

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting (“**AGM**”) in Aerocrine AB (publ) will be held on Tuesday May 7, 2013, 5.00 p.m. CET at the offices of Mannheimer Swartling Advokatbyrå, Norrlandsgatan 21 in Stockholm.

Right to attend and notice of attendance

Shareholders who wish to attend the AGM must be recorded in the share register maintained by Euroclear Sweden AB on Tuesday April 30, 2013 and notify the company of their intention to attend by no later than Thursday May 2, 2013, preferably before 3.00 p.m. CET. Notice of attendance is made in writing to Aerocrine AB, P.O. Box 1024, 171 21 Solna, Sweden, or by phone +46-8-629 07 80, or by e-mail info@aerocrine.com. The notice of attendance shall include name, personal or corporate ID number, address and phone number. The same dates, addresses, etc. apply for notifying the company of any accompanying advisors. Powers of attorneys, certificates of incorporation and other documents of authorization must be presented at the AGM, but can preferably be sent to the company in connection with the notice of attendance. Power of attorneys must be presented in original and shall not be older than one year, provided that the power of attorney does not state a longer period of validity (maximum 5 years). A proxy form is available on the company's website, www.aerocrine.se, and may also be ordered from the company at the above address.

Shareholders whose shares are registered in the name of a nominee must, in order to be entitled to attend the AGM, request that the nominee re-register their shares in the name of the shareholder, so that the shareholder is recorded in the share register on Tuesday April 30, 2013. Such registration may be temporary.

Proposed agenda

1. Opening of the Meeting
2. Election of the Chairman of the Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons approving the minutes
6. Determination of whether the Meeting has been duly convened
7. Presentation of the annual report and the auditors' report, the consolidated accounts and the auditors' report on the consolidated accounts as well as the auditors' statement on whether the guidelines for remuneration to senior management, effective from the most recent AGM, has been complied with
8. Presentations by the Chairman of the Board and the CEO
9. Resolutions with respect to
 - (a) adoption of the income statement and the balance sheet, the consolidated income statement and the consolidated balance sheet
 - (b) appropriation of the company's profit or loss in accordance with the approved balance sheet
 - (c) discharge from liability towards the company for the Board members and the CEO
10. Resolution on the number of Board members
11. Resolution on fees payable to the Board
12. The Nomination Committee's proposal for resolution on:
 - (a) the adoption of a Board member share plan
 - (b) the issuance and approval of transfer of warrants
13. Election of Board members and the Chairman of the Board
14. Resolution on instructions for the Nomination Committee
15. Resolution on guidelines for determination of salary and other remuneration to senior management
16. Resolution on authorization for the Board of Directors to resolve on new share issues and to issue convertible bonds and warrants
17. Resolution on amendment to the terms and conditions of LIP 2011

18. Closing of the Meeting

The Board of Directors' resolution proposals

Appropriation of the company's profit or loss in accordance with the approved balance sheet (item 9 b)

The Board of Directors and the CEO propose that no dividend is paid and that the year's loss be carried forward.

Guidelines for determination of salary and other remuneration to senior management (item 19)

The Board of Directors proposes that the AGM resolves on guidelines for determination of salary and other remuneration to the CEO and other members of the senior management, principally entailing the following. Remuneration to the senior management shall consist of fixed salary, variable salary, other benefits and pension benefits. The aggregate remuneration shall be in line with market conditions and be competitive as well as related to position, performance, responsibility and authority. The variable salary shall consist of bonus and be based on predetermined and well defined objectives. The variable salary shall have a cap and never exceed the fixed salary, nor shall it entitle to pension benefits. Dismissal and severance pay shall in aggregate not exceed twelve months for the executives. Employment agreements should not include provisions on severance pay. Pension benefits shall either be benefit- or contribution-defined, or a combination thereof. In addition, share-based or share price-based incentive programs may be resolved upon from time to time. Consultant fees in line with prevailing market conditions may be payable insofar as any Board member performs work on behalf of the company, in addition to the Board work. The Board of Directors shall be entitled to deviate from the guidelines, provided that there are particular reasons for such deviation in an individual case.

Authorization for the Board of Directors to resolve on new share issues and to issue convertible bonds and warrants (item 16)

The Board of Directors proposes that the AGM authorizes the Board to resolve – at one or several occasions and for the time period until the next AGM – to increase the company's share capital by new share issues and to issue warrants and convertible bonds, to the extent that it corresponds to a dilution of not more than 10 percent of the number of shares outstanding at the time of this notice, after full exercise of the hereby proposed authorization. New share issues, as well as issues of warrants and convertible bonds, may be made with or without deviation from the shareholders' preferential rights and with or without provisions for contribution in kind, set-off or other conditions. Pursuant to Chapter 16 of the Swedish Companies Act, the Board of Directors may not by virtue of this authorization resolve on issues to Board members in group companies, employees, etc. The purpose of the authorization is to increase the financial flexibility of the company and the acting scope of the Board. Should the Board of Directors resolve on an issue with deviation from the shareholder's preferential rights, the reason shall be to enable external raising of capital (through new owners of strategic importance for the company or otherwise) for the financing of the company's business, commercialization and development of the company's products and intellectual property rights and/or acquisitions of other companies or businesses. Upon such deviation from the shareholders' preferential rights, the basis for the issue price shall be market conditions.

Majority requirements

A valid resolution on authorization requires that the proposal be approved by shareholders representing at least two-thirds of both the votes cast as well as the shares represented at the AGM.

Amendment to the terms and conditions of LIP 2011 (item 16)

The Extraordinary General Meeting on 16 November 2011 (the "2011 EGM") resolved to implement a long-term incentive program ("LIP 2011") for senior executives as well as other employees and key persons (including scientific and clinical consultants). The 2011 EGM also resolved on hedging measures created through the issuance and approval of transfer of warrants.

LIP 2011 comprises employee stock options (“**ESOs**”) of three series (“**ESOs of Series I**”, “**ESOs of Series II**” and “**ESOs of Series III**”). ESOs of Series I, with an exercise price based on the share price at the time of allotment, can be allotted to all participants. In addition, ESOs of Series II, with an exercise price based on the quota value of the share, can be allotted to participants based in Sweden and other countries where such allotment can be made with reasonable tax consequences for the participants. Participants who for this reason cannot be allotted ESOs of Series II, primarily expected to concern employees in the United States, can instead be allotted ESOs of Series III. Compared to ESOs of Series II, ESOs of Series III also have an exercise price based on the quota value of the share, but different terms of exercise. For participants who are U.S. taxpayers, ESOs of Series III allotted to such participants shall be treated as restricted stock for United States tax purposes. Of the total allotment, at least 75% shall consist of ESOs of Series I and the remaining part of ESOs of Series II or, alternatively, Series III.

Under LIP 2011, a total of not more than 10,000,000 ESOs (not more than 7,934,200 ESOs of Series I, not more than 619,740 ESOs of Series II and not more than 1,446,060 ESOs of Series III) can be allotted free of charge to approximately 80 current and, in addition thereto, future senior executives and other employees within the group as well as other key persons, including scientific and clinical consultants.

Under the resolution by the 2011 EGM, the CEO shall be allotted not more than 2,850,000 ESOs of Series I and not more than 900,000 ESOs of Series II or III, as the case may be. Other senior executives shall each be allotted not more than 600,000 ESOs of Series I and not more than 200,000 ESOs of Series II or Series III, as the case may be. Other employees and key persons shall each be allotted not more than 150,000 ESOs of Series I and not more than 50,000 ESOs of Series II or Series III, as the case may be. Employees and key persons in either category who have made extraordinary efforts may each be allotted an additional maximum of 50,000 ESOs of Series I. Allotment of the ESOs is resolved upon by the Board of Directors, or its Compensation Committee, taking into consideration the employee’s performance, position within and contribution to the group. Allotment of the ESOs may be made up until the 2017 Annual General Meeting.

As at December 31, 2012, the Board of Directors has resolved to allot 2,850,000 ESOs of Series I and 900,000 ESOs of Series III to the CEO, and an aggregate of 3,327,497 ESOs to other senior executives (2,652,857 of Series I, 331,431 of Series II and 343,209 of Series III). In total, 8,271,817 ESOs (6,527,357 of Series I, 340,451 of Series II and 1,403,209 of Series III) have been allotted as at said date.

The Board of Directors can conclude that LIP 2011 has proven to be an effective instrument to recruit, motivate and retain senior executives as well as other employees and key persons in Aerocrine. The Board believes, however, that certain adjustments need to be made regarding the boundaries for allocation of ESOs within the categories where the Board considers them to be of highest value and create the greatest incentive, which in turn aims at promoting Aerocrine’s continued development and a maximized shareholder value.

The Board of Directors therefore proposes that the 2013 General Meeting resolves to approve that additional allotment – within the maximum number of ESOs that may be allotted under LIP 2011 – of ESOs may be effected in accordance with the following:

- The CEO shall be allotted not more than an additional 187,500 ESOs of Series I and not more than an additional 62,500 ESOs of Series II or III, as the case may be. Other senior executives shall each be allotted not more than an additional 75,000 ESOs of Series I and not more than an additional 25,000 ESOs of Series II or Series III, as the case may be.

In all other respects, the terms and conditions of LIP 2011 shall remain the same.

In order to enable the delivery of shares and otherwise safeguard the fulfillment of Aerocrine’s obligations under LIP 2011, Aerocrine has issued 8,648,461 warrants to the wholly-owned subsidiary Aerocrine ESOP AB in accordance with a resolution by the 2011 EGM. Moreover, the 2011 EGM resolved to approve that Aerocrine ESOP AB may transfer warrants to employees within the group under LIP 2011, and otherwise may dispose of the warrants to

safeguard the fulfillment of Aerocrine's obligations under LIP 2011 and secure the costs relating thereto.

This proposal by the Board of Directors involves merely an adjustment of the allocation of ESOs among different categories of participants in LIP 2011 and thus does not require any hedging measures other than those resolved upon by the 2011 EGM. Consequently, the proposed adjustment will not result in the issuance of any added shares, any additional costs, any additional dilution or affect any key figures beyond those accounted for in respect of LIP 2011. As the total number of shares and votes in Aerocrine has increased since the 2011 EGM – primarily as a result of the rights issue carried out in spring 2012 and the conversion of the company's 2010/2015 convertible loan – LIP 2011, together with the company's other incentive programs and the 2012 Board member share plan, now correspond to a dilution of in total not more than approximately 7,2] % of the shares and votes in Aerocrine, compared to not more than approximately 9.9% at the time 2011 EGM.

Majority requirements

A valid resolution requires that the proposal is approved by shareholders representing at least nine-tenths of both the votes cast and the shares represented at the General Meeting.

The Nomination Committee's proposals

The Nomination Committee in respect of the 2013 AGM consists of its chairman Ulrik Spork (Novo A/S), Staffan Josephsson (Investor), Björn Odlander (HealthCap), Ulrica Slåne (Tredje AP-fonden) and Anders Williamsson (Chairman of the Board). Anders Williamsson has not participated in the preparation of the proposals under item 12. The Nomination Committee proposes the following.

Chairman of the Meeting (item 2): Attorney-at-law Eva Hägg.

Number of Board members (item 10): Seven Board members, with no deputy members.

Fees payable to Board members elected by the Meeting (item 11): To the Chairman of the Board: SEK 250,000; to each of the other Board members: SEK 75,000. To members of committees: The chairman of the Audit Committee: SEK 25,000; to each of the other members of the Audit Committee: SEK 12,500; to the chairman of the Remuneration Committee: SEK 25,000; to each of the other members of the Remuneration Committee: SEK 12,500. In addition and part of the Board remuneration, the Nomination Committee proposes that the AGM resolves to adopt a Board member share plan under which each Board member who is independent in relation to Aerocrine and its executive management as well as the company's major shareholders also (i) shall receive additional remuneration corresponding to SEK 250,000 to the Chairman and SEK 75,000 to other Board members in the form of so-called Board shares, and (ii) may elect to receive up to SEK 75,000 of the above-mentioned cash Board fee in the form of additional Board shares. See separate proposal under item 12.

Resolution on (A) the adoption of a Board member share plan, and (B) the issuance and approval of transfer of warrants (item 12)

Background and reasons

The Nomination Committee proposes that the AGM as part of the Board remuneration resolves to adopt a Board member share plan ("**SAP 2013**") for Board members elected by the General Meeting who are independent in relation to Aerocrine and its executive management as well as the company's major shareholders. SAP 2013 includes Board shares (options to acquire shares in Aerocrine) ("**Board Shares**") and hedging measures created through the issuance and approval of transfer of warrants. The purpose of the proposed plan is to enable Aerocrine to attract, motivate and retain Board members, to increase the Board members' interest in Aerocrine and its financial development and to offer them a financial interest in Aerocrine comparable to the one of shareholders. Other than the Chairman of the Board being allotted a higher number of Board Shares than other participants, the proposed terms and conditions correspond to those applicable to the Board member share plan that was approved by the 2012 AGM.

(A) *Adoption of Board member share plan 2013*

In addition to the cash Board fee that the 2013 AGM resolves upon, each Board member who participates in SAP 2013 shall receive remuneration through the grant of a number of Board Shares that in value correspond to SEK 250,000 to the Chairman and SEK 75,000 to each other participant. In addition, each participant may elect to receive up to SEK 75,000 of the cash Board fee that the 2013 AGM resolves upon in the form of a number of additional Board Shares that in value correspond to the amount thus selected by the participant. The number of Board Shares granted to participants shall be based on the volume-weighted average price paid (VWAP) for the Aerocrine share on NASDAQ OMX Stockholm during the five (5) trading days immediately following the AGM on May 7, 2013, less the quota value of the share (SEK 0.50). The grant of Board Shares shall, however, be made with a maximum number that is based on the VWAP on May 7, 2013.

Vesting of Board Shares will take place over a period of 12 months, with one-fourth at a time. Each vested Board Share shall entitle to the acquisition of one (1) share in Aerocrine at an exercise price corresponding to the quota value of the share from time to time. Board members that, due to tax or other reasons, cannot receive shares upon exercise may be offered cash settlement.

Exercise of Board Shares shall be allowed in connection with Aerocrine's publication of year-end reports and ordinary interim reports over a period starting on the day when the Board Shares have vested and ending on May 31, 2023. Exercise of Board Shares shall require that the participant is still a Board member. Upon the termination of the Board assignment, specific rules on exercise shall apply. Board Shares shall not be considered as securities and shall not be transferable. For United States tax purposes, Board Shares shall be treated as restricted stock.

(B) Issuance and approval of transfer of warrants

Issuance of warrants of series 2013/2023

In order to enable the delivery of shares and otherwise safeguard the fulfillment of Aerocrine's obligations under SAP 2013, the Nomination Committee proposes that the AGM resolves to issue warrants on the following terms and conditions.

Not more than 80,000 warrants shall be issued, whereby Aerocrine's share capital may increase by not more than SEK 40,000. The warrants shall, with deviation from the shareholders' preferential rights, be subscribed for by the wholly-owned subsidiary Aerocrine ESOP AB. Subscription for warrants shall be made not later than September 30, 2013. The warrants shall be issued free of charge. Each warrant shall entitle the holder to subscribe for one new share in Aerocrine at a subscription price corresponding to the quota value of the share from time to time (currently SEK 0.50). The warrants may be exercised from the time of registration with the Swedish Companies Registration Office until June 30, 2023. Shares issued upon exercise of warrants shall entitle to any dividend the first time on the record date for dividend occurring next after the registration of the shares with the Swedish Companies Registration Office. The warrants shall be subject to customary re-calculation provisions. The reason for the deviation from the shareholders' preferential rights is that the issuance constitutes a part of the implementation of SAP 2013.

Approval of transfer of warrants

The Nomination Committee proposes that the AGM resolves to approve that Aerocrine ESOP AB may transfer the warrants of series 2013/2023 to Board members under SAP 2013, and otherwise may dispose of the warrants to safeguard the fulfillment of Aerocrine's obligations under SAP 2013.

Estimated costs, dilution and majority requirements

The maximum cost over the income statement for the proposed plan has been calculated at approximately SEK 850,000, excluding social security costs. SAP 2013 is expected to incur social security costs on Aerocrine for the participants in the plan.

SAP 2013 includes the issuance of not more than 80,000 warrants. If the warrants are exercised in full, the number of shares will increase with 80,000, corresponding to a dilution of approximately 0.06% of the number of shares and votes in Aerocrine. SAP 2013, together with

previously issued warrants, may result in a dilution of in total not more than approximately 7.26% of the number of shares and votes in Aerocrine.

The Nomination Committee's proposals under Sections (A) and (B) above constitute a package since they are interdependent. It is therefore proposed that the AGM resolves on the proposals under Sections (A) and (B) through one single resolution, subject to majority requirements in Chapter 16, section 8 of the Swedish Companies Act. This means that the resolution must be supported by shareholders representing at least nine-tenths of both the votes cast and the shares represented at the AGM.

Board members and Chairman of the Board (item 13): Re-election of Scott A. Beardsley, Rolf Classon, Thomas Eklund, Lars Gustafsson, Dennis Kane, Staffan Lindstrand and Anders Williamsson. Chairman of the Board: new election of Rolf Classon.

Instructions for the Nomination Committee (item 14): The Nomination Committee shall consist of representatives from the four largest shareholders by voting powers (grouped by owner) and the Chairman of the Board, whom shall also convene the Nomination Committee for its first meeting. The Nomination Committee will thereafter elect its chairman, whom may not be the Chairman of the Board. Should a member resign from the Nomination Committee before its work is finalized, an alternate member may, if the Nomination Committee finds it suitable, represent the same shareholder or, if such shareholder is no longer one of the larger shareholders, the next following qualified shareholder. Should the ownership otherwise materially change before the work of the Nomination Committee is finalized, alterations may, if the Nomination Committee so decides, be made in the composition of the Nomination Committee in a way deemed appropriate by the Nomination Committee. The composition of the Nomination Committee in respect of the 2014 AGM shall be based on the share register maintained by Euroclear Sweden AB as per August 31, 2013. Information on the Nomination Committee's composition shall be published on the company's web page immediately following the appointment of the Nomination Committee, however by no later than six months prior to the AGM. The members of the Nomination Committee shall not be remunerated. Any expenses in conjunction with the Nomination Committee's work shall be borne by the company. The mandate of the Nomination Committee shall last until the next Nomination Committee's composition is made public.

Documents etc.

Financial reports, audit reports and auditor statement as well as the Board of Directors' complete proposals in accordance with the above, and the Nomination Committee's complete proposal under item 12 above, will be available at the company and on the company's website, www.aerocrine.se, by no later than April 16, 2013, and will also be sent upon request to shareholders who provide their postal address. The documents will also be available at the AGM.

Upon request by a shareholder and where the Board of Directors believes that it can be done without significant harm to the company, the Board and the CEO shall at the AGM provide information on circumstances which may affect the assessment of a matter on the agenda, circumstances which may affect the assessment of the company's or a subsidiary's financial situation and the company's relation to other group companies.

There are 145,956,405 shares and votes in the company as at the issuance of this notice.

Solna in April 2013

Aerocrine AB (publ)
The Board of Directors