

*This is a translation of the original Swedish notice. In the event of discrepancies between the Swedish version and this translation, the Swedish version shall prevail.*

## Notice of the 2011 Annual General Meeting

Shareholders of BioPhausia AB (publ) are hereby invited to attend the Annual General Meeting on Tuesday, 10 May 2011, at 14.00 o' clock, at Radisson Blu Strand Hotel, Nybrokajen 9, Stockholm. The meeting premises opens for registration at 13.30 o' clock.

## Notification

Shareholders who wish to attend must:

*firstly*, be registered in the register of shareholders kept by Euroclear Sweden AB on Wednesday, 4 May 2011, and

*secondly*, notify the company of their intention to participate no later than Wednesday, 4 May 2011, under address: BioPhausia AB (publ), Blasieholmsgatan 2, 111 48 STOCKHOLM or by fax on +46 (0) 8-407 64 39, alternatively by e-mail [arsstamma@biophausia.se](mailto:arsstamma@biophausia.se). Upon notification, the shareholder's name, personal/corporate identity number, address and telephone number as well as registered shareholding should be stated.

Shareholders' rights at the Annual General Meeting may be exercised through an authorized representative. Such authorization shall be in writing. Proxies, registration certificates and other documents of authorization should be received by the company under the above mentioned address no later than Wednesday, 4 May 2011. Please note that the original documents of authorization must be sent or brought to the Annual General Meeting. Proxy forms are available at the company's website, [www.biophausia.se](http://www.biophausia.se). Shareholders who wish to exercise the right to bring assistants, a maximum of two, to the Annual General Meeting shall notify this with a statement of the number of assistants, at the same time as the aforementioned notification. It is not available for shareholders to vote or in any other manner participate in the Annual General Meeting by distance.

Shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own name with Euroclear Sweden AB in order to have the right to participate in the meeting. Such re-registration, so-called registration of voting rights, must be effected on Wednesday, May 4, 2011, and the nominee should thus be notified of this well in advance of this date.

## Proposed agenda

1. Opening of the Annual General Meeting.
2. Election of the chairman of the meeting.
3. Establishment and approval of voting list.
4. Approval of the agenda.
5. Appointment of one or more persons to verify the minutes.
6. Determination of whether the Annual General Meeting has been duly convened.
7. The managing director's report on the business operations.
8. Presentation of the annual accounts and auditor's report as well as the consolidated annual accounts and auditor's report in respect of the consolidated annual accounts for 2010.
9. Resolutions concerning
  - a) adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet for 2010,
  - b) the board of director's proposal in respect of disposition of the company's operating result according to the adopted balance sheet for 2010, and
  - c) discharge from liability for the members of the board of directors and the managing director for 2010.
10. Determination of the number of board members.
11. Determination of the remuneration for board members and auditors.
12. Election of board and auditing firm.
13. The board of director's proposal in respect of guidelines for salary and other remuneration for senior executives.
14. The board of director's proposal in respect of authorization for the board of directors to resolve on issue of new shares.
15. Proposal in respect of the nomination committee.
16. Closing of the Annual General Meeting.

### **Election of the chairman of the meeting** (item 2)

The nomination committee proposes the lawyer Jan Lombach as chairman of the meeting

### **Disposition of the company's operating result** (item 9 b)

The board of directors proposes that no dividend shall be distributed as regards the financial year of 2010 and that the result shall be carried forward.

### **Determination of the number of board members** (item 10)

The nomination committee proposes that the number of members of the board of directors, unchanged, shall consist of five (5) members elected by the general meeting and that, unchanged, no deputies shall be appointed.

### **Determination of the remuneration for board members and auditors** (item 11)

The nomination committee proposes that, unchanged, remuneration for members of the board of directors shall be paid in the amount of SEK 150,000 per ordinary board member and SEK 400,000 for the chairman of the board of directors. For members of the audit committee is proposed a fixed remuneration of SEK 47,500 per member respectively SEK 90,000 for the chairman. For members of the remuneration committee is proposed a fixed remuneration of SEK 20,000 per member respectively SEK 40,000 for the chairman. The total remuneration that may be paid for committee work shall amount to a maximum of SEK 250,000. For the auditors is proposed remuneration in accordance with approved invoices submitted.

### **Election of board and auditing firm** (item 12)

The nomination committee proposes, for the period until the end of the next annual general meeting, re-election of Niklas Prager, Roger Johanson, Mats Lindquist, Anna Malm Bernsten and Johan Unger.

The nomination committee further proposes re-election of Niklas Prager as chairman of the board.

The nomination committee proposes, for the period until the end of the next annual general meeting, re-election of the registered public auditing firm Ernst & Young Aktiebolag with Björn Ohlsson as auditor in charge.

### **The board of director's proposal in respect of guidelines for salary and other remuneration for senior executives** (item 13)

Senior executives means the managing director and the five (5) other senior executives in the executive group, in total six (6) persons. The board of director's proposal is as follows.

BioPhausia shall offer a market-rate total compensation package consisting of fixed salary, variable remuneration, pension premiums and other benefits. The fixed salary shall take into consideration the individual's area of responsibility and experience. The fixed salary shall be reviewed annually. The variable remuneration may amount to a maximum of 50 per cent of the fixed salary. The variable remuneration is dependent on the executive's attainment of pre-determined goals and is based primarily on the operating result trend in the company together with individual goals, which facilitates a more long-term control. Retirement benefits shall consist of a portion of fixed salary corresponding to a maximum of 30 per cent. The retirement age for the managing director and other senior executives shall not be below the age of 60 years. A mutual period of notice of three to six months shall apply between the company and senior executives. Severance payment can be paid with a maximum of twelve months. The board of directors may deviate from these guidelines only if there are specific reasons for doing so in an individual case. There have been no deviations during the year 2010 from the guidelines for salary and other remuneration for senior executives that were adopted on the 2010 Annual General Meeting.

The board of directors proposes that the Annual General Meeting approves the above presented guidelines for salary and other remuneration for senior executives.

### **The board of director's proposal in respect of authorization for the board of directors to resolve on issue of new shares** (item 14)

The board of directors proposes that the Annual General Meeting authorizes the board of directors to, on one or more occasions, until the date of the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, resolve to issue new shares whereby the share capital may in aggregate be increased with a maximum of 10 per cent. The authorization shall also include the right to resolve on new issue of shares where the shares are to be paid for with non-cash consideration or through set-off of a claim or otherwise with terms and conditions stated in Chapter 13 Section 7 of the Swedish Companies Act. The reasons for deviating from the shareholders' preferential rights are to enable directed share issues for the purpose of acquisitions of other companies or businesses, in whole or in part, alternatively for raising capital to be used for such acquisitions as well as to consolidate the company's financial position when needed. The basis for the subscription price shall be the market value of the share.

### **Proposal in respect of the nomination committee (item 15)**

The work with preparing proposals in respect of the board of director's and auditors, if auditors are to be elected, and remuneration to the same as well as proposals for chairman of the general meeting and instructions for appointing the nomination committee for the 2012 Annual General Meeting is to be carried out by a nomination committee. The nomination committee, which presently consists of Caroline af Ugglas (Skandia Liv), Niklas Prager (chairman of the board), Sören Berggren (independent shareholder) and Tedde Jeansson jr (Originat AB), proposes that the nomination committee shall consist of three representatives of the largest shareholders or groups of shareholders in terms of voting rights, together with the chairman of the board. The majority of the members of the nomination committee shall be independent of the company and its executive group. Neither the managing director nor other members of the executive group shall be members of the nomination committee. At least one member of the nomination committee is to be independent of the company's largest shareholder, or group of shareholders, in terms of votes.

The composition of the nomination committee shall be presented on the company's website at least six months prior to the 2012 Annual General Meeting. Should a member resign from the nomination committee prematurely, a substitute shall be appointed in the manner set out above. If the number of votes for member(s) of the nomination committee changes during the mandate period, the composition of the nomination committee may also be changed in accordance therewith. Unless there is special cause, no changes shall be made to the composition of the nomination committee if only minor changes in shareholding have been made, or the changes take place later than two months prior to the general meeting that will decide on proposals made by the nomination committee.

The nomination committee shall appoint its chairman at its first meeting. The nomination committee shall have the right to, upon request, receive resources from the company, such as a secretary function of the nomination committee and the right to charge the company with costs for recruitment consultants if deemed necessary. The task of the nomination committee ceases when a new nomination committee has been appointed in accordance with the instructions of the Annual General Meeting. The nomination committee shall make available the requisite information to the company so that BioPhausia can meet the information requirements of the Swedish code of corporate governance.

### **Specific majority requirements**

A valid decision by the Annual General Meeting in accordance with the board of director's proposal according to item 14 requires that the resolution of the Annual General Meeting is supported by shareholders representing at least 2/3 of both votes cast and the shares represented at the Annual General Meeting.

#### **Shares and votes**

At the time of issuance of this notice there are a total of 342,555,069 shares in the company, each representing one vote, implying that there are a total of 342,555,069 votes.

### **Documents**

The nomination committee's complete proposals for decisions for items 2, 10-12 and 15 are stated above. The accounts and auditor's report regarding the financial year of 2010, the auditor's report on previous guidelines for salary and other remuneration for senior executives, and complete proposals of the board of director's in accordance with items 13-14 is available at the company's premises and will be published on the company's website, [www.biophausia.se](http://www.biophausia.se), no later than as from 19 April 2011 and will be sent to shareholders who so request and state their postal address.

The board of directors and the managing director shall, if any shareholder so requests and the board of directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to the other companies within the group and the consolidated annual accounts.

*Stockholm in April 2011  
the Board of Directors  
BioPhausia AB (publ)*