



## Notice of Annual General Meeting in Moberg Pharma AB (publ)

Shareholders in Moberg Pharma AB (publ) (reg. no. 556697-7426) (the “**Company**”) are hereby convened to the Annual General Meeting on Tuesday, May 16, 2017 at 5:00 p.m. (CET) in the Company’s premises in Bromma, address Gustavslundsvägen 42, 5 tr, 167 51 Bromma (Alviks torg), Sweden.

### Attendance at the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting must:

- be recorded in the share register maintained by Euroclear Sweden AB (“**Euroclear**”), on Wednesday, May 10, 2017, and
- give notice of attendance to the Company under address: Moberg Pharma AB (publ), Gustavslundsvägen 42, 5 tr, 167 51 Bromma, att. Anna Ljung or by e-mail to [anna.ljung@mobergpharma.se](mailto:anna.ljung@mobergpharma.se), at the latest on Wednesday, May 10, 2017, at 4:00 p.m.

When giving notice of attendance, shareholders must state their name, civil registration number or corporate registration number, address, telephone number and, where applicable, number of accompanying assistants (no more than two). Shareholders can participate and vote at the Annual General Meeting personally or by proxy. Shareholders whose shares are registered in the name of a nominee must, in order to be entitled to participate in the Annual General Meeting, with the help of the nominee, re-register their shares in their own names in the share register maintained by Euroclear, so that they are registered on Wednesday, May 10, 2017.

Shareholders represented by proxy should submit a power of attorney in original, along with other authorization documents, when giving notice of attendance to the Annual General Meeting. A power of attorney may be valid for up to five years from issuance. The Company provides forms of power of attorney on the Company’s website [www.mobergpharma.se](http://www.mobergpharma.se). Representatives of legal persons must present a copy of the legal person’s certificate of registration or other equivalent document demonstrating the right to act on behalf of the legal person.

### Number of shares and votes

As per the date of this notice, there are a total of 17,411,842 shares and votes in the Company. The Company holds no own shares.

### 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. Determination whether the Meeting has been duly convened
6. Approval of the agenda
7. Presentation of the annual report and the audit report as well as the consolidated accounts and the consolidated audit report
8. Speech by the Chief Executive Officer, Peter Wolpert
9. Resolutions on:
  - a) Adoption of the income statement and the balance sheet, as well as the consolidated income statement and the consolidated balance sheet
  - b) Allocation of the Company’s result according to the adopted balance sheet
  - c) Discharge from liability of the Board members and the Chief Executive Officer
10. Determination of the number of Board members and deputy members
11. Determination of fees to the Board of Directors and Auditor
12. Election of the Board of Directors, Chairman of the Board of Directors and Auditor
13. Proposal for resolution on principles for establishing the Nomination Committee and its work
14. Proposal for resolution on principles for remuneration of senior executives



15. Proposal for resolution on amendment of the Articles of Association regarding the share capital (§4) and number of shares (§5)
16. Proposal for resolution on Employee Stock Option Plan 2016
17. Proposal for resolution regarding authorization for the Board of Directors to issue new shares
18. Closing of the Meeting

## **Proposals for resolution**

### **Election of Chairman of the Meeting (Item 2)**

The Nomination Committee, consisting of the Chairman Gillis Cullin representing Östersjöstiftelsen and the members Helen Fasth Gillstedt representing Handelsbanken Fonder, Anders Rodebjer representing Wolco Invest and Thomas Eklund Chairman of the Board of Directors in the Company, propose to elect Thomas Eklund as Chairman of the Annual General Meeting.

### **Resolution on allocation of the Company's result according to the adopted balance sheet (Item 9.b)**

The Board of Directors proposes that no dividend should be paid for the fiscal year 2016.

### **Election of the Board of Directors and Chairman of the Board of Directors and determination of fees to the Board of Directors and Auditors (Items 10, 11 and 12)**

The Nomination Committee proposes that the Board of Directors shall consist of six (6) persons and no Deputies.

The Nomination Committee proposes re-election of Torbjörn Koivisto, Geert Cauwenbergh, Thomas B. Thomsen, Thomas Eklund and Mattias Klintemar for a period until the end of the next Annual General Meeting. Wenche Rolfsen, after seven years as member of the Board, has chosen not to be available for re-election. The Nomination Committee has proposed the appointment of Sara Brandt as new member of the Board of Directors.

Sara Brandt has extensive experience from leading positions in international and Nordic FMCG companies, amongst other as Vice President Region North and Managing Director Sweden for Berner and Executive Vice President and Head of the Nordic division for Cederroth AB. She has served as board member in smaller companies such as DLF, KTF and Gärdin & Persson. Sara Brandt is currently a member of the board of directors in Toxintelligence AB, Clear-on AB and the Association of Swedish Advertisers.

The Nomination Committee proposes that an aggregate fee of SEK 1,350,000 shall be paid to the Board Directors, of which SEK 360,000 to the Chairman and SEK 170,000 for all other Board Directors elected by the Annual General Meeting. An additional fee of SEK 60,000 shall be paid to the members of the Compensation Committee, SEK 30,000 to the chairman and SEK 15,000 to the other members (2). A fee of SEK 80,000 shall be paid to the members of the new Audit and Finance Committee, SEK 40,000 to the chairman and SEK 20,000 to the other members (2).

The Nomination Committee proposes, in accordance with the Board of Directors' recommendation, re-election of EY as Company Auditors, with Andreas Troberg as responsible Auditor for a period until the end of the next Annual General Meeting.

The Nomination Committee proposes that fees to the Auditors, for a period until the end of the 2018 Annual General Meeting, are to be paid as per approved invoice.

### **Proposal for resolution on principles for establishing the Nomination Committee and its work (Item 13)**



The Nomination Committee proposes that the Annual General Meeting assigns a Nomination Committee according to the following principles. The Annual General Meeting assigns the Chairman of the Board of Directors to contact the three largest shareholders in term of votes or owner groups (hereby referred to both directly-registered shareholders and nominee-registered shareholders), according to a transcript of the share register maintained by Euroclear Sweden AB as per September 30, 2017, each appointing a representative to, besides the Chairman of the Board of Directors, constitute the Nomination Committee for the period until a new Nomination Committee is appointed by mandate from the next Annual General Meeting.

If any of the three largest shareholders or owner groups declines to elect a representative, the fourth largest shareholder or owner group will be asked, and so on, until the Nomination Committee consists of four members. The majority of the members of the Nomination Committee are to be independent of the Company and its executive management. At least one member of the Nomination Committee is to be independent of the Company's largest shareholder in term of votes, or any group of shareholders that act in concert in the governance of the Company. Neither the Chief Executive Officer nor other members of the executive management are to be members of the Nomination Committee. Board members may be members of the Nomination Committee but may not constitute a majority thereof. If more than one Board member is on the Nomination Committee, no more than one of these may be dependent of a major shareholder in the Company. The Nomination Committee appoints Chairman within the Committee. Neither the Chairman of the Board of Directors nor any other Board member may be Chairman of the Nomination Committee. The names of the members of the Nomination Committee shall be announced no later than six months prior to the 2018 Annual General Meeting. In the event that one of the members of the Nomination Committee resigns before the Committee's work is completed and if the Nomination Committee is of the opinion that there is a need to replace the member, the Nomination Committee shall appoint a new member according to the principles above, but based on a transcript of the share register maintained by Euroclear Sweden AB, as soon as possible after the member has resigned. A change in the composition of the Nomination Committee shall be announced immediately. No fees shall be paid to the members of the Nomination Committee for their work in the Nomination Committee.

The Nomination Committee shall submit proposals on the following issues for resolution by the 2018 Annual General Meeting:

- a) Proposal for Chairman of the Annual General Meeting
- b) Proposal for the Board of Directors
- c) Proposal for Chairman of the Board of Directors
- d) Proposal for fees to the Board of Directors, with distribution between the Chairman and other Board members
- e) Proposal for Company Auditors
- f) Proposal for fee to Company Auditors
- g) Proposal for principles for establishing the Nomination Committee for the 2019 Annual General Meeting.

**Proposal for resolution on principles for remuneration of senior executives (Item 14)**

The Board of Directors proposal for resolution on principles for remuneration of senior executives is consistent with previous years' principles for remuneration and is mainly based on existing contracts between the Company and senior executives.

The Board of Directors proposes that the Annual General Meeting resolves to adopt principles for remuneration of senior executives on the following terms:

Moberg Pharma shall offer a total compensation at market rate that enables for qualified senior executives to be recruited and retained. The compensation paid to the Chief Executive Officer and other senior executives may consist of basic salary, variable compensation, other benefits and



pension benefits. The total compensation is based on the basic salary and must be proportionate to the executive's responsibilities and authority. Variable compensation is capped at 25 - 50 per cent of each executive's basic annual salary and is based on results achieved in relation to individually defined qualitative and quantitative targets as well as the Company's result in relation to goals set by the Board of Directors. Pensionable salary comprises only of basic salary. To the extent that Board members perform work for the Company or any other Group Company, besides work in the Board of Directors, consultancy fee at market rate may be paid.

The notice period shall be at least three months if the senior executive takes the initiative and if the Company takes the initiative between three and twelve months. Severance is not paid. The Annual General Meeting shall, when applicable, decide on all share and share-price related programs. Allotment shall be made in accordance with the resolution of the Shareholders' Meeting. With the exception of the employee stock options allotted and accrued, and what is provided for under existing employment contracts as referred to above, senior executives are not entitled to any benefits after the termination of the employment/assignment. The Board of Directors shall be entitled to deviate from the above mentioned principles for remuneration of senior executives if there are special reasons.

#### **Proposal for resolution on amendment of the Articles of Association regarding the share capital (§4) and number of shares (§5)**

The Board of Directors proposes that the Annual General Meeting resolves to amend §4 of the Articles of Association from its current wording

"The share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000." to  
"The share capital shall be not less than SEK 1,700,000 and not more than SEK 6,800,000", and

that the Annual General Meeting also resolves to amend §5 of the Articles of Association from its current wording

"The number of shares shall be not less than 5,000,000 and not more than 20,000,000." to  
"The number of shares shall be not less than 17,000,000 and not more than 68,000,000."

A resolution in accordance with this proposal requires the approval of shareholders representing at least two thirds of the votes cast and two thirds of the shares represented at the Annual General Meeting.

#### **Proposal for resolution on Employee Stock Option Plan (Item 16)**

The Board of Directors proposes that the Annual General Meeting (i) resolve to adopt an employee stock option plan for 2017 for employees and consultants in the Company and in the Company's wholly-owned subsidiary Moberg Pharma North America LLC ("**Moberg North America**"), (ii) resolve on issue of warrants to the Company's wholly-owned subsidiary Moberg Derma Incentives AB, reg. no. 556750-1589, ("**Incentives**") for the fulfillment of the Company's commitments under the employee stock option plan, and (iii) approve transfer of warrants or shares in the Company to employees and consultants in the Company and Moberg North America.

##### **(i) Employee Stock Option Plan 2017**

The Board of Directors proposes that the Annual General Meeting resolves to adopt Employee Stock Option Plan 2017 (the "**Program**") on principally the following terms:

- 1) The Board of Directors and the Chief Executive Officer are entitled to, within the scope of the Program, resolve on allotment of maximum 413,500 employee stock options to key personnel in the Company and Moberg North America. It will be permissible to allot a maximum of 62,000 employee stock options per Program participant.
- 2) It is proposed that the participants in the Program are divided in two categories: the senior executives' [Anna Ljung, Martin Ingman, Kjell Rosenfeldt, Jeff Vernimb and Peter Wolpert]



("Group 1") and other participants ("Group 2"). The Board of Directors and the Chief Executive Officer shall decide which persons shall be encompassed in Group 2 based on position, qualification and individual performance. The participants in Group 1 and 2 are jointly referred to as "**Participants**".

- 3) Within Group 1, Anna Ljung and Martin Ingman are proposed to be allotted 30,000 employee stock options each, Kjell Rensfeldt is proposed to be allotted 45,000 employee stock options, Jeff Vernimb is proposed to be allotted 62,000 employee stock options and Peter Wolpert is proposed to be allotted 55,000 employee stock options. The number of employee stock options to be allotted to Group 2 participants will be resolved by the Board of Directors and the Chief Executive Officer and may be adjusted proportionally based on each person's time as an employee or as a consultant in the Company or Moberg North America.
- 4) The allotment of employee stock options will take place immediately, in connection with the 2017 Annual General Meeting. Participants in the Program shall be allotted the employee stock options free of charge.
- 5) In order to use all allotted employee stock options the Participants must (i) at the latest on July 1<sup>st</sup>, 2017 have invested in shares of the Company up to a certain value as set out below and (ii) keep equivalent number of shares of the Company until the employee stock options have vested and can be exercised. Participants in Group 1 must invest in shares of the Company up to a value of at least 1.5 monthly salaries (based on fixed gross salary at the time of the Annual General Meeting 2017). Shares already held and that are subject to transfer restrictions or similar pursuant to the Company's previous incentive programs shall not be included for the purpose of calculating the actual investment made by Group 1 participants. The Board of Directors and the Chief Executive Officer may determine what value and number of shares the Group 2 participants must have acquired and kept in the Company to be entitled to use all allotted shares.
- 6) For participants in Group 1, the right to exercise allotted employee stock options will be reduced proportionally if the participant has not invested in shares of the Company at the applicable minimum level (as set out above) on July 1<sup>st</sup> 2017, at the latest. A Group 1 participant's right to exercise any allotted employee stock options will lapse entirely if the participant divests such shares prior to vesting. A Group 2 participant will be entitled to exercise only 50 per cent of the employee stock options allotted if the participant has not invested in shares of the Company at the applicable minimum level (as determined by the Board of Directors and the Chief Executive Officer), on July 1<sup>st</sup> 2017, at the latest, or divested any such shares.
- 7) Provided that the conditions for use have been fulfilled, each employee stock option shall entitle the holder to subscribe for one (1) new share in the Company at a subscription price equivalent to 110 per cent of the volume-weighted average price paid for a share in the Company on the Nasdaq Stockholm during ten trading days following the 2017 Annual General Meeting, however never less than the share quotient value.
- 8) The employee stock options are vested as per June 30<sup>th</sup>, 2020 and can be used for subscription of new shares in the Company from June 30, 2020 until December 31, 2021.
- 9) The employee stock options are linked to the employment or the consulting agreement in the Company and Moberg North America, respectively. Should the employment in the Company or Moberg North America terminate due to redundancy, illness, retirement pursuant to a succession plan approved by the Company (or similar) the employee may exercise the employee stock options not yet vested pro rata in relation to the time passed since the date the employee stock options were allotted until the termination date, and the remainder of the employee stock options will lapse. Should the employment in the Company or Moberg North America terminate due to any other reason, or if a consulting agreement with these companies



is terminated, the employee stock options not yet vested will generally expire. Employee stock options that the employee or the consultant is entitled to exercise after termination of the employment or consulting arrangement shall be exercised at the latest six months thereafter. The employee stock options shall not be securities and may not be transferred, pledged or otherwise disposed of by the holder of employee stock options.

- 10) The Board of Directors shall resolve on the detailed terms and conditions for the Program 2017 and, in the event of company related changes, market conditions, local legislation or other rules, regulatory changes, or other occurrences, the Board of Directors shall be entitled to make deviations from and adjustments of the terms and conditions of the Program (e.g. changes to the investment and vesting condition for participants residing in the U.S.) or deduct all or parts of the employee stock options in cash.
- 11) In view of the above proposed terms, the size of the allotment and other circumstances, the Board of Directors assesses that the proposed Program is well-balanced and that it will be beneficial for the Company and its shareholders.

#### **(ii) Issue of warrants to Incentives**

In order to secure the Company's commitments under the Program the Board of Directors proposes that the Annual General Meeting resolves on an issue of a maximum of 413,500 warrants on principally the following terms:

- 1) The warrants shall be issued free of charge and the right to subscription shall, with a deviation from the preferential right of the shareholders, be assigned to Incentives.
- 2) Subscription of warrants shall take place at the latest on May 26, 2017, with the right for the Board of Directors to extend the subscription period.
- 3) Each warrant shall entitle the holder to subscribe for one (1) new share in the Company at a subscription price equivalent to 110 per cent of the volume-weighted average price paid for a share in the Company on Nasdaq Stockholm during ten trading days following the 2017 Annual General Meeting, however never less than the share quotient value.
- 4) Subscription for new shares in the Company with the support of the warrants shall take place no later than December 31, 2021.
- 5) The new shares will entitle to dividend for the first time on the record date that occurs after the new shares has been registered at the Swedish Companies Registration Office (Sw: *Bolagsverket*) and after the shares have been recorded in the share register maintained by Euroclear Sweden AB.
- 6) In the event that all warrants issued in respect of the Program are used to subscribe for new shares, the Company's share capital will increase by SEK 41,350 from SEK 1,741,184.20 to SEK 1,782,534.20. This is equivalent to a dilution of approximately 2 per cent of the shares and votes in the Company.
- 7) Terms and conditions as set out in the Board of Directors' complete proposal apply to the warrants.

The reasons for deviating from the shareholders' preferential rights are that the issue constitutes part of the implementation of the Program. The Board of Directors assesses that a long-term personal ownership commitment among the employees and the consultants will lead to an increased interest in the business and the result, and therefore improves the motivation of the employees and the consultants. It is advantageous for the Company to be able to offer employees and consultants an





opportunity to participate in the Company's development. The Board of Directors therefore assesses that the proposal, with regard to the terms, appears to be reasonable.

**(iii) Approval of transfer of warrants or shares in the Company to employees in the Company, etc.**

The Board of Directors proposes that the Annual General Meeting resolves to approve that Incentives is entitled to transfer not more than 413,500 warrants or shares in the Company, with deviation from the shareholders' preferential rights, to employees and consultants in the Company and Moberg North America, who have received employee stock options under the Program, or otherwise dispose of the warrants, in order to secure the Company's commitments in connection with the Program. The number of warrants or shares that are transferable under the Program will be subject to recalculation should a bonus issue, share split, rights issue and/or similar corporate events occur in the interim period.

**Costs for the Program**

The Board of Directors assesses that Program will lead to costs the form of accounting salary costs of approximately SEK 4 million, and additionally social security contributions.

**Preparation of the proposal of the Program**

The proposal regarding the Program has been prepared by the Company's Remuneration Committee and has been presented to the Board of Directors.

**Previous incentive programs in the Company**

For a description of the Company's other share-related incentive programs, reference is made to the Company's 2016 annual report, and the Company's website [www.mobergpharma.se](http://www.mobergpharma.se). In addition to the programs described, there are no other share-related incentive programs in the Company.

**Majority requirement**

The Annual General Meeting's resolution on the above items (i) – (iii) shall be adopted together as one resolution. A resolution in accordance with the Board of Director's proposal requires the approval of shareholders representing at least nine tenths of the votes cast and the shares represented at the Meeting.

**Proposal for resolution regarding authorization for the Board of Directors to issue new shares (Item 17)**

The Board of Directors proposes that the Annual General Meeting authorize the Board of Directors to, within the scope of the articles of association, with or without deviation from the shareholders' preferential right, on one or several occasions during the period until the next Annual General Meeting, resolve to increase the Company's share capital by issuing new shares in the Company. The total number of shares issued in accordance with this authorization may be equivalent to a maximum of twenty (20) per cent of the shares in the Company at the time of the 2017 Annual General Meeting. The issues shall be made with issue rates at market rate, and where applicable be subject to issue discount at market rate, and payment shall, apart from payment in cash, be made in kind or by set-off or otherwise with conditions. The purpose of the authorization and the reasons for any deviation from the shareholders' preferential right is that the Company shall be able to carry out issues in order to finance the Company's business, commercialization and development of the Company's products and/or the acquisition of products, project portfolios, businesses, companies or parts of companies.

The Board of Directors, CEO or such person as the Board of Directors authorize, shall be authorized to carry out amendments and clarifications of the Annual General Meeting's decisions that are required in connection with the filing with the Companies Registration Office and Euroclear Sweden AB.



A resolution in accordance with this proposal requires the approval of shareholders representing at least two thirds of the votes cast and the shares represented at the Meeting.

#### **Information at the Annual General Meeting**

Shareholders may request that the Board of Directors and the Chief Executive Officer provide information regarding circumstances that may affect the assessment of an item on the agenda for the Annual General Meeting, and circumstances that can affect the assessment of the Company's financial position. The Board of Directors and the Chief Executive Officer shall provide such information at the Annual General Meeting if they believe that it can be done without material harm to the Company. Shareholders wishing to submit questions in advance may send them to Moberg Pharma AB (publ), att. Anna Ljung, Gustavslundsvägen 42, 5 tr, 167 51 Bromma, Sweden, or by e-mail to [anna.ljung@mobergpharma.se](mailto:anna.ljung@mobergpharma.se).

#### **Documents**

Copies of accounting documents and the audit report as well as forms of power of attorney will be available for shareholders at the Company and on the Company's website [www.moberpharma.se](http://www.moberpharma.se), as from Tuesday, April 11, 2017. Complete proposals, including the Board of Director's complete proposal for principles for remuneration to senior executives, to resolve to amend the Articles of Association and to resolve on the Employee Stock Option Plan 2017, including the directed issue of warrants, as well as the auditor's statement on the principles for remuneration to senior executives that have applied since the previous Annual General Meeting, as well as other documents according to the Swedish Companies Act will be available for shareholders at the Company and on the Company's website as above, no later than three weeks before the Annual General Meeting. All of these documents will also, without charge, be sent to shareholders who so request and state their address. The documents will also be available at the Annual General Meeting.

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Stockholm in April 2017

**Moberg Pharma AB (publ)**

*The Board of Directors*

#### **About this information**

Moberg Pharma discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 8:30 am (CET) on April 11<sup>th</sup> 2017.