Committee				
	<i>Arne Handeland, 2 years, re-election</i>				
	<i>Benedicte Fossum, 2 years, re-election</i>				
	<i>New member, not ready at notice</i>				
16	Remuneration of the Nomination Committee				

Place and date: \_\_\_\_\_

Name (capital letters): \_\_\_\_\_

Signature: \_\_\_\_\_

Registration deadline: 11 May 2015 at 14:00. May be sent by telefax on +47 776 48 901, or by e-mail: [generalforsamling@biotec.no](mailto:generalforsamling@biotec.no)