

*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **Notice of annual general meeting in Alligator Bioscience AB**

The shareholders of Alligator Bioscience AB, Reg. No. 556597-8201, are invited to attend the annual general meeting to be held on Tuesday 5 May 2020, at 4.00 pm, at building 601 (the Spark), Medicon Village, Scheelevägen 2 in Lund.

### **INFORMATION REGARDING THE CORONAVIRUS**

As a precautionary measure to reduce the risk of spreading the coronavirus, the board of directors of Alligator Bioscience AB ("**Alligator**") has decided to keep planned speeches at the general meeting to a minimum and that no refreshments will be served. Participation at the general meeting by members of the board of directors and management as well as the number of non-shareholders present at the general meeting will be limited in an effort to keep the general meeting brief and efficient, and thereby minimizing the risk of spreading the coronavirus. For shareholders who are worried about the spread of infection due to the coronavirus, we want to emphasize the possibility of not attending in person at Alligator's general meeting and instead appoint a proxy who can vote on their behalf. Alligator also encourages such solution for anyone displaying symptoms of illness, who has been in an area of infection, or who is considered to be part of a risk group. Shareholders who want to authorize a proxy can find relevant documents at the company website ([www.alligatorbioscience.com](http://www.alligatorbioscience.com)).

### **RIGHT TO PARTICIPATE**

Shareholders that wants to participate must be recorded in the company's share register kept by Euroclear Sweden AB as of Tuesday 28 April 2020 and, further, have given notice of their intent to participate to the company, which notice must have been received by the company no later than on Tuesday 28 April 2020, by mail to address, Alligator Bioscience AB, att Lotten Almén, Medicon Village, SE-223 81 Lund, Sweden, by phone to +46 (0)46-540 82 00, or by e-mail to [anmalan@alligatorbioscience.com](mailto:anmalan@alligatorbioscience.com). The notice should specify the shareholder's name, personal identity number or company registration number, telephone number during work hours and the number of shares held by the shareholder and, when applicable, information on the number of advisors (2 at the most).

### **TRUSTEE REGISTERED SHARES**

Shareholders, whose shares are trustee-registered must, in order to participate in the general meeting, temporarily register their shares in their own name in the share register kept by Euroclear Sweden AB. Such re-registration of ownership must be implemented no later than as of Tuesday 28 April 2020. The shareholders must well in advance before this date notify their trustees thereof.

### **PROXY**

Shareholders participating by proxy must issue a dated and signed proxy. Should the proxy be issued by a legal entity, a certified copy of the valid registration certificate (*Sw. registreringsbevis*) of the legal entity (or corresponding document) must be presented. Proxies should be in writing and submitted at the latest at the general meeting, but should preferably be sent before the general meeting. The validity term of the proxy may be at the longest five years if this is specifically stated. In case no validity term is stated, the proxy is valid for at the longest one year. Proxy forms are available at the company

website ([www.alligatorbioscience.com](http://www.alligatorbioscience.com)) and at the company (see address above) and will also be sent to the shareholders that request it and state their address.

## **PROPOSED AGENDA**

1. Opening of the meeting
2. Election of Chairman of the meeting
3. Preparation and approval of the register of voters
4. Election of two persons to confirm the minutes
5. Approval of the agenda
6. Determination as to whether the meeting has been duly convened
7. Address by the CEO
8. Presentation of the Annual Report and Audit Report and the Consolidated Annual Report and Consolidated Audit Report
9. Resolution on
  - a) adoption on the profit and loss statement and balance sheet, as well as the consolidated profit and loss statement and the consolidated balance sheet;
  - b) distribution of the company's profits according to the adopted balance sheet; and
  - c) discharge from liability of the members of the board and the CEO
10. Determination of the number of board members as well as auditors and deputy auditors
11. Determination of remuneration for the board members and the auditors
12. Election of board members and Chairman of the board, auditor and deputy auditors
13. Resolution on guidelines for remuneration to senior executives
14. Resolution on authorization regarding issues
15. Resolution on amendment of the Articles of Association
16. Closing of the meeting

## **PROPOSED RESOLUTIONS**

### ***Item 2: Election of Chairman of the meeting***

The Nomination Committee, consisting of Lars Bergkvist (Chairman), representing Lars Spånberg, Hans-Peter Ostler, representing Jonas Sjögren, and Jan Lundström, representing Sunstone Life Science Ventures Fund II K/S, and the Chairman of the board, Peter Benson, proposes that the Chairman of the board, Peter Benson, is elected as Chairman of the meeting.

### ***Item 9 b: Resolution on distribution of the company's result***

The board proposes that no dividends are paid and that the available funds of SEK 218,087,791 are carried forward to a new account.

### ***Item 10-12: Determination of the number of board members as well as auditors and deputy auditors, Determination of remuneration for the board members and the auditors and Election of board members and Chairman of the board, auditor and deputy auditors***

The Nomination Committee proposes that the board shall consist of eight board members, that Peter Benson, Carl Borrebaeck, Ulrika Danielsson, Graham Dixon, Kirsten Drejer, Anders Ekblom, Kenth Petersson and Jonas Sjögren are re-elected as ordinary board members, and that Peter Benson is re-elected as Chairman of the board.

Information on the board members proposed for re-election can be found at the company's website and in the Annual Report (see [www.alligatorbioscience.com](http://www.alligatorbioscience.com)).

The Nomination Committee further proposes that board remuneration shall be paid with SEK 550,000 to the Chairman of the board (SEK 550,000 previous year) and with SEK 300,000 to each of the other board members who are not employed by the company (SEK 300,000 previous year). Furthermore, remuneration for committee work is proposed with SEK 125,000 to be paid to the Chairman of the Audit Committee (SEK 125,000 previous year), SEK 30,000 to each of the other members of the Audit Committee (SEK 30,000 previous year) and SEK 25,000 to the Chairman of the Remuneration Committee (SEK 25,000 previous year). For other members of the Remuneration Committee, it is proposed that no remuneration should continue to be paid.

Finally, the Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that one registered public accounting firm without deputy is appointed, and that Ernst Young AB is re-elected as auditor. Ernst & Young AB has informed that the public authorized public accountant Johan Thuresson will continue to be appointed as the responsible auditor. Remuneration for the auditor is proposed to be paid in accordance with customary norms and approved invoice.

### ***Item 13: Resolution on guidelines for remuneration to senior executives***

The board proposes that the annual general meeting resolves on guidelines for remuneration to senior executives in accordance with the following terms.

#### **Scope and applicability of the guidelines**

These guidelines comprise the persons who are part of Alligator's group management, currently the CEO, CFO, CMO, COO, VP Business Development, VP Discovery and SVP Preclinical Development. The guidelines also encompass any remuneration to members of the board of directors, in addition to board remuneration.

These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2020. These guidelines do not apply to any remuneration resolved by the general meeting, such as e.g. board remuneration and share-based incentive programs.

#### **The guidelines' promotion of the company's business strategy, long-term interests and sustainability**

Alligator's business strategy includes in brief proprietary drug development – from early-phase research and preclinical development to Phase II clinical studies, when the treatment is validated in patients. The strategy is thereafter to subsequently out-license the drug candidate to a licensee for further development and market launch. For more information about the company's business strategy, see Alligator's latest annual report.

A successful implementation of Alligator's business strategy and safeguarding of Alligator's long-term interests, including its sustainability, require that the company is able to recruit and retain highly competent senior executives with a capacity to achieve set goals. In order to achieve this, Alligator must offer a competitive total remuneration on market terms, which these guidelines enable.

Long-term share-based incentive programs have been implemented in Alligator. For further information about these programs, see Alligator's latest annual report. The share-based incentive programs have been approved by the general meeting and are therefore not covered by these guidelines.

**Types of remuneration, etc.**

The remuneration shall be on market terms and be competitive, and may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. For the individual senior executive, the level of remuneration shall be based on factors such as work tasks, expertise, experience, position and performance. Additionally, the general meeting may – irrespective of these guidelines – resolve on, e.g. share and share price-related remuneration. The remuneration shall not to be discriminating on grounds of gender, ethnic background, national origin, age, disability or any other irrelevant factors.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

*Fixed salary*

The CEO and other senior executives shall be offered a fixed annual cash salary. The fixed cash salary shall be determined annually on 1 April and refer to the following twelve months.

*Variable cash remuneration*

In addition to fixed salary, the CEO and other senior executives may, according to separate agreements receive variable cash remuneration. Variable cash remuneration covered by these guidelines is intended to promote Alligator's business strategy and long-term interests, including its sustainability.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. Any variable cash remuneration may amount to a maximum of 30 percent of the fixed annual cash salary. Variable cash remuneration shall not qualify for pension benefits, save as required by mandatory collective bargaining agreements.

The variable cash remuneration shall be linked to one or several predetermined and measurable criteria, which can be financial, such as Alligator's revenues or achieved milestone payments, or non-financial, such as application of Clinical Trial Authorizations (CTA) for entering clinical studies. The variable cash remuneration may be entirely independent of non-financial criteria. By linking the goals in a clear and measurable way to the remuneration of the senior executives to the company's financial and operational development, they contribute to the implementation of the company's business strategy, long-term interests and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by Alligator.

Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond

the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 30 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the board of directors based on a proposal from the Remuneration Committee.

#### *Pension benefits*

Pension benefits, including health insurance, shall be defined contribution, in so far as the senior executive is not covered by defined benefit pension under mandatory collective bargaining agreements. Pension premiums for defined contribution pensions may amount to a maximum of 30 percent of the fixed annual cash salary.

#### *Other benefits*

Other benefits may include i.a. life insurance, medical insurance and a company car. Premiums and other costs relating to such benefits may amount to a total of not more than the lower of SEK 15.000 per month or 20 percent of the fixed annual cash salary.

### **Termination of employment and severance payment**

Senior executives shall be employed until further notice or for a specified period of time. Upon termination of an employment, the notice period may not exceed six months. Severance pay, in addition to salary and other remuneration during the notice period, may not exceed an amount corresponding to six times the fixed monthly cash salary. Upon termination by the senior executive, the notice period may not exceed six months, without any right to severance pay. In addition to fixed cash salary during the period of notice and severance pay, additional remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed senior executive is not entitled to severance pay for the period for which the non-compete undertaking applies. The remuneration shall be based on the fixed cash salary at the time of termination of employment and amount to not more than 60 percent of the fixed cash salary at the time of termination of employment, save as otherwise provided by mandatory collective bargaining agreements, and shall be paid during the time as the non-compete undertaking applies, however not for more than 12 months following termination of employment.

### **Salary and employment conditions for employees**

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of Alligator have been taken into consideration by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### **Consultancy fees to the members of the board of directors**

To the extent a member of the board of directors renders services for Alligator, in addition to his or her assignment as a member of the board of directors, consultancy fee on market terms may be paid to the member of the board of directors, or to a company controlled by such member of the board of directors, provided that such services contribute to the implementation of Alligator's business strategy and the safeguarding of Alligator's long-term interests, including its sustainability.

### **Preparation and decision-making progress**

The board of directors has established a Remuneration Committee. The Remuneration Committee's duties include i.a. preparing the board of directors' resolution to propose guidelines for remuneration

to senior executives. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines have been adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The members of the Remuneration Committee are independent in relation to the company and its senior management. The CEO and other members of the senior management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

#### **Deviation from these guidelines**

The board of directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the board of directors' resolutions in remuneration-related matters, which include any resolutions to deviate from these guidelines.

#### **Information regarding resolved remunerations that have not yet fallen due**

On 10 June 2019, new rules were introduced in the Swedish Companies Act, i.a. regarding the design of the remuneration guidelines. According to the transitional provisions for the new rules, the proposal for remuneration guidelines must contain information on previously resolved remunerations that have not yet fallen due. Apart from the commitments to pay ongoing remuneration such as salary, pension and other benefits, there are no previously resolved remuneration to any senior executives that have not yet fallen due. For further information on remuneration to senior executives, please see note 12 in Alligator's annual report.

#### ***Item 14: Resolution on authorization regarding issues***

The board proposes that the annual general meeting resolves to authorize the board, up until the next annual general meeting, at one or several occasions, with or without deviation from the shareholders' preferential rights and with or without provisions regarding contribution in kind, set-off or other conditions, to resolve to issue new shares, convertibles and/or warrants. The reason for why a deviation from the shareholders' preferential rights should be possible is to enable the company to source working capital, to be able to execute acquisitions of companies or operating assets as well as to enable new issues to industrial partners within the framework of partnerships and alliances. The total number of shares that may be issued (alternatively be issued through conversion of convertibles and/or exercise of warrants) shall not exceed 20 percent of the current number of outstanding shares as per the date of the annual general meeting.

In case the authorization is used for an issue with deviation from the shareholders' preferential rights, the issue shall be made on market terms.

The company's CEO shall be authorized to make the minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (Sw. Bolagsverket).

#### ***Item 15: Resolution on amendment of the Articles of Association***

The board proposes that the annual general meeting resolves to amend the company's Articles of Association in accordance with the following:

### **§ 1 Company name** (proposed wording "**Company name**")

#### *Current wording*

The Company's name is Alligator Bioscience AB. The company is a public limited liability company (publ).

#### *Proposed wording*

The Company name is Alligator Bioscience AB. The Company is a public limited liability company (publ).

### **§ 7 Notice**

#### *Current wording*

Notice of a general meeting shall be given by announcement in the Swedish Official Gazette (*Sw. Post- och Inrikes Tidningar*) and by keeping the notice available at the company's website. Announcement that notice has been given shall at the same time be given in Dagens Industri.

In order to be entitled to participate in the meeting, shareholders shall both be recorded in a transcript or other account of the entire share ledger pertaining to the circumstances five business days before the meeting and notify the company accordingly on the day specified in the notice. Such day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than on the fifth business day before the meeting.

A shareholder may bring one or two advisors to the general meeting and only if the shareholder has notified the company of the number of such advisors in accordance with the provisions of the previous paragraph.

#### *Proposed wording*

Notice of a general meeting shall be given by announcement in the Swedish Official Gazette (*Sw. Post- och Inrikes Tidningar*) and by keeping the notice available at the Company's website. Announcement that notice has been given shall at the same time be given in Dagens Industri.

In order to be entitled to participate in the meeting, shareholders shall notify the Company accordingly on the day specified in the notice. This day may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than on the fifth business day before the meeting.

A shareholder may bring one or two advisors to the general meeting and only if the shareholder has notified the Company of the number of such advisors in accordance with the provisions of the previous paragraph.

### **§ 10 Record day provision**

#### *Current wording*

The shareholder or trustee that on the record date is registered in the share ledger and noted in the CSD register according to chapter 4 of the Swedish Act (1998:1479) on Account Keeping of Financial

Instruments, or the person that is noted at a securities account according to Chap. 4 Sec. 18 first section 6-8 in the same act shall be entitled to exercise the rights pursuant to Chap. 4 Sec. 39 the Swedish Companies Act (2005:551).

*Proposed wording*

The Company's shares shall be registered in a record day register pursuant to the Swedish Central Securities Depositories and Financial Instruments Act (SFS 1998:1479).

The company's CEO shall be authorized to make the minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (Sw. Bolagsverket).

**PARTICULAR MAJORITY REQUIREMENTS**

For valid resolutions on the proposals pursuant to items 14 and 15, the proposals have to be supported by shareholders representing at least two-thirds of the votes cast as well as of all shares represented at the annual general meeting.

**GENERAL MEETING DOCUMENTS AND OTHER INFORMATION**

Accounting documents, the audit report, the statement by the auditor on the compliance of the applicable guidelines for remuneration to senior executives and the complete proposals for the resolutions pursuant to items 13-15 above are available at the company (address above) and at the company's website ([www.alligatorbioscience.com](http://www.alligatorbioscience.com)) as from no later than three weeks prior to the annual general meeting. Copies of the documents will be sent to the shareholders that request it and states their address and will also be available at the annual general meeting.

The board and the CEO shall at the annual general meeting, 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.

The total number of shares and votes in the company amounts to 71,388,615. The company does not hold any own shares.

**PROCESSING OF PERSONAL DATA**

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Lund in March 2020

ALLIGATOR BIOSCIENCE AB (PUBL)

The board of directors