

## Nordic Nanovector ASA

### Innkalling til ordinær generalforsamling

Det innkalles herved til ordinær generalforsamling i Nordic Nanovector ASA, org. nr. 994 297 422 ("**Selskapet**") 24. mai 2017 kl. 10 i lokaler i Thon Hotel Vika Atrium, Munkedamsveien 45, i Oslo.

Generalforsamlingen vil bli åpnet av styrets leder.

#### Dagsorden:

1. Valg av møteleder og en person til å medundertegne protokollen
2. Godkjenning av innkallingen og dagsorden
3. Presentasjon av Selskapets virksomhet
4. Godkjenning av årsregnskapet og styrets årsberetning for Nordic Nanovector ASA og konsernet for regnskapsåret 2016, herunder disponeringen av årets resultat, samt behandling av redegjørelse for foretaksstyring

Årsregnskapet og styrets årsberetning for Nordic Nanovector ASA og konsernet er inntatt i Selskapets årsrapport for 2016 som er tilgjengelig på Selskapets hjemmeside [www.nordicnanovector.com](http://www.nordicnanovector.com). Redegjørelsen for foretaksstyring er inntatt i årsrapporten.

#### 5. Endringer i vedtektene

Styret foreslår at punkt 8 i Selskapets vedtekter endres slik at det fremgår at medlemmer av valgkomiteen velges for en periode som løper frem til neste ordinære generalforsamling.

### Notice of the annual general meeting

Notice is hereby served that the annual general meeting of Nordic Nanovector ASA, org. no. 994 297 422 (the "**Company**") will be held on 24<sup>th</sup> of May 2017 at 10am hours at Thon Hotel Vika Atrium, Munkedamsveien 45 in Oslo.

The general meeting will be opened by the chairman of the board of directors.

#### Agenda:

1. Election of a chairperson for the meeting and a person to co-sign the minutes
2. Approval of the notice and the agenda
3. Presentation of the Company's business
4. Approval of the annual accounts and the directors' annual report for Nordic Nanovector ASA and the group for the financial year 2016, including allocation of the result of the year, as well as consideration of the statement on corporate governance

The annual accounts and the directors' annual report for Nordic Nanovector ASA and the group is included in the Company's annual report for 2016 which is available on the Company's website [www.nordicnanovector.com](http://www.nordicnanovector.com). The statement on corporate governance is included in the annual report.

#### 5. Amendments to the articles of association

The Board of directors (the "**Board**") proposes that section 8 of the Company's Articles of Association is amended to reflect that members of the nomination committee

I tillegg foreslår styret at punkt 5 i Selskapets vedtekter endres slik at det fremgår at styrets medlemmer velges for en periode som løper frem til neste ordinære generalforsamling.

Forslag til nye vedtekter hvor endringene er markert er vedlagt innkallingen.

#### **6. Endringer i instruks for valgkomiteén**

Styret foreslår at punkt 1 i instruks for valgkomiteén endres slik at det fremgår at medlemmer av valgkomiteén velges for en periode som løper frem til neste ordinære generalforsamling.

Forslaget til ny instruks hvor endringen er markert er vedlagt innkallingen.

#### **7. Valg av styremedlemmer**

Det vises til valgkomiteens innstilling som er tilgjengelig på Selskapets hjemmeside [www.nordicnanovector.com](http://www.nordicnanovector.com).

#### **8. Valg av medlemmer til valgkomiteén**

Det vises til valgkomiteens innstilling som er tilgjengelig på Selskapets hjemmeside [www.nordicnanovector.com](http://www.nordicnanovector.com).

#### **9. Erklæring om godtgjørelse til ledende ansatt**

I samsvar med allmennaksjeloven § 6-16a har styret utarbeidet en erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte.

Erklæringen er vedlagt innkallingen og er inntatt på side 20 i Selskapets årsrapport for 2016. Selskapers årsrapport for 2016 er tilgjengelig på Selskapets hjemmeside [www.nordicnanovector.com](http://www.nordicnanovector.com).

shall serve for a term that ends on the next annual general meeting.

In addition, the Board proposes that section 5 in the Company's articles of association is amended to reflect that members of the board shall serve for a term that ends on the next annual general meeting.

New articles of association where the proposed amendments are marked is attached to this notice.

#### **6. Amendment to the instruction for the nomination committee**

The Board proposes that section 1 of the instructions for the nomination committee is amended to reflect that members of the nomination committee shall serve for a term that ends on the next annual general meeting.

A new instruction where the proposed amendment is marked is attached to this notice.

#### **7. Election of Board Members**

Reference is made to the Nomination Committee's proposal which is available on the Company's website [www.nordicnanovector.com](http://www.nordicnanovector.com).

#### **8. Election of members of the Nomination committee**

Reference is made to the Nomination Committee's proposal which is available on the Company's website [www.nordicnanovector.com](http://www.nordicnanovector.com).

#### **9. Statement regarding remuneration for senior management**

Pursuant to Section 6-16a of the Norwegian Public Limited Companies Act, the Board has prepared a statement regarding salaries and other remuneration for the senior management.

The statement is enclosed to this notice and is included on page 20 in Company's annual report for 2016. The Company's annual report for 2016 is available on the Company's website [www.nordicnanovector.com](http://www.nordicnanovector.com).

Erklæringen skal behandles på generalforsamlingen. Det skal avholdes to avstemninger under pkt 9. En rådgivende avstemning over redegjørelsen med unntak for retningslinjene for tildeling av opsjoner (pkt 9.1) og en bindende avstemning over retningslinjene for tildeling av opsjoner (pkt 9.2).

**10. Godkjennelse av revisors godtgjørelse**

Det foreslås at revisjonsgodtgjørelse til Ernst & Young AS for 2016 på NOK 250 000,- godkjennes.

**11. Fastsettelse av godtgjørelse til styrets medlemmer (herunder godkjenning av utstedelse av RSUer til styrets medlemmer)**

Det vises til valgkomiteens innstilling som er tilgjengelig på Selskapets hjemmeside [www.nordicnanovector.com](http://www.nordicnanovector.com) og til innkallingens punkt 15 om fullmakt til styret til å forhøye aksjekapitalen i tilknytning til godtgjørelse til styret.

**12. Fastsettelse av godtgjørelse til valgkomiteens medlemmer**

Det vises til valgkomiteens innstilling som er tilgjengelig på Selskapets hjemmeside [www.nordicnanovector.com](http://www.nordicnanovector.com).

**13. Fullmakt til styret til å forhøye aksjekapitalen i forbindelse med opsjonsprogram**

Styret har behov for en styrefullmakt for at Selskapet skal kunne oppfylle sine forpliktelser til å utstede aksjer i forbindelse med utøvelse av opsjoner i henhold til Selskapets opsjonsprogram. På ordinær generalforsamling 19. mai 2016 ble styret tildelt fullmakt til å forhøye aksjekapitalen med et beløp på inntil NOK 1 millioner, likevel slik at beløpet ikke skal overstige 10 % av Selskapets aksjekapital. Fullmakten utløper på Selskapets ordinære generalforsamling i 2017. Styret foreslår at

The statement shall be voted on at the general meeting. There shall be two separate votes under item 9. An advisory vote related to the statement other than the guidelines for granting of options (Item 9.1) and a binding vote on the guidelines for granting of options (Item 9.2).

**10. Approval of the auditor's fee**

It is proposed that the auditor's fee to Ernst & Young AS for 2016 of NOK 250,000,- is approved.

**11. Determination of remuneration for the members of the Board (including approval of the issuance of RSUs to the members of the board)**

Reference is made to the Nomination Committee's proposal which is available on the Company's website [www.nordicnanovector.com](http://www.nordicnanovector.com) and to section 15 in this notice regarding the authorisation to the Board to increase the share capital in connection with the directors' remuneration.

**12. Determination of remuneration for the members of the Nomination Committee**

Reference is made to the Nomination Committee's proposal which is available on the Company's website [www.nordicnanovector.com](http://www.nordicnanovector.com).

**13. Authorisation to the Board to increase the share capital in connection with the option program**

The Board has the need for an authorised to fulfil the Company's obligations to issue shares in connection with the exercise of options under the Company's option program. At the annual general meeting on 19 May 2016 the Board was granted an authorisation to increase the share capital by up to NOK 1 million, but in no event by an amount exceeding 10 % of the Company's share capital. The authorisation expires at the Company's annual general meeting in

fullmakten til å forhøye aksjekapitalen til dette formålet fornyes.

Da fullmakten skal benyttes til å utstede aksjer til innehavere av opsjoner foreslås det at styrefullmakten gir styret adgang til å fravike aksjonærenes fortrinnsrett til tegning og tildeling av nye aksjer.

Styret foreslår derfor at generalforsamlingen fatter følgende vedtak:

1. I henhold til allmennaksjeloven § 10-14 gis styret fullmakt til å forhøye Selskapets aksjekapital, i en eller flere omganger, med inntil NOK 1 millioner.
2. Fullmakten kan bare benyttes til utstedelse av aksjer til Selskapets ansatte, herunder ledende ansatte, under Selskapets opsjonsprogram.
3. Fullmakten gjelder frem til Selskapets ordinære generalforsamling i 2018, likevel ikke lenger enn til 30. juni 2018.
4. Fullmakten skal ikke benyttes til å forhøye aksjekapitalen med et beløp som overstiger 10 % av Selskapets aksjekapital på det tidspunkt fullmakten benyttes.
5. Aksjonærenes fortrinnsrett til de nye aksjene etter allmennaksjeloven § 10-4 kan fravikes.
6. Fullmakten omfatter ikke kapitalforhøyelse mot innskudd i andre eiendeler enn penger mv, jf. allmennaksjeloven § 10-2.
7. Fullmakten omfatter ikke kapitalforhøyelse ved fusjon etter allmennaksjeloven § 13-5.

2017. The Board proposes that the authorisation is renewed.

As the authorisation shall be used in connection with issuance of shares to option holders, the Board proposes that it be authorised to deviate from the shareholders' preferential right to subscribe for and be allotted new shares.

Based on this, the Board proposes that the general meeting passes the following resolution:

1. Pursuant to Section 10-14 of the Norwegian Public Limited Companies Act, the Board is granted an authorisation to increase the Company's share capital, on one or more occurrences, by up to NOK 1 million.
2. The authorisation may only be used to issue shares to the Company's employees, including executive management, in connection with the Company's share option program.
3. The authorisation is valid until the Company's annual general meeting in 2018, but no longer than 30 June 2018.
4. The authorisation shall not be used to increase the share capital by an amount in excess of 10% of the Company's share capital at the time the authorisation is used.
5. The shareholders' preferential right to the new shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act may be deviated from.
6. The authorisation does not comprise share capital increases against contribution in kind, cf. Section 10-2 of the Norwegian Public Limited Companies Act.
7. The authorisation does not comprise share capital increase in connection with mergers pursuant to Section 13-5 of the Norwegian Public Limited Companies Act.

#### **14. Fullmakt til styret til å forhøye aksjekapitalen for andre angitte formål**

For å gi styret finansiell handlefrihet i forbindelse med eventuelle oppkjøp eller liknende disposisjoner eller generelt for å kunne styrke Selskapets egenkapital foreslår styret at det får en fullmakt til å utstede nye aksjer for disse formålene. På ordinær generalforsamling 19. mai 2016 ble styret tildelt fullmakt til å forhøye aksjekapitalen med et beløp på inntil NOK 1 millioner for disse formålene, likevel slik at beløpet ikke skal overstige 10 % av Selskapets aksjekapital. Fullmakten utløper på Selskapets ordinære generalforsamling i 2017. Styret foreslår at fullmakten til å forhøye aksjekapitalen til disse formålene fornyes.

Det kan være i Selskapets og aksjonærenes interesse å gjennomføre emisjoner rettet mot enkelte særskilt navngitte personer og/eller foretak. Styret anmoder derfor om at fullmakten gir styret adgang til å kunne fravike aksjonærenes fortrinnsrett.

Styret foreslår derfor at generalforsamlingen fatter følgende vedtak:

1. I henhold til allmennaksjeloven § 10-14 gis styret fullmakt til å forhøye Selskapets aksjekapital, i en eller flere omganger, med inntil NOK 1 millioner.
2. Fullmakten kan benyttes til å styrke Selskapets egenkapital, generelle forretningsmessiges formål, herunder men ikke begrenset til finansiering av oppkjøp av andre selskaper, virksomheter eller eiendeler herunder for utstedelse av vederlagsaksjer i forbindelse med overnevnte transaksjoner.
3. Fullmakten gjelder frem til Selskapets ordinære generalforsamling i 2018,

#### **14. Authorisation to the Board to increase the share capital for other specified purposes**

To give the Board financial freedom in connection with acquisitions or similar transactions, or to strengthen the Company's equity in general, the Board proposes that it is given an authorisation to issue shares for these purposes. At the annual general meeting held on 19 May 2016 the Board was granted an authorisation to increase the share capital by up to NOK 1 million for these purposes, but in no event by an amount exceeding 10 % of the Company's share capital. The authorisation expires at the Company's annual general meeting in 2017. The Board proposes that the authorisation is renewed.

There could be in the best interest of the Company and its shareholders that placements of shares are directed at certain named persons and/or enterprises. The Board requests therefore that the authorisation also encompass the right for the Board to waive the shareholders' pre-emptive rights.

Based on this, the Board proposes that the general meeting passes the following resolution:

1. Pursuant to Section 10-14 of the Norwegian Public Limited Companies Act, the Board is granted an authorisation to increase the Company's share capital, in one or more occurrences, by up to NOK 1 million.
2. The authorisation may be used to strengthen the Company's equity, for general corporate purposes, including but not limited to financing of acquisitions of other companies, businesses or assets, including issuance of consideration shares in connection with the above mentioned transactions.
3. The authorisation is valid until the Company's annual general meeting in 2018, but no longer than 30 June 2018.

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| likevel ikke lenger enn til 30. juni 2018.  |  |
| 4. Fullmakten skal ikke benyttes til å forhøye aksjekapitalen med et beløp som overstiger 10 % av Selskapets aksjekapital på det tidspunkt fullmakten benyttes.   | 4. The authorisation shall not be used to increase the share capital by an amount in excess of 10% of the Company's share capital at the time the authorisation is used.   |
| 5. Aksjonærenes fortrinnsrett til de nye aksjene etter allmennaksjeloven § 10-4 kan fravikes.   | 5. The shareholders' preferential right to the new shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act may be deviated from.   |
| 6. Fullmakten omfatter kapitalforhøyelse mot innskudd i penger og i andre eiendeler enn penger og rett til å pådra Selskapet særlige forpliktelser mv, jf. allmennaksjeloven § 10-2. Fullmakten omfatter beslutning om fusjon i henhold til allmennaksjeloven § 13-5. | 6. The authorisation comprises share capital increases against contribution in cash and in kind and the right to impose special obligations on the Company etc, cf. Section 10-2 of the Norwegian Public Limited Companies Act. The authorisation covers resolutions on mergers as provided in section 13-5 of the Norwegian Public Limited Companies Act. |
| <b>15. Fullmakt til styret til å forhøye aksjekapitalen i tilknytning til utøvelse av RSU'er</b>  | <b>15. Authorisation to the Board to increase the share capital in connection with the exercise of RSU'er</b>  |
| Styret har behov for en styrefullmakt til å utstede aksjer for å kunne oppfylle Selskapets forpliktelser i henhold til Selskapets RSU program for styre medlemmer.  | The Board has a need for an authorisation to issue shares for the Company to be able to fulfil its obligations under the Company's RSU program for board members.  |
| Det foreslås at styret får fullmakt til å forhøye aksjekapitalen med inntil NOK 20 000.   | The Board proposes that the authorisation may be used to increase the share capital with up to NOK 20,000.   |
| Da fullmakten skal benyttes til å utstede aksjer til innehaverne av RSU'er foreslås det at styret gis adgang til å fravike aksjonærenes fortrinnsrett til tegning og tildeling av nye aksjer.   | As the authorisation shall be used in connection with issuance of shares to RSU holders, the Board proposes that it be authorised to deviate from the shareholders' preferential right to subscribe for and be allotted new shares.  |
| Styret foreslår at generalforsamlingen fatter følgende vedtak:  | The Board proposes that the General Meeting passes the following resolution:   |
| 1. I henhold til allmennaksjeloven § 10-14 gis styret fullmakt til, i en eller flere omganger, å forhøye Selskapets aksjekapital med inntil NOK 20 000 til pari kurs.   | 1. Pursuant to Section 10-14 of the Norwegian Public Limited Companies Act, the Board is granted an authorisation to, in one or more occurrences, increase the Company's   |

2. Fullmakten kan bare benyttes til utstedelse av aksjer til Selskapets styremedlemmer mot innskudd i NOK i tråd med generalforsamlingens vedtak under pkt. 11.
3. Fullmakten gjelder i to år fra datoen for dette vedtaket.
4. Aksjonærenes fortrinnsrett til de nye aksjene etter allmennaksjeloven § 10-4 kan fravikes.
5. Fullmakten omfatter ikke kapitalforhøyelse mot innskudd i andre eiendeler enn penger mv, jf. allmennaksjeloven § 10-2.
6. Fullmakten omfatter ikke kapitalforhøyelse ved fusjon etter allmennaksjeloven § 13-5.
7. Denne fullmakten erstatter fullmakten som ble gitt for det samme formålet i den ordinære generalforsamlingen i 2016, fra det tidspunkt denne nye fullmakten er registrert i Foretaksregisteret

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I henhold til Selskapets vedtekter § 7 har styret bestemt at de aksjonærer som ønsker å delta i generalforsamlingen (enten selv eller ved fullmektig), må melde fra om dette til Selskapet ved å sende det vedlagte påmeldingsskjemaet (som også er gjort tilgjengelig på Selskapets hjemmeside angitt nedenfor), til Selskapet v/kontofører Nordea Bank AB (publ), filial i Norge, Issuer Services, med brev til følgende adresse: Nordea Bank AB (publ), filial i Norge, Issuer Services, Postboks 1166 Sentrum, 0107

share capital by up to NOK 20,000 at par value.

2. The authorisation may only be used to issue shares to members of the Company's board of directors against contributions in NOK in connection with the general meeting's resolution under item 11.
3. The authorisation is valid for a period of two years from the date of this resolution.
4. The shareholders' preferential right to the new shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act may be deviated from.
5. The authorisation does not comprise share capital increases against contribution in kind, cf. Section 10-2 of the Norwegian Public Limited Companies Act.
6. The authorisation does not comprise share capital increase in connection with mergers pursuant to Section 13-5 of the Norwegian Public Limited Companies Act.
7. This authorisation replaces the authorisation granted at the annual general meeting in 2016 for the same purpose, from the date this new authorisation is registered in the Norwegian Register of Business Enterprises.

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Pursuant to Section 7 of the Company's Articles of Association, the Board has decided that the shareholders wishing to attend the General Meeting (in person or by proxy) must give notice to the Company of this by sending the enclosed registration form (which is also available on the Company's website as set out below) to the Company, attn.: the Company's security account manager, Nordea Bank AB (publ), Norwegian branch, Issuer Services, by letter to the following address: Nordea Bank AB (publ),

Oslo, eller e-post til: [nis@nordea.com](mailto:nis@nordea.com). Meldingen må være mottatt senest den 22 mai 2017 kl. 16.00. Aksjonærer som ikke foretar slik forhåndspåmelding eller som oversitter ovennevnte frist, kan nektes adgang til generalforsamlingen og vil da heller ikke kunne stemme for sine aksjer.

Aksjonærer som ikke har anledning til selv å møte, kan møte ved fullmektig. Skjema for tildeling av fullmakt, med nærmere instruksjoner for bruk av fullmakts-skjemaet, er vedlagt denne innkallingen og er gjort tilgjengelig på Selskapets hjemmeside angitt nedenfor. Fullmakt kan om ønskelig gis til styrets leder Ludvik Sandnes. Utfylte fullmaktsskjemaer kan enten leveres i generalforsamlingen eller sendes til Selskapets kontofører Nordea Bank AB (publ), filial i Norge, Issuer Services innen den 22. mai 2017 kl. 16.00 med brev til følgende adresse: Nordea Bank AB (publ), filial i Norge, Issuer Services, Postboks 1166 Sentrum, 0107 Oslo, eller e-post: [nis@nordea.com](mailto:nis@nordea.com).

Aksjonærer som ikke har anledning til å delta på generalforsamlingen kan avgi direkte forhåndsstemme i hver enkelt sak elektronisk via [www.nordicnanovector.com](http://www.nordicnanovector.com) og VPS Investortjenester. Frist for forhåndsstemme er 22 mai 2017 kl. 16.00. Inntil utløpet av fristen kan avgitte forhåndsstemmer endres eller trekkes tilbake. Dersom en aksjonær velger å møte på generalforsamlingen enten selv eller ved fullmektig, anses avgitte forhåndsstemmer som trukket tilbake.

Dersom aksjer er registrert i VPS på forvalterkonto, jf. allmennaksjeloven § 4-10, og den reelle aksjonæren ønsker å avgi stemmer for sine aksjer, må den reelle aksjonæren omregistrere aksjene på en separat VPS-konto i den reelle aksjonærens navn forut for avholdelse av generalforsamlingen, eller godtgjøre at melding om eierskifte er sendt til VPS forut for avholdelse av generalforsamlingen.

Nordic Nanovector ASA er et allmennaksjeselskap underlagt

Norwegian branch, Issuer Services, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway, or e-mail to: [nis@nordea.com](mailto:nis@nordea.com). The notice of attendance must have been received no later than 22<sup>nd</sup> of May 2017 at 16:00 hours (CET). Shareholders who do not provide notices of attendance, or do not meet the deadline stated above, may be denied entrance to the general meeting and will not be able to vote for their shares.

Shareholders that are prevented from attending may be represented by proxy. The proxy form, including detailed instructions for the use of the form, is enclosed to this notice and is available on the Company's website as set out below. If desirable, proxy may be given to the Chairman of the Board, Ludvik Sandnes. Completed proxy forms may either be submitted at the general meeting or sent to the Company's security account manager, Nordea Bank AB (publ), Norwegian branch, Issuer Services within 22<sup>nd</sup> of May 2017 at 16:00 hours (CET) by letter to the following address: Nordea Bank AB (publ), Norwegian branch, Issuer Services, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway, or e-mail: [nis@nordea.com](mailto:nis@nordea.com).

A shareholder who cannot attend the General Meeting may prior to the General Meeting cast a vote on each agenda item via [www.nordicnanovector.com](http://www.nordicnanovector.com) and VPS Investor Services. The deadline for prior voting is 22<sup>nd</sup> of May 2017 at 16:00 hours (CET). Until the deadline, votes already cast may be changed or withdrawn. Votes already cast prior to the General Meeting will be considered withdrawn if the shareholder attends the General Meeting in person or by proxy.

If shares are registered on a nominee account in the VPS register, cf. Section 4-10 of the Norwegian Public Limited Companies Act, and the beneficial shareholder wants to vote for its shares, the beneficial shareholder must re-register the shares in a separate VPS account in its own name prior to the General Meeting, or prove that the transfer to such account has been reported to the VPS prior to the general meeting.

Nordic Nanovector ASA is a public limited company subject to the rules of the



allmennaksjelovens regler. Selskapet har pr dato for denne innkallingen utstedt 49 031 143 aksjer, og hver aksje har én stemme. Aksjene har også for øvrig like rettigheter.

En aksjonær har rett til å fremsette forslag til beslutninger i saker på dagsordenen og til å kreve at styremedlemmer og daglig leder på generalforsamlingen gir tilgjengelige opplysninger om forhold som kan innvirke på bedømmelsen av (i) godkjenning av årsregnskapet og årsberetningen, (ii) saker som er forelagt generalforsamlingen til avgjørelse, og (iii) Selskapets økonomiske stilling, herunder om virksomheten i andre selskaper som Selskapet deltar i, og andre saker som generalforsamlingen skal behandle, med mindre de opplysninger som kreves ikke kan gis uten uforholdsmessig skade for Selskapet.

Denne innkallingen, øvrige dokumenter som gjelder saker som skal behandles i generalforsamlingen, herunder de dokumenter det er henvist til i denne innkallingen, samt Selskapets vedtekter, er tilgjengelige på Selskapets hjemmeside [www.nordicnanovector.com](http://www.nordicnanovector.com). Aksjonærer kan kontakte Selskapet pr post, e-post eller telefon for å få tilsendt de aktuelle dokumentene. Adresse: Nordic Nanovector ASA, Kjelsåsveien 168B, 0884 Oslo, e-post: [ir@nordicnanovector.com](mailto:ir@nordicnanovector.com), telefon: +47 22 18 33 01.

Norwegian Public Limited Companies Act. As of the date of this notice, the Company has issued 49,031,143 shares, each of which represents one vote. The shares have equal rights also in all other respects.

A shareholder may make proposals for resolutions with respect to matters on the agenda and may require that members of the Board and the Chief Executive Officer at the general meeting provide available information about matters which may affect the assessment of (i) the approval of the annual accounts and the annual report, (ii) matters that are presented to the shareholders for decision and (iii) the Company's financial situation, including operations in other companies the Company participates in, and other matters to be discussed at the General Meeting, unless the requested information cannot be disclosed without causing disproportionate damage to the Company.

This notice, other documents regarding matters to be discussed in the General Meeting, including the documents to which this notice refers, as well as the Company's Articles of Association, are available on the Company's website [www.nordicnanovector.com](http://www.nordicnanovector.com). Shareholders may contact the Company by mail, e-mail or telephone in order to request the documents in question on paper. Address: Nordic Nanovector ASA, Kjelsåsveien 168B, N-0884 Oslo, Norway, e-mail: [ir@nordicnanovector.com](mailto:ir@nordicnanovector.com), telephone: +47 22 18 33 01.

Oslo, 2 mai 2017

På vegne av styret i Nordic Nanovector ASA/  
On behalf of the Board of Directors of Nordic Nanovector ASA

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Ludvik Sandnes  
Styrets leder/Chairman

**Vedlegg:**

- Påmeldingsskjema
- Fullmaktskjema
- Forslag til vedtektsendringer
- Forslag til endring i instruksen for valgkomiteen
- Styrets redegjørelse for lønn og annen godtgjørelse til ledende ansatte

Disse dokumentene er også tilgjengelig på Selskapets hjemmeside  
[www.nordicnanovector.com](http://www.nordicnanovector.com).

**Appendices:**

- Form of registration
- Form of proxy
- Proposed amendments to the articles of association
- Proposed amendments to the instruction to the nomination committee
- The Board statement regarding remuneration for senior management

These documents are also available on the Company's website  
[www.nordicnanovector.com](http://www.nordicnanovector.com).

**NORDIC NANOVECTOR ASA**  
**NOTICE OF ATTENDANCE**  
**ANNUAL GENERAL MEETING 24<sup>th</sup> of May 2017**

Shareholders who wish to attend the Annual General Meeting to be held on 24<sup>th</sup> of May 2017 are requested to fill in and return this notice of attendance to: Nordea Bank AB (publ), Norwegian branch, Issuer Services, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway or E-mail: [nis@nordea.com](mailto:nis@nordea.com).

The form should be received by us no later than 22<sup>nd</sup> of May 2017 at 16:00 hours (CET). Attendance notice may also be given electronically within the same deadline via VPS Investor Services.

The undersigned wishes to attend the Annual General Meeting on 24<sup>th</sup> of May 2017 at 10am hours (CET).

The shareholder's name and address: \_\_\_\_\_

\_\_\_\_\_

Date

\_\_\_\_\_

Place

\_\_\_\_\_

Shareholder's signature

If the shareholder is a company, please attach documentation in the form of certificate of registration, or separate power of attorney.

**NORDIC NANOVECTOR ASA**  
**PÅMELDINGSKJEMA**  
**ORDINÆR GENERALFORSAMLING 24. mai 2017**

Aksjonærer som ønsker å delta på ordinær generalforsamling, som vil bli avholdt 24 mai 2017, bes fylle ut og returnere dette påmeldingsskjemaet til: Nordea Bank AB (publ), filial i Norge, Issuer Services, postboks 1166 Sentrum, 0107 Oslo, eller e-post: [nis@nordea.com](mailto:nis@nordea.com).

Skjemaet må være mottatt av oss senest 22. mai 2017 kl. 16.00 (CET). Påmelding kan også skje elektronisk innen samme tidsfrist via VPS Investor Services.

Undertegnede ønsker å delta på ordinær generalforsamling 24 mai 2017 kl. 10 (CET).

Aksjonærens navn og adresse: \_\_\_\_\_

\_\_\_\_\_

Dato

\_\_\_\_\_

Sted

\_\_\_\_\_

Aksjonærens signatur

Dersom aksjonæren er et selskap, vennligst legg ved dokumentasjon i form av firmaattest eller en egen fullmakt.

**NORDIC NANOVECTOR ASA**  
**POWER OF ATTORNEY**  
**ANNUAL GENERAL MEETING 24<sup>th</sup> of May 2017**

Shareholder who does not return the form "NOTICE OF ATTENDANCE – ANNUAL GENERAL MEETING 24<sup>th</sup> of May 2017" (see the previous page), and therefore wishes to authorise another person to act on his or her behalf at the Annual General Meeting on 24<sup>th</sup> of May 2017 must complete this power of attorney form and return it to: Nordea Bank AB (publ), Norwegian branch, Issuer Services, P.O. Box 1166 Sentrum, N-0107 Oslo, Norway, or E-mail: [nis@nordea.com](mailto:nis@nordea.com).

The power of attorney should be received by us **no later than 22<sup>nd</sup> of May 2017 at 16:00 hours (CET)**.

The undersigned hereby grants (please tick):

☐ The Chairman of the Board, Ludvik Sandnes, or the person he appoints, or

☐ \_\_\_\_\_  
 Name of attorney (*please use capital letters*)

power of attorney to attend and vote for my/our shares at the Annual General Meeting of Nordic Nanovector ASA to be held on 24<sup>th</sup> of May 2017 at 10 hours (CET). If the power of attorney form is submitted without stating the name of the attorney, the power of attorney will be deemed to have been given to the Chairman of the Board Ludvik Sandnes or the person he appoints.

The votes shall be cast in accordance with the instructions below. Please note that **if the alternatives below are not ticked off, this will be deemed to be an instruction to vote "in favour" of the proposals in the notice**, provided, however, that the attorney determines the voting to the extent proposals are put forward in addition to, instead of, or as adjustments to the proposals in the notice.

| Item:   | In favour | Against | Abstain | At the attorney's discretion |
|---|-----------|---------|---------|------------------------------|
| 1. Election of the chairman for the meeting   |           |         |         |                              |
| 1.Election of one person to co-sign the minutes, to be proposed in the General Meeting              |           |         |         |                              |
| 2. Approval of the notice and the agenda of the meeting   |           |         |         |                              |
| 3. Presentation of the Company's business   | No vote   | No vote | No vote | No vote                      |
| 4. Approval of the annual accounts and the directors report   |           |         |         |                              |
| 5.1 Amendments to section 8 of the Company's Articles of Association                                |           |         |         |                              |
| 5.2 Amendments to section 5 of the Company's Articles of Association                                |           |         |         |                              |
| 6. Amendment to the instruction for the nomination committee  |           |         |         |                              |
| 7. Re-election of Ludvik Sandnes as a board member and chairman of the board in accordance with the |           |         |         |                              |

|   |  |  |  |  |
|---|--|--|--|--|
| Nomination Committee's proposal   |  |  |  |  |
| 7. Re-election of Per Samuelsson as a board member in accordance with the Nomination Committee's proposal   |  |  |  |  |
| 7. Re-election of Hilde Hermansen Steineger as a board member in accordance with the Nomination Committee's proposal  |  |  |  |  |
| 7. Re-election of Gisela Schwab as a board member in accordance with the Nomination Committee's proposal  |  |  |  |  |
| 8. Re-election of Johan Christenson as a member of and chairman of the Nomination Committee in accordance with the Nomination Committee's proposal  |  |  |  |  |
| 8. Re-election of Ole Petter Nordby as a member of the Nomination Committee in accordance with the Nomination Committee's proposal  |  |  |  |  |
| 8. Re-election of Olav Steinnes as a member of the Nomination Committee in accordance with the Nomination Committee's proposal  |  |  |  |  |
| 9.1 Approval of the statement regarding the specification of salaries and other remuneration of management except for the guidelines for granting of options (advisory vote)  |  |  |  |  |
| 9.2 Approval of the guidelines for granting of options (binding vote)   |  |  |  |  |
| 10. Approval of the auditor's fee   |  |  |  |  |
| 11. Determination of remuneration to the members of the Board (including approval of the issuance of restricted stock units (RSUs) to the members of the Board), in accordance with the Nomination Committee's proposal |  |  |  |  |
| 12. Determination of remuneration to the members of the Nomination Committee, in accordance with the Nomination Committee's proposal  |  |  |  |  |
| 13. Authorisation to the Board to increase the share capital in   |  |  |  |  |

|   |  |  |  |  |
|---|--|--|--|--|
| connection with the Company's option program  |  |  |  |  |
| 14. Authorisation to the Board to increase the share capital for other specified purposes         |  |  |  |  |
| 15. Authorisation to the Board to increase the share capital in connection with exercise of RSU's |  |  |  |  |

The shareholder's name and address: \_\_\_\_\_  
*(please use capital letters)*

\_\_\_\_\_

Date

\_\_\_\_\_

Place

\_\_\_\_\_

Shareholder's signature

If the shareholder is a company, please attach documentation in the form of certificate of registration, or separate power of attorney, if applicable, to this power of attorney.

**NORDIC NANOVECTOR ASA**  
**FULLMAKT**  
**ORDINÆR GENERALFORSAMLING 24. mai 2017**

Aksjonærer som ikke returnerer "PÅMELDINGSSKJEMA – ORDINÆR GENERALFORSAMLING 24 mai 2017" (se tidligere side), og som derfor ønsker å gi en annen person fullmakt til å opptre på hans eller hennes vegne på ordinær generalforsamling 24 mai 2017, må fylle ut dette fullmaktsskjemaet og returnere det til: Nordea Bank AB (publ), filial i Norge, Issuer Services, postboks 1166 Sentrum, 0107 Oslo, eller e-post: [nis@nordea.com](mailto:nis@nordea.com).

Fullmakten må være mottatt av oss **senest 22. mai 2017 kl. 16.00 (CET)**.

Undertegnende gir herved (vennligst kryss av):

☐ Styreleder Ludvik Sandnes eller den han utnevner, eller

☐ \_\_\_\_\_  
 Navn på fullmektig (vennligst bruk blokkbokstaver)

fullmakt til å delta på og stemme for mine/våre aksjer på ordinær generalforsamling i Nordic Nanovector ASA, som vil bli avholdt 24. mai 2017 kl. 10 (CET). Dersom fullmaktsskjemaet innsendes uten at navn på fullmektig er spesifisert, vil fullmakten anses for å ha blitt gitt til styreleder Ludvik Sandnes eller den han utnevner.

Stemmene skal avgis i henhold til instruksjonene under. Vennligst bemerk at **dersom det ikke er krysset av for alternativene under, vil dette anses for å være en instruksjon om å stemme "for" forslagene i innkallingen**, forutsatt imidlertid at den fullmektige beslutter stemmegivningen i den grad forslag blir fremsatt i tillegg til, i stedet for eller som justering av forslagene i innkallingen.

| Punkt:   | For              | Mot              | Avstår           | Etter fullmektigens skjønn |
|--|------------------|------------------|------------------|----------------------------|
| 1. Valg av møteleder   |                  |                  |                  |                            |
| 1.Valg av person til å medundertegne protokollen   |                  |                  |                  |                            |
| 2. Godkjenning av innkallingen og dagsorden  |                  |                  |                  |                            |
| 3. Presentasjon av Selskapets virksomhet   | Ingen avstemning | Ingen avstemning | Ingen avstemning | Ingen avstemning           |
| 4. Godkjenning av Selskapets årsregnskap og årsberetning   |                  |                  |                  |                            |
| 5.1 Endringer i vedtektene § 8   |                  |                  |                  |                            |
| 5.2 Endringer i vedtektene § 5   |                  |                  |                  |                            |
| 6. Endringer i instruks for valgkomitéen   |                  |                  |                  |                            |
| 7. Gjenvalg av Ludvik Sandnes som styremedlem og styrets leder i henhold til valgkomitéens innstilling |                  |                  |                  |                            |
| 7. Gjenvalg av Per Samuelsson som styremedlem i henhold til valgkomitéens innstilling                  |                  |                  |                  |                            |
| 7. Gjenvalg av Hilde Hermansen Steineger som styremedlem i henhold til valgkomitéens innstilling       |                  |                  |                  |                            |



|   |  |  |  |  |
|---|--|--|--|--|
| 7. Gjenvalg av Gisela Schwab som styremedlem i henhold til valgkomitéens innstilling  |  |  |  |  |
| 8. Gjenvalg av Johan Christenson som medlem av og leder av valgkomitéen i henhold til valgkomitéens innstilling   |  |  |  |  |
| Gjenvalg av Ole Petter Nordby som medlem av valgkomitéen i henhold til valgkomitéens innstilling  |  |  |  |  |
| Gjenvalg av Olav Steinnes som medlem av valgkomitéen i henhold til valgkomitéens innstilling  |  |  |  |  |
| 9.1 Godkjennelse av erklæringen om fastsettelse av lønn og annen godtgjørelse til ledende ansatte med unntak for retningslinjene for opsjonstildeling (rådgivende for styret) |  |  |  |  |
| 9.2 Godkjennelse av retningslinjene for opsjonstildeling (bindende for styret)  |  |  |  |  |
| 10. Godkjennelse av revisors godtgjørelse   |  |  |  |  |
| 11. Fastsettelse av godtgjørelse til styrets medlemmer (herunder utstedelse av restricted stock units (RSU'er) til styrets medlemmer) i henhold til valgkomitéens innstilling |  |  |  |  |
| 12. Fastsettelse av godtgjørelse til valgkomitéens medlemmer i henhold til valgkomitéens innstilling  |  |  |  |  |
| 13. Fullmakt til styret til å forhøye aksjekapitalen i forbindelse med opsjonsprogram   |  |  |  |  |
| 14. Fullmakt til styret til å forhøye aksjekapitalen for andre spesifiserte formål  |  |  |  |  |
| 15. Fullmakt til styret til å forhøye aksjekapitalen i tilknytning til utøvelse av RSU'er   |  |  |  |  |

Aksjonærens navn og adresse: \_\_\_\_\_  
(Vennligst bruk blokkbokstaver)

\_\_\_\_\_  
Dato

\_\_\_\_\_  
Sted

\_\_\_\_\_  
Aksjonærens signatur

Dersom aksjonæren er et selskap, vennligst legg ved dokumentasjon i form av firmaattest eller eventuelt en egen fullmakt i denne fullmakten.

**Vedtekter**  
**for**  
**Nordic Nanovector ASA**

(Gjeldende fra ~~24. mai~~<sup>23. januar</sup> 2017)

**§ 1 - Foretaksnavn**

Selskapets navn er Nordic Nanovector ASA. Selskapet er et allmennaksjeselskap.

**§ 2 - Forretningskontor**

Selskapets forretningskontor er i Oslo.

**§ 3 - Virksomhet**

Selskapets formål er å utvikle, markedsføre og selge medisinske produkter og utstyr samt det som står i forbindelse med dette.

**§ 4 - Aksjekapital**

Selskapets aksjekapital er på kr 9 806 228,60 fordelt på 49 031 143 aksjer pålydende kr 0,20. Selskapets aksjer skal være registrert i Verdipapirsentralen.

**§ 5 - Styre**

Selskapets styre skal ha tre til ni medlemmer, etter generalforsamlingens nærmere beslutning.  
Styremedlemmer velges for en periode som løper frem til neste ordinære generalforsamling.

**§ 6 - Signatur**

Selskapets firma tegnes av styrets leder og ett styremedlem i fellesskap. Styret kan meddele prokura.

**§ 7 - Generalforsamling**

Dokumenter som gjelder saker som skal behandles i selskapets generalforsamling, herunder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen, trenger ikke sendes til aksjonærene dersom dokumentene er tilgjengelige på selskapets hjemmeside. En aksjonær kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

På den ordinære generalforsamlingen skal følgende spørsmål behandles og avgjøres:

- Godkjenning av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
- Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

Aksjonærer kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere retningslinjer for slik

forhåndsstemming. Det skal fremgå av generalforsamlingsinnkallingen hvilke retningslinjer som er fastsatt.

Styret kan beslutte at aksjonærer som vil delta på generalforsamlingen må meddele dette til selskapet innen en bestemt frist som ikke kan utløpe tidligere enn tre dager før generalforsamlingen.

## **§ 8 - Valgkomité**

Selskapet skal ha en valgkomité. Komiteen skal bestå av tre medlemmer, som skal være uavhengig av styret og den daglige ledelse. Valgkomiteens medlemmer, herunder valgkomiteens leder, velges av generalforsamlingen for en periode som løper frem til neste ordinære generalforsamling~~to år av gangen~~.

Valgkomiteen avgir innstilling til generalforsamlingen til valg av aksjonærvalgte medlemmer til styret og medlemmer til valgkomiteen, samt godtgjørelse til styrets medlemmer og valgkomiteens medlemmer. Godtgjørelse til medlemmene av valgkomiteen fastsettes av generalforsamlingen. Generalforsamlingen kan fastsette instruks for valgkomiteen.

**Articles**  
**of**  
**Association for Nordic Nanovector ASA**

(as of ~~23 January~~ 24 May 2017)

**Section 1 – Company name**

The company's name is Nordic Nanovector ASA. The company is a public limited liability company.

**Section 2 – Registered office**

The company has its registered office in Oslo.

**Section 3 – Objective of the Company**

The objective of the company is to develop, market and sell medical products and equipment and to run business related thereto or associated therewith.

**Section 4 – Share capital**

The share capital is NOK 9 806 228.60 divided into 49 031 143 shares, with a nominal value of NOK 0.20. The shares of the company are registered with the Norwegian Central Securities Depository.

**Section 5 – The Board**

The company's board of directors shall consist of three to nine members, as resolved by the general meeting. The members shall serve for a term that ends at the next annual general meeting.

**Section 6 – Signature**

The chairman of the board and one board member, acting jointly, shall be authorized to sign on behalf of the company. The board may grant power of procuration.

**Section 7 – General meeting**

Documents relating to matters to be dealt with by the company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the company's website. A shareholder may nevertheless request that documents which relates to matters to be dealt with at the general meeting, are sent to him/her.

The annual general meeting shall address and resolve the following matters:

- Approval of the annual accounts and the annual report, including distribution of dividend.
- Any other matters which are referred to the general meeting by law or the articles of association.

The shareholders may cast their votes in writing, including through electronic communication, in a period prior to the general meeting. The board of directors can establish specific guidelines for such advance voting. The established guidelines must be stated in the notice of the general meeting.

The board of directors may decide that shareholders who want to participate in the general meeting must notify the company thereof within a specific deadline that cannot expire earlier than three days prior to the general meeting.

## **Section 8 – Nomination committee**

The company shall have a nomination committee. The nomination committee shall consist of three members, who shall be independent of the board of directors and the management. The members of the nomination committee, including the chairman, will be elected by the general meeting for a term that ends at the next annual general meeting of two years.

The nomination committee shall give recommendations for the election of shareholder elected members of the board of directors and the members of the nomination committee, and remuneration to the members of the board of directors and the members of the nomination committee. The remuneration to the members of the nomination committee is determined by the general meeting. The general meeting may adopt instructions for the nomination committee.

## **Instructions for the Nomination Committee of Nordic Nanovector ASA**

-(Adopted by the Extraordinary General Meeting held on 12 November 2014 [and as amended on the Annual General Meeting held on 24 May 2017](#))

### **1. COMPOSITION AND ELECTION**

The Nomination Committee shall consist of three members. The General Meeting elects the members of the Nomination Committee and its chair. The majority of the members shall be independent of the board of directors and the management. Members are elected for a term that ends at the next Annual General Meeting of up to two years.

### **2. REMUNERATION**

The General Meeting determines the remuneration of the Nomination Committee.

### **3. THE DUTIES OF THE NOMINATION COMMITTEE**

The duties of the Nomination Committee are to give recommendations to the General Meeting on the following:

- Election of shareholder-elected members, and deputy members, if any, to the Board of Directors
- Determination of the remuneration of the Board of Directors
- Election of members to the Nomination Committee
- Determination of the remuneration of the Nomination Committee

### **4. FURTHER DETAILS REGARDING THE RECOMMENDATIONS**

#### **4.1 Recommendation regarding independence of members of the Nomination Committee**

The recommendation regarding election of members of the Nomination Committee shall be based on the principle that a majority of the members shall be independent of the Board of Directors and the executive management, and that at least one of the members should not be a member of the Board of Directors. In its nomination of members to the nomination committee, the nomination committee shall pay particular attention to independence and the absence of conflicts of interest, while at the same time nominating candidates who have an understanding of the Company's business. The recommendation may be submitted by all members of the Nomination Committee.

#### **4.2 Recommendation regarding election of shareholder-elected members to the Board of Directors**

The recommendation regarding election of members of the Board of Directors shall be based on the following:

- The Board of Directors should be composed in such a way as to safeguard the interests of the body of shareholders and the Company's need for expertise and diversity.
- Account should be taken of the need to ensure that the Board of Directors can function effectively as a collegial body.
- The majority of the shareholder-elected members should be independent of the company's executive management and material business contacts.
- At least two of the shareholder-elected members should be independent of the company's main shareholders.
- Executive personnel should not be members of the Board of Directors.

#### **4.3 General criteria for the recommendations**

The recommendations shall be reasoned, state the term of office and contain the following information on new candidates:

- Expertise
- Capacity
- Independence
- Age
- Education
- Work experience
- How long they have held offices, if any, in the Company

- Any other assignments carried out for the Company
- Important assignments in other companies and organisations

When re-election of a member is proposed, the recommendation may refer to information about the member included in the annual report, at the Company's website etc. rather than including such information in the recommendation.

#### **4.4 Remuneration of the Board**

Proposals for remuneration of the Board should take into account the significance of the Board and ensure that the suggestion is suited to the character and time commitment of the tasks it carries out.

#### **4.5 Remuneration of the Nomination Committee**

Proposals for remuneration of the nomination committee should take into the work load on the committee members in carrying out their responsibilities.

### **5. RULES OF PROCEDURE**

- The Nomination Committee has a quorum when three members are present. All of the members shall be given an opportunity to participate in consideration of matters.
- The Nomination Committee shall meet when convened by the chair or at the request of one member. Minutes shall be taken of the proceedings at committee meetings.
- The Chair of the Board of Directors and the CEO shall be summoned to attend at least one meeting of the Nomination Committee before the committee makes its final recommendation. The Nomination Committee shall be presented with the Board of Director's evaluation of its activities and expertise.
- The Nomination Committee obtains such information from the administration or other persons, including employee representatives and shareholders, as is deemed to be relevant. Information is published on the company's website concerning time-limits for submitting proposals and comments to the Nomination Committee regarding elections to the Board of Directors and the Nomination Committee.
- The Nomination Committee may draw on resources within the company, and obtain advice and recommendations from sources outside the company. The costs of the Nomination Committee are covered by the company.
- The chair of the Nomination Committee, or the person authorised by the chair, shall present the recommendation to the General Meeting.

### **6. THE NOMINATION COMMITTEE'S RECOMMENDATION TO THE GENERAL MEETING**

The Nomination Committee's recommendation to the General Meeting shall be submitted in good time for it to be communicated to the shareholders before the General Meeting. If possible, the recommendation shall be made available to shareholders at the latest simultaneously with the notice of the general meeting.



## Compensation report and guidelines

### Introduction

This statement regarding remuneration of the management team of Nordic Nanovector ASA and its subsidiaries has been prepared by the board of directors of Nordic Nanovector ASA pursuant to section 6-16a of the Norwegian Public Limited Companies Act.

The principles set out for determination of salaries and other remuneration for the senior management in this declaration shall apply for the financial year 2017 and until new principles are resolved by the general meeting in accordance with the Norwegian Public Limited Companies Act at the ordinary general meeting in 2018 (the "Period").

The principles set out in this declaration will be subject to approval by the company's annual general meeting. This declaration will be used by the board as a guideline for the Period. However, the main principles for the share related long term incentive scheme discussed below will be subject to a separate vote, and will be binding for the board.

### COMPENSATION COMMITTEE

#### The compensation committee

The compensation committee comprises members of the board of directors.

The members of the committee are:

- Per Samuelsson – chair
- Joanna Horobin (joined as a member of the committee as of January 26<sup>th</sup>, 2017)
- Ludvik Sandnes
- Hilde Hermansen Steineger

The board of directors with the assistance of the compensation committee determines the compensation policy as presented for decision by the annual general meeting of Nordic Nanovector. The committee is of the view that compensation practices must support the strategic aims of the business and enable the recruitment, motivation, and retention of senior executives in a competitive and international environment.

Nordic Nanovector's practices must take into account the views of regulatory and governance bodies and the expectations of shareholders and the wider employee population.

The board of directors determines the total compensation of the CEO. The board of directors has final approval of the compensation of the management team, upon recommendation of the CEO and the compensation committee.

#### Committee activity

The committee met 12 times from the AGM 2016 until March 23<sup>rd</sup>, 2017. From time to time, various members of the management team, as well as outside advisors, were invited by the compensation committee to make presentations, to provide financial or other background information or to otherwise contribute to the committee meetings. The CEO, the CFO, and the CHRO attended selected meetings, providing advice and assisting with specific queries. No member of the management team participated in any deliberations or determinations regarding their own compensation or individual achievement of objectives.

The following matters were covered by the committee during the year:

- Review of feedback received from shareholders regarding compensation practice and disclosure at the company.
- Review of the overall compensation strategy and policies.
- Review of the market competitive positioning of the compensation for each member of the management team.
- Recommendation on the base salary increase of the CEO and a review of recommendations made by the CEO for the other members of the management team.
- Recommendation on the compensation offer for the newly hired chief medical officer.
- Recommendation on fulfillment of objectives for 2016 and on cash bonuses for the management team.
- Recommendation on the grant of share options to the members of the management team.
- Review of the current Nordic Nanovector long term strategy and equity practices among the peer group companies.
- Review of the disclosure within the 2016 compensation report. The committee has acted to increase the transparency of the compensation report.

## OVERVIEW OF THE COMPENSATION POLICY

### The compensation policy

Nordic Nanovector seeks to entertain a performance-oriented culture, where the individual achievement is clearly aligned with the company's overall strategic objectives. The company evaluates and rewards the managers based on their contributions to the achievement of the corporate priorities set early in the year. The performance of each member of the management team is reviewed on an annual basis.

| During 2016 the following compensation principles were applied: |  |
|---|--|
| Principle   | Summary  |
| <b>Market competitive compensation</b>                          | Nordic Nanovector offers market competitive reward opportunities to enable us to attract, retain, and motivate the talent needed to achieve our mission and business objectives. The company balances the need to provide market competitive levels of reward against a desire to be cost-effective when determining reasonable and responsible reward outcomes. |
| <b>Pay for performance</b>                                      | An appropriate proportion of the reward package is performance-based to ensure reward is linked to the achievement of key financial and non-financial objectives with a balance of short and long term performance components.   |
| <b>Transparency</b>   | Compensation programmes are designed and communicated in a manner that reinforces the linkage between business objectives, our vision and corporate culture.   |
| <b>Business alignment and consistency</b>                       | Our compensation programmes will align the interests of all employees driving long term value creation for our shareholders. We will endeavour to share in the success of the organisation with our employees.   |

### Market comparison

We aim to attract and retain talented executives in a competitive market. The committee believes it is important for the board of directors to be informed as to the current practices of comparable companies with which we compete for talent when making compensation decisions. The committee reviews market data for each executive's position, including information relating to the mix of elements and levels of compensation. During 2016, the committee took independent advice from Radford, a part of Aon Hewitt company. Radford advised the committee and the company solely on the matter of executive compensation strategy and practices in European and US peer companies.

As part of its engagement, Radford was requested by the committee to develop a comparative group of peer companies and to perform analyses of competitive performance and compensation levels for that group. To reflect Nordic Nanovector's international business, with the assistance of its compensation consultant, the committee has selected to use a peer group consisting of European-based companies. In addition, a group of comparative US-based companies has been used for reference purposes. The constituents of the comparator groups are predominantly companies in mid- to late stage drug development phase. The size and scope of these comparators are, on average, comparable with Nordic Nanovector when it comes to e.g. organisation and market capitalisation. Larger companies have been included to reflect our medium term challenges in respect of attracting and retaining talent.

| The details of the peer group constituents are: |                                   |                          |                     |
|---|-----------------------------------|--------------------------|---------------------|
| 2016 peer companies                             |                                   |                          |                     |
| <b>Ablynx</b>                                   | Advanced Accelerator Applications | Adaptimmune Therapeutics | arGEN-X             |
| <b>Ascendis Pharma</b>                          | Camurus                           | Collectis                | Celyad              |
| <b>Forward Pharma</b>                           | Hansa Medical                     | Innate Pharma            | Merus               |
| <b>Molecular Partners</b>                       | Morphosys                         | PhotoCure                | Wilson Therapeutics |

Some of the characteristics of the group of peer companies can be summarised in the following table:

| Comparative factor                      | Minimum | Maximum | Median |
|---|---------|---------|--------|
| Number of employees                     | 7       | 403     | 83     |
| Revenues (MEUR, trailing 12 months)     | 0       | 104     | 12     |
| R&D expenses (MEUR, trailing 12 months) | 3       | 100     | 28     |
| Market capitalisation (MEUR)            | 107     | 1359    | 438    |

Source: Radford

## COMPENSATION POLICY FOR EACH ELEMENT

Based on the compensation policy described above, Nordic Nanovector's performance-based compensation programme primarily consists of three components: 1) base salary, 2) short term cash bonus and 3) long term equity award. The board's view is that these three components best align the interests of the management team with those of our shareholders. This alignment is achieved by keeping a substantial portion of the total compensation allocated to "at-risk" performance-based incentives through the use of short term and long term incentive compensation. An appropriate level and mix of compensation components are determined with independent and relevant compensation data as important input. The policy for each element of compensation is described below, setting out the policy applied for 2016 and as planned for 2017.

### Base salary

Base salaries for individual members of the management team are reviewed annually by the committee and the board of directors. The salaries are set by taking into consideration the scope of the role, the level of experience of the individual, the geographical location of the role, internal relativity, and external economic environment. The committee also makes reference to the mid-point of the market range for equivalent roles in peer companies.

The overall performance rating, employee potential, and current compensation market competitiveness will be combined to assess any proposed salary revision. The committee also takes into account subjective performance criteria, such as an individual's ability to lead, organise and motivate others.

### Short term incentives: Annual cash bonus

The corporate priorities for each year are set by the board and used as the annual objectives for the CEO. For the balance of the management team, a major part of the objectives replicate those of the CEO, with the remaining part representing objectives relevant to the individuals' area of responsibility. The objectives for the management team are set by the CEO, based on principles defined by the board.

At the end of the year, the level of performance achieved and the amount of bonus to be awarded the members of the management team is reviewed by the committee, in discussion with the CEO, and approved by the board.

The corporate priorities will change from year to year depending on the development of the business, as well as the overall strategic direction. In 2016, the annual cash bonus plan was based upon the following key priorities, selected from a number of categories critical to the continued growth of the business.

| In 2016, the annual cash bonus plan was based upon the following key priorities: |  |
|--|--|
| Comparative factor   | Objectives (examples of):  |
| Execution of Betalutin® development plan   | <ul style="list-style-type: none"> <li>• Patients enrolled</li> <li>• Opening of IND</li> <li>• CMC (chemistry, manufacturing, and controls) objectives</li> <li>• Publications in peer reviewed journals and at scientific conferences</li> </ul> |
| Finance management   | <ul style="list-style-type: none"> <li>• Alignment to budget</li> <li>• Financial strategy formulation</li> <li>• Equity analyst coverage</li> </ul>   |
| Development of business and footprint  | <ul style="list-style-type: none"> <li>• Advance development of chimeric</li> <li>• R&amp;D agreements</li> <li>• Betalutin® positioning</li> </ul>  |
| Human resources  | <ul style="list-style-type: none"> <li>• Hire new CMO</li> <li>• Leadership development</li> <li>• Employer branding</li> </ul>  |

The corporate priorities include an additional performance level for the management team, one which is linked to stretch objectives. The stretch objectives require a superior level of performance to be achieved, far exceeding the level required for achieving the target objectives.

The annual bonus percentage shown below could be earned for achieving the target and stretch objectives. This policy will continue to apply for 2017.

| The annual bonus per centages: |                           |                            |
|--------------------------------|---------------------------|----------------------------|
| 2016 annual bonus per centages | Target (% of base salary) | Maximum (% of base salary) |
| Chief executive officer        | 40%                       | 25-30%                     |
| All other executives           | 25-30%                    | 37.5-45%                   |

The committee may, at its discretion, review the operation of the annual cash bonus plan and make recommendations to the board for approval. Any review will take into account the overall impact of the compensation package, the mix between fixed and variable pay, and the balance between short and long term performance measurement.

The board views 2016 as an outstanding year, where the company achieved important milestones, and where many of the strategic, clinical and manufacturing priorities were fulfilled. The compensation committee recommended and the board approved that the achievement of the corporate priorities had reached 105 per cent of the target for 2016. With respect to achievements of objectives for 2016, the following bonus payments were made:

| The achievement bonus payments: |                         |
|---------------------------------|-------------------------|
| Bonus payouts                   | 2016 (% of base salary) |
| Chief executive officer         | 42%                     |
| All other executives (average)  | 29%                     |

## **Long term incentives**

The board believes that equity awards create incentives for the management team to further develop the company's long term strategic plan to create long term shareholder value. Equity awards also create an ownership culture, where the interests of the employees and the shareholders are aligned. With the vesting requirements of the equity awards we provide an incentive to the management team to remain employed during the vesting period, thereby contributing to a valuable retention of individual management team members.

The committee's long term incentive policy applied in 2016 is described below. The same policy will be applied in 2017.

### **Eligibility**

All employees, including new hire employees, will be eligible for an equity award (share options), on a discretionary basis, taking into account overall performance, work responsibility, importance of retention, organisation level, and position.

The board of directors will exercise discretion as to who will receive an equity award in any given year, based on recommendations made by the committee. The board of directors intends to grant awards under the existing option plan on an annual basis to key individuals. None of the members of the management team is party to an employment agreement that provides for an automatic grant of share options. The board of directors will not be eligible to participate in the option plan. In 2016, no share options were granted to board directors.

### **Award size**

The compensation committee shall recommend to the board the size of the overall equity award. The size of the equity award will be determined using an equity award grant schedule, which sets out the size of grant per employee level across the organisation. Assessment on an individual basis will also be considered when making recommendations on grants.

The grant schedule will be determined, and reviewed, on the basis of market competitiveness of the equity component of the compensation package and the overall size of the available share pool approved by shareholders.

### **Share options**

During 2016 share options were granted under Nordic Nanovector's current share option plan, in which all employees are eligible to participate. Grants in 2017 are anticipated to be made under the same option plan.

The current option plan was established in 2014 and the first options under that plan were granted in July of 2014. Each option granted gives the holder a conditional right to acquire one share in the company.

The options' exercise price is equal to the volume weighted average share price five trading days prior to the grant date. Share option grants will not be subject to any performance-based vesting conditions. Share options will vest over a four-year period and will vest in accordance with the existing vesting schedule, as applied in 2016 and described later in this report. The company may settle options in cash.

### **Employee vesting schedule**

Granted share options vest over a four-year period as follows: 25 per cent of the options vest on the first anniversary of the grant date, as long as the option holder is still employed; and the remaining 75 per cent of the options vest in equal monthly tranches over the next 36 months, as long as the option holder is still employed. Options expire seven years after the grant date.

Vested options may be exercised partly or fully during a period of 15 business days (in Norway) from the day following the day of the company's release of its annual or quarterly results. In addition, the board may allow exercise at other suitable times during the year.

In case of termination of employment, the employee will not vest further share options beyond notice of termination. Options which have vested prior to the date of the notice of resignation must be exercised no later than in the second exercise period following the termination date for the option holder's employment (unless a later date has been resolved by the board). Options not exercised prior to the expiry of the second exercise period will lapse.

## Limits

The board of Nordic Nanovector seeks authorisation from shareholders at the annual general meeting to issue a maximum number of share options in total for all grants. The annual general meeting held May 19<sup>th</sup>, 2016 granted an authorisation to issue a maximum number of share options in total for all grants limited to 10 per cent of the share capital and to increase the share capital limited to 10 per cent of the share capital, to be used in connection with the share based incentive programmes for the group's employees. This authorisation is sought every year and the current authorisation is valid until the next annual general meeting, but no longer than June 30<sup>th</sup>, 2017.

The authorisation of up to 10 per cent share options covers:

- Already granted options, vested as well as unvested and
- Planned future grants of options

Going forward this authorisation will be capped at 10 per cent of outstanding shares and options (i.e. fully diluted).

As of December 31<sup>st</sup>, 2016, 2 846 701 share options are outstanding, of which 1 050 021 were vested and exercise able. The current management team held 2 315 243 share options, and 531 458 share options are held by other employees. Please see notes 12 and 13 of the consolidated financial statements for 2016 for an overview of options granted. As of March 23<sup>rd</sup>, 2017 the number of outstanding share options is 3 509 676 after exercise of 56 525 options in January, and 719 500 new options granted to employees of the group in February.

The authorisation proposed by the board for the annual general meeting in May 2017 amounts to 10 per cent outstanding shares and options.

## Pensions

Nordic Nanovector ASA in Norway has a defined contribution pension scheme. The company is exceeding the statutory contribution of 2 per cent and sets up 5 per cent of the annual salary between 0G and 7.1G; and 8 per cent of the annual salary between 7.1G and 12G for each employee. "G" is the National Insurance Basic Amount set by the Norwegian Government each year. There are no contributions made for salaries exceeding 12G.

Nordic Nanovector GmbH in Switzerland has a pension scheme with the requirements of the Swiss Federal Social Insurance Legislation (BSV). Depending on the employee's age, the total contribution, which is split between the employee and the company, is between 7 per cent and 18 per cent of the annual salary.

Nordic Nanovector Ltd has currently no pension scheme, but will enroll the statutory pension scheme as of October 2017, as required by the UK government.

## Other benefits

Benefits to the management will normally be in line with market practice, benefits may e.g. comprise cell phone expenses and payment of IT and telecommunication expenses. There are no specific restrictions on what other benefits may be agreed. In addition, representation allowance is given, if relevant.

## Severance payment

The CEO is in the event of termination of his employment agreement by the group for reasons other than cause entitled to 15 months' pay and the accrued target performance bonus up until the date of notice of termination of employment.

Furthermore, the COO, is in the event of termination of his employment agreement by the group for reasons other than cause entitled to 12 months' pay and the accrued target performance bonus up until the date of notice of termination of employment. In addition, the CFO is entitled to six months' pay after termination of employment in connection with an acquisition of the company. Apart from the above, no member of management has entered into employment agreements which provide for any special benefits upon termination.