

## Press release

NeuroVive Pharmaceutical AB (publ)  
556595-6538

2016-04-29



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## NeuroVive Pharmaceutical AB (publ): Report from AGM

*NeuroVive Pharmaceutical AB (publ) held its Annual General Meeting (AGM) yesterday, 28 April 2016. A summary of the resolutions follows. All resolutions were passed with the required majority.*

### **Adoption of Income Statement, Balance Sheet, Consolidated Income Statement, Consolidated Balance Sheet and appropriation of profit and dividend**

The Meeting resolved to adopt the presented Income Statement and Balance Sheet, and the Consolidated Income Statement and Consolidated Balance Sheet. The Meeting also resolved to appropriate the company's profit or loss in accordance with the Board of Directors' proposal in the Annual Accounts. Additionally, the Meeting resolved that no dividend is paid for the financial year 2015.

### **Discharge from liability**

The AGM resolved to discharge the Board members and Chief Executive Officer from liability.

### **Determining the number of Board members and Auditors, and determining fees to Board members and Auditors**

The Meeting resolved that there be seven Board members and that one Auditor should be appointed. Furthermore, the Meeting resolved that fees to Board members not employed by NeuroVive but elected by the AGM, and members of the Board of Directors' various Committees not employed by NeuroVive, shall be payable as follows:

- SEK 300,000 to the Chair of the Board;
- SEK 150,000 each to other Board members;
- SEK 100,000 to the Chair of the Audit Committee;
- SEK 50,000 each to other members of the Audit Committee;
- SEK 40,000 to the Chair of the Remuneration Committee;
- SEK 20,000 each to other members of the Remuneration Committee.

The Meeting also resolved that as in the previous year, auditors' fees are payable in accordance with approved account, on the customary debiting terms. No fees should be payable to Nomination Committee members.

### **Electing the Board of Directors and Auditors**

The AGM decided to re-elect Board members Greg Batcheller, Arne Ferstad, Boel Flodgren, Marcus Keep, Helena Levander and Anna Malm Bernsten. David Laskow-Pooley was new-elected Board member. Greg Batcheller was re-elected as Chair of the Board.

Furthermore, the Nomination Committee proposes that Auditors MAZARS SET Revisionsbyrå AB are re-elected as the Company's Auditors, for the period until the end of the Annual General Meeting in the fourth financial year after appointment.

### **Resolution regarding guidelines for remuneration for senior executives**

The AGM resolved on guidelines for remuneration for senior executives in accordance with the following:

The guidelines for remuneration and other terms of employment for management imply that the company shall offer its senior executives market compensation, that compensation shall be subject to consultation by a dedicated Remuneration Committee within the Board of Directors, that the relevant criteria shall consist of the senior executive's responsibility, role, competence and position. Remuneration to senior executives is decided

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by the Board of Directors, excluding any Board members that are in a position of dependency to the company and management. These guidelines should be applied to new agreements, or amendments to existing agreements reached with senior executives after the guidelines are adopted, and until new, or revised guidelines are set. What is stipulated for NeuroVive applies also to the group, where applicable. This proposal is basically identical to the guidelines approved for remuneration to senior executives in the previous year.

### 1. Basic principle

Salary and other remuneration, as well as any share-related incentive programs, shall be on market terms and shall be structured so that NeuroVive can attract and retain competent senior executives.

### 2. Fixed remuneration

Senior executives shall be offered fixed remuneration that is on market terms and based on the senior executive's responsibilities, roll, competence and position. Fixed remuneration shall be subject to annual review.

### 3. Variable remuneration

From time to time, senior executives may be offered variable remuneration. Such variable remuneration shall be on market terms and shall be based on the outcome of predetermined financial and individual targets. The terms and conditions and basis of computation of variable remuneration shall be determined for each financial year.

Variable remuneration is settled in the year after vesting and may either be paid as salary or as a lump-sum pension premium. Payment as a lump-sum pension premium is subject to indexation so the total cost for NeuroVive is neutral. The basic principle is that the yearly variable remuneration portion may amount to a maximum of 30% of fixed annual remuneration.

Variable remuneration to senior executives is subject to a total maximum of SEK 1,500,000.

When structuring variable remuneration that is payable to management in cash, the Board of Directors should consider introducing provisions such as:

- a. making payment of a predetermined portion of such remuneration conditional so the performance on which vesting is based is demonstrably sustainable over time, and
- b. offers the Company the opportunity to reclaim such remuneration paid on the basis of information that subsequently proves manifestly erroneous.

### 4. Non-monetary benefits

Where the Board of Directors considers it appropriate and/or after individual consideration of an overall salary and remuneration structure, a senior executive may be entitled to additional healthcare insurance.

### 5. Pension

Senior executives are entitled to market-based pension solutions in accordance with collective bargaining agreements and/or agreements with NeuroVive. All pension obligations should be defined contribution. Salary waivers may be utilized to increase pension provisions through lump-sum pension premiums,

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providing the total cost for NeuroVive is neutral.

### 6. Notice period

From NeuroVive's side, the maximum notice period shall be six months for the Chief Executive Officer and a maximum of six months for other senior executives. The notice period from the Chief Executive Officer's side shall be a minimum of six months, and from other senior executives' side, shall be a minimum of three months. In addition to this notice period, severance pay subject to a maximum of six months' salary plus fringe benefits may be payable to the CEO.

### 7. The consultative and decision-making process of the Board of Directors

The Board of Directors' Remuneration Committee consults on proposals for decision regarding salary and other employment terms for senior executives. Remuneration to senior executives is then decided by the Board of Directors, excluding any Board members who are affiliated to the Company and its management.

### 8. Share-related incentive programs approved by shareholders' meetings

Through its Nomination Committee, the Board of Directors shall consider the need for share-related incentive programs yearly, and where necessary, submit a proposal for resolution to the Annual General Meeting regarding a well-considered share-related incentive program for senior executives and/or other employees. Resolutions regarding any share and share price-related incentive programs targeted at senior executives shall be made by shareholders' meetings.

### 9. Information on previously approved remuneration that is not due for payment

Approved remuneration totaling SEK 817,000 including social security expenses to the former CEO is not due for payment.

### 10. Information on departure from the guidelines resolved by the AGM

Negotiations in connection with the resignation of former CEO Michael Brönnegård, settled on an extension of the contractual six-month notice period to nine months. The Board of Directors considers that this revision was contained in the scope of its mandate to effect adjustments of pre-determined guidelines in special circumstances.

### 11. Other

The Board of Directors shall be entitled to depart from the above guidelines if the Board of Directors judges that there are special circumstances justifying this in an individual case.

### Resolution on guidelines for the Nomination Committee

The AGM resolved that the work of the Nomination Committee for the AGM 2017 should be conducted in accordance with the following:

- The Company shall have a Nomination Committee that shall consist of a member for each of the three largest shareholders in terms of votes, based on the shareholder statistics as of 30 September 2016, which the Company obtains from Euroclear Sweden AB. If such shareholder does not exercise its right to appoint a member, the right to appoint a member of the Nomination Committee shall transfer to the next largest

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shareholder in terms of votes. Coincident with the appointment of a new Nomination Committee, in an appropriate manner, the Chairman of the Board shall contact the three largest shareholders identified and request them to nominate the person said shareholder intends to appoint as a member of the Nomination Committee in writing within a reasonable period in the circumstances, although not exceeding 30 days.

The majority of the Nomination Committee's members should be non-affiliated to the Company and its management. The Chief Executive Officer or other member of management should not be a member of the Nomination Committee. At least one of the members of the Nomination Committee should be non-affiliated to the largest shareholder of the Company in terms of votes, or group of shareholders that cooperate on the Company's administration. Board members may be members of the Nomination Committee, but should not constitute a majority of Nomination Committee members. The Chairman of the Board or other Board members should not be the Chairman of the Nomination Committee. If more than one member is a member of the Nomination Committee, a maximum of one of these people should be affiliated to the Company's largest shareholder.

Information on the definitively appointed Nomination Committee shall include the name of the three appointed members, as well as the name of those shareholders that appointed them, and shall be published by no later than six months prior to the scheduled Annual General Meeting. The Nomination Committee's term of office extends until a new Nomination Committee has been appointed. Unless the members agree otherwise, the chairman of the Nomination Committee should be that member appointed by the largest shareholder in terms of votes.

- If one or more of the shareholders that have appointed members of the Nomination Committee are no longer one of the three largest shareholders in terms of votes, members appointed by such shareholders shall put their places on the Nomination Committee at the Committee's disposal, and that, or those, shareholders that have become one of the three largest shareholders in terms of the vote shall be entitled to appoint members. However, unless there are special circumstances, there shall be no changes to the composition of the Nomination Committee if only marginal changes to the number of votes have occurred, or any such change occurs later than two months prior to the Annual General Meeting. Shareholders that have appointed members of the Nomination Committee are entitled to dismiss such member, and appoint a new member of the Nomination Committee if the member appointed by said shareholder decides to leave the Nomination Committee. Changes to the composition of the Nomination Committee shall be published as soon as they have occurred.
- The Nomination Committee shall prepare proposals on the following issues to be submitted to the Annual General Meeting for resolution:
  - a) a proposal regarding a Chairman of the Meeting;
  - b) a proposal regarding the number of Board members elected by the Annual General Meeting, and where applicable, the number of auditors;
  - c) a proposal regarding fees to Board members not employed by the Company, and members of the Board's various Committees not employed by the Company;

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- d) a proposal regarding Audit fees;
  - e) a proposal regarding election of the Chairman of the Board and other Board members, and where applicable, election of auditors;
  - f) a proposal regarding guidelines for appointing members of the Nomination Committee, and for the duties of the Nomination Committee;
  - g) a proposal regarding fees to members of the Nomination Committee.
- The Company's Chairman convenes the first meeting and shall ensure that the Nomination Committee receives relevant information regarding the results of the Board of Directors' review of its work without delay. Such information shall be presented by January at the latest and shall contain information about the Board of Directors working methods and how effective its work is. Furthermore, the Chairman shall be co-opted to the Nomination Committee's meetings when required.
  - On request from the Nomination Committee, the Company shall provide personnel, e.g. secretarial services in order to facilitate the work of the Nomination Committee. When required, the Company shall reimburse the Nomination Committee's reasonable expenses, such as the cost of recruitment, and for any external consultants the Nomination Committee deems necessary in order to complete its assignment.

### **Authorization for the Board of Directors to decide on the new issue of shares**

The Meeting resolved to authorize the Board of Directors to decide on the new issue of shares, with or without waiving the preferential rights of shareholders on one or more occasions in the period until the next Annual General Meeting.

The number of shares issued through this authorization may correspond to an increase of share capital of a maximum of fifteen per cent (15%) of the total share capital of the Company at the time of the Annual General Meeting 2016.

Share issues should be at market subscription price, subject to reservation for a market discount where applicable, and apart from cash, payment may be as assets contributed in kind or through offset, or subject to other terms and conditions.

A new share issue decided with this authorization should be conducted with the aim of raising working capital for the Company. If the Board of Directors decides on a share issue waiving shareholders' preferential rights, the reason should be to raise working capital for the Company and/or for new owners of strategic significance to the Company and/or acquisitions of other companies or operations.

### **Resolution regarding the incentive program in the subsidiary NeuroVive Asia, Inc.**

In order to attract and retain key personnel in its operations, the Company's subsidiary, NeuroVive Pharmaceutical Asia, Inc. ("NVP Asia"), decided to implement an incentive program in March 2015. The incentive program encompasses a maximum of 1,600,000 warrants, where each warrant confers entitlement to subscribe for one share in NVP Asia, aimed at individuals employed in NVP Asia or its subsidiaries. Upon full allocation and utilization of the warrants, the dilution effect corresponds to approximately 5% of the total number of shares and votes in NVP Asia. NVP Asia and the Company's Board of Directors consider that personal ownership stimulates the employees' commitment to the Company's business.

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The allocation of warrants to employees under the program is based on a number of factors, including the employee's seniority, position, achievements, earlier and anticipated performance as well as potential. The warrants are allocated annually or after achieving specific milestones. The warrants are earned to varying extents over a maximum of six years from the day of allocation and expire in their entirety six years after the day of allocation.

The allocation of warrants is conditional on approval by the AGM.

Each warrant entitles the employee to subscribe for one share in NVP Asia at a subscription price determined by the Board of Directors of NVP Asia in connection with allocation of the warrants. The subscription price may not fall below the market value of the share on the date of allocation.

The costs of the incentive program are limited as the subscription price on utilization of the warrants is above the book value per share in NVP Asia.

The AGM adopted the resolution for the incentive program and transfer of warrants in NVP Asia as outlined above.

The Board of Directors  
**NeuroVive Pharmaceutical AB (publ)**  
Lund, Sweden, April 2016

### **About NeuroVive**

NeuroVive Pharmaceutical AB (publ) is a pioneer in mitochondrial medicine and a company committed to the discovery and development of highly targeted candidates that preserve mitochondrial integrity and function in areas of significant therapeutic need. NeuroVive's business approach is driven by value-adding partnerships with mitochondrial research institutions and commercial partners across the globe. NeuroVive's portfolio consists of two clinical projects in acute kidney injury (AKI) and traumatic brain injury (TBI) with candidates in clinical and preclinical development and two drug discovery platforms. The NeuroSTAT® product has orphan drug status in Europe and in the US for treatment of moderate to severe traumatic brain injury and is currently being evaluated in a study, CHIC. Ciclosporin (CicloMulsion®) is being evaluated in an on-going study, CiPRICS, in acute kidney injury during major surgery. NeuroVive's shares are listed on Nasdaq, Stockholm, Sweden.

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*NeuroVive Pharmaceutical AB (publ) is required to publish the information in this news release under The Swedish Securities Market Act. The information was submitted for publication on the 29 April 2016, at 8.30 CET.*