

## **Annual General Meeting of Shareholders in BioInvent International AB (publ)**

The shareholders in BioInvent International AB (publ), reg nr 556537-7263, are hereby invited to attend the Annual General Meeting to be held at 4 p.m. on Thursday 10 April, 2003, at Ideon, Sölvegatan 41, Lund, Sweden.

### **A. NOTICE OF ATTENDANCE**

Shareholders who wish to attend the AGM must:

- (i) be recorded in the printout of the share register maintained by the Swedish Securities Register Centre ("VPC"), made as of Monday 31 March, 2003;

*and*

- (ii) notify BioInvent International AB of their intent to attend the Meeting at address: Sölvegatan 41, SE-223 70 Lund, Sweden, att: Marie Serwe, by telefax +46 46 211 08 06 or by telephone +46 46 286 85 50, by 4 p.m., Friday 4 April, 2003 at the latest.

In order to participate in the proceedings of the AGM, shareholders with nominee-registered shares should request their bank or broker to have the shares temporarily owner-registered with VPC. Such registration must be made on Monday 31 March, 2003 at the latest, and the banker or broker should therefore be notified in due time before said date.

Proxy to act on behalf of a shareholder shall be sent together with the notice of attendance. Representative of a juridical person shall hand in a copy of a registration certificate or similar papers of authorisation.

### **B. AGENDA**

#### Proposal for Agenda

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the voting list.
4. Election of one or two person(s) to attest the minutes.
5. Determination of compliance with the rules of convocation.
6. Approval of the agenda.

7. The Managing Director's report for the financial year 2002.
8. Presentation of the Annual Report and the Auditor's Report and the Consolidated Financial Statements and the Group Auditor's Report for the financial year 1 January – 31 December 2002.
9. Resolutions regarding
  - (a) adoption of the Statement of Income and the Balance Sheet and the Consolidated Statement of Income and the Consolidated Balance Sheet,
  - (b) appropriation of the company's loss according to the adopted Balance Sheet, and
  - (c) discharge from liability of the Board of Directors and the Managing Director.
10. Establishment of the number of members and deputy members of the Board of Directors.
11. Establishment of fees for the Directors.
12. Election of members of the Board of Directors.
13. Resolution to issue a debenture certificate with attached warrants.
14. Resolutions regarding
  - (a) Nomination Committee; and
  - (b) Audit Committee.
15. Closing of the Meeting.

### **Proposals regarding issues on the Agenda**

#### Appropriation of the company's loss (paragraph 9b)

The Board of Directors proposes that the AGM resolves to reduce the share premium reserve by SEK 166,174,000 to cover the accumulated deficit. No dividend is proposed to be declared.

#### Election of members of the Board of Directors and Fees (paragraph 10-12)

Shareholders jointly representing approximately 50 per cent of all the votes in the Company have notified the company that they intend to make the following proposals:

The number of board members shall be seven. No deputy members shall be elected.

Re-election of the board members: Carl Borrebaeck, Per-Olof Mårtensson, Björn Nilsson, Kenth Petersson, Svein Mathisen, Karl Olof Borg och Björn Ogenstam.

Fees to the board members shall amount to a total of SEK 690,000, to be distributed among the Directors according to the resolution by the Board of Directors.

At the AGM on 3 March 2000, Ernst & Young AB, with authorised public accountant Mr Åke Stenmo as representative of the accounting firm, was appointed for a period of four years. It was decided by the General Meeting that the auditors' fees should be paid on current account.

Proposal on a directed issue of a debenture certificate with attached warrants  
(paragraph 13)

The Board of Directors proposes the AGM to adopt a resolution on a directed issue of a debenture certificate with a nominal value of SEK 100, with 300,000 detachable warrants entitling to subscription for new shares in BioInvent International AB. Each warrant entitles the holder to subscribe for one new share with a nominal value of SEK 0.5 during the period 1 January 2007 to 30 April 2007. The exercise price shall amount to the higher of (i) 133 per cent of the average final transaction price for the shares in the company quoted on the Stockholm Stock Exchange's official price list each trading day during twelve (12) months before 30 April 2003, or, (ii) 133 per cent of the of the average final transaction price for the shares in the company quoted on the Stockholm Stock Exchange's official price list each trading day during ten (10) trading days before 30 April 2003. The calculated exercise price shall be rounded to the nearest whole number of Swedish crowns or fifty öre.

Right to subscribe for the debenture certificate shall, with deviation from the shareholders' pre-emption rights, vest in the wholly-owned subsidiary BioInvent Finans AB, for further transfer to employees, in accordance with the below.

The reason for disregarding the shareholders' pre-emption rights is that BioInvent International AB wishes to introduce an incentive programme for employees in the company, whereby they can be offered the opportunity to take part in an increase in value of the company's shares. This is expected to increase the interest in the company's development – as well as in the company's share price development – and to stimulate a continued company loyalty over the forthcoming years. The incentive programme shall only comprise such key personnel who within the scope of their employment have an explicit responsibility for the development of the company and a significant possibility to affect such development.

BioInvent Finans AB shall detach and, against payment of the estimated market value of the warrants at the time of the transfer, transfer the warrants to officers and employees within the group, designated by the Board of Directors of BioInvent International AB. The Board of Directors shall effect the allotment of warrants in accordance with the following guidelines:

Members of the management (at present 6 persons)	not more than 50,000 warrants
Other managers reporting to managing director or deputy managing director (at present 9 persons)	not more than 15,000 warrants
Heads of department and project managers, as well as key personnel within R&D (at present 15 persons)	Not more than 5,000 warrants

The guaranteed allotment amounts to 20 % of the maximum allotment. Over-subscription cannot take place. The managing director and other persons belonging to the so called MBO-group, which is a part of the above designated categories (7 persons), shall not be allotted any warrants. The first allotment is estimated to take place shortly after determination of the exercise price. In case there are any remaining warrants after the first allotment, allotment can thereafter take place to new employees belonging to the above categories. Acquired warrants shall be subject to customary rights of first refusal.

The market value of the warrants shall be calculated by an independent valuation institute in accordance with the Black & Scholes methodology. The method of calculation will be made available to shareholders upon request. Information on the market value and the calculation thereof at the time of transfer will be supplied to shareholders upon their request.

At full exercise of the warrants, the increase of the share capital will be maximum SEK 150,000, corresponding to approximately one (1) per cent of the company's current share capital after full dilution. Previous warrants schemes, with exercise in 2003 to a price of SEK 86.67 and in 2004 to price of SEK 77, correspond to a dilution of approximately two per cent of the company's current share capital after full dilution. The dilution does not affect the ratio earnings per share, nor the ratio equity per share, other than most marginally. The incentive programme will not lead to any considerable costs.

The AGM is proposed to approve the above described transfers of warrants to officers and employees within the group.

The Board of Directors' proposal has been prepared by the company's remuneration committee, composed of Per-Olof Mårtensson, Kenth Petersson and Björn Ogenstam. The Board of Directors' proposal requires a resolution by the AGM supported by shareholders holding at least nine-tenths of the given number of votes as well as nine-tenths of all shares present or represented at the AGM.

#### Nomination and Audit Committee (paragraph 14 (a) – (b))

The Swedish Shareholders' Association has made a proposal that the AGM shall establish a Nomination Committee and to assign to the Board of Directors to establish an Audit Committee and a Remuneration Committee.

The Board of Directors, on its part, has made a proposal that the AGM shall establish a Nomination Committee, composed of the Chairman of the Board of Directors (convening) as well as by one representative of each of the company's three major shareholders as per 30 September of each financial year. The task of the Nomination Committee shall be to present proposals, before the forthcoming AGMs, regarding the election of members of the Board of Directors and the determination of fees to the Board of Directors, as well as, where applicable, the election of auditors and the determination of auditors' fees.

The Board of Directors is further of the opinion that matters related to the audit of the company are of such importance that they should be prepared and resolved by

the entire Board of Directors and that therefore no Audit Committee shall be established.

Shareholders jointly representing approximately 50 per cent of all the votes in the Company have notified the company that they support the opinion of the Board of Directors in the above matters.

The Board of Directors has previously resolved to form a Remuneration Committee composed of Per-Olof Mårtensson, Kenth Petersson and Björn Ogenstam.

## **C. DOCUMENTATION**

The Accounts and the consolidated Accounts, as well as the Board of Directors' proposal for a resolution on the issue of a debenture certificate with attached warrants, will as from Thursday 27 March, 2003 be available at the Company's premises in Lund and will at no cost automatically be sent to the shareholders who have notified the company of their intent to attend the AGM and to other shareholders upon their request. The proposal will also be available at [www.bioinvent.se](http://www.bioinvent.se).

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Lund in March 2003  
*Board of Directors*  
BIOINVENT INTERNATIONAL AB (PUBL)