



This notice has been prepared in both Norwegian and English. In case of any discrepancies between the versions, the Norwegian version shall prevail.

Til aksjeeierne i Photocure ASA

**INNKALLING TIL ORDINÆR  
GENERALFORSAMLING**

Styret i Photocure ASA ("**Selskapet**") innkaller herved til ordinær generalforsamling.

Tid: 27. april 2017 kl. 17.00  
Sted: Hoffsvæien 4, 2. etasje, 0275 Oslo.

Generalforsamlingen vil åpnes av styrets leder Bente-Lill Bjerkelund Romøren. Møteåpner vil opprette fortegnelse over møtende aksjeeiere og fullmakter.

Selskapets styre foreslår følgende dagsorden for generalforsamlingen:

- 1 Åpning av generalforsamlingen ved styrets leder Bente-Lill Bjerkelund Romøren**
- 2 Fremleggelse av fortegnelse over møtende aksjeeiere og fullmektiger**
- 3 Valg av møteleder og en person til å medundertegne protokollen**
- 4 Godkjenning av innkalling og dagsorden**
- 5 Godkjenning av årsregnskapet og årsberetningen for regnskapsåret 2016**
- 6 Godkjenning av erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte**
- 7 Presentasjon av Selskapets status**
- 8 Godtgjørelse til styremedlemmer og valgkomitémedlemmer**
- 9 Godtgjørelse til revisor**
- 10 Valg av styremedlemmer**
- 11 Valg av medlemmer til valgkomiteen**

To the shareholders of Photocure ASA

**NOTICE OF ANNUAL  
GENERAL MEETING**

The board of directors of Photocure ASA (the "**Company**") hereby convenes an annual general meeting.

Time: 27 April 2017 at 17:00 hours (CET)  
Place: Hoffsvæien 4, 1<sup>st</sup> floor, 0275 Oslo.

The general meeting will be opened by the chairperson of the board of directors Bente-Lill Bjerkelund Romøren. The person opening the meeting will register the attendance of shareholders present and proxies.

The board of directors of the Company proposes the following agenda for the general meeting:

- 1. Opening of the meeting by the chairperson of the board of directors Bente-Lill Bjerkelund Romøren**
- 2. Presentation of the record of shareholders and representatives present**
- 3. Election of chairperson of the meeting and a person to co-sign the minutes**
- 4. Approval of notice and agenda**
- 5. Approval of the annual accounts and annual report for the financial year 2016**
- 6. Approval of the declaration on salaries and other remuneration for senior management**
- 7. Presentation of the Company's state of affairs**
- 8. Remuneration to the board members and members of the nomination committee**
- 9. Remuneration to the auditor**
- 10. Election of board members**
- 11. Election of members to the nomination committee**



**12 Frist for innkalling til ekstraordinær generalforsamling**

**13 Styrefullmakt til erverv av egne aksjer**

**14 Styrefullmakter til å gjennomføre aksjekapitalforhøyelse**

Det er 21 557 910 aksjer i Selskapet, og hver aksje gir én stemme. Selskapet har per datoen for denne innkallingen 809 egne aksjer. Det kan ikke utøves stemmerett for slike aksjer.

I henhold til Selskapets vedtekter skal aksjeeiere som ønsker å delta på generalforsamlingen varsle Selskapet om dette innen fem dager før generalforsamlingen.

**Deltakelse på generalforsamlingen, enten personlig eller ved fullmakt, må registreres innen 24. april 2017 kl. 16:00.**

Påmelding kan registreres ved å fylle ut og sende inn vedlagte påmeldings- eller fullmaktsskjema til Nordea Bank Norge ASA, Issuer Services, PB 1166 Sentrum, 0107 Oslo, e-post: [isno@nordea.com](mailto:isno@nordea.com), telefaks 22 36 97 03, elektronisk via selskapets hjemmeside [www.photocure.com](http://www.photocure.com) eller via VPS Investortjenester for aksjeeiere som har tilgang til dette. Se vedlagte skjemaer for nærmere instruks.

Aksjeeiere som ikke har anledning til å møte selv på generalforsamlingen kan gi fullmakt til styrets leder (eller den hun utpeker) eller annen person til å stemme for sine aksjer. Fullmakt kan sendes inn elektronisk via VPS investortjenester eller ved å fylle ut og sende inn fullmaktsskjema vedlagt som vedlegg 1 i henhold til instruksene angitt i skjemaet. Fullmakten må være skriftlig, datert og underskrevet og fremlagt senest på generalforsamlingen. Fullmakter må være mottatt av Nordea innen 24. april 2017 kl. 16:00, med mindre aksjeeier har registrert påmelding innen denne fristen. Se vedlagte fullmaktsskjema for ytterligere informasjon om fullmakter.

Aksjeeiere kan avgi stemme for hver enkelt sak på dagsorden på forhånd. Slike forhåndsstemmer må avgis ved å fylle ut og sende inn vedlagte skjema for forhåndsstemme til Nordea Bank Norge ASA, Issuer Services, PB 1166 Sentrum, 0107 Oslo, e-post: [isno@nordea.com](mailto:isno@nordea.com), telefaks 22 36 97 03, elektronisk via selskapets hjemmeside [www.photocure.com](http://www.photocure.com) eller via VPS Investortjenester for aksjeeiere som har tilgang til dette. Se vedlagte skjemaer for nærmere instruks. **Frist for å avgi forhåndsstemmes er 24. april 2017 kl. 16:00.** Fram til

**12. Notice period for calling extraordinary general meeting**

**13. Board authorisations to acquire own shares**

**14. Board authorisations to increase the share capital**

There are 21,557,910 shares in the Company, and each share carries one vote. As of the date of this notice, the Company holds 809 own shares. No votes may be exercised for such shares.

Pursuant to the Company's articles of association shareholders who want to participate at the general meeting shall notify the Company thereof within five days prior to the general meeting

**Attendance at the general meeting, either in person or by proxy, must be registered within 24 April 2017 at 16:00 CET.**

Attendance can be registered by completing and submitting the attached registration or proxy form to Nordea Bank Norge ASA, Issuer Services, PO. Box 1166 Sentrum, 0107 Oslo, Norway, e-mail: [isno@nordea.com](mailto:isno@nordea.com), telex + 47 22 36 97 03, online through the Company's web-site [www.photocure.com](http://www.photocure.com) or through the Norwegian Securities Depository's (VPS) Investor Services for shareholders having access to this. Please refer to the attached forms for further instructions.

Shareholders who are unable to attend the general meeting may authorize the chairperson (or whomever she designates) or another person to vote for its shares. Proxies may be submitted electronically through VPS investor services or by completing and submitting the registration or proxy form attached as Appendix 1 in accordance with the instructions set out in the form. The proxy must be in writing, dated and signed presented no later than at the general meeting. Proxy forms should be received by Nordea no later than 24 April 2017 at 16:00, unless the shareholder has registered attendance within this deadline. See the enclosed proxy form for further information on proxies.

Shareholders may cast votes for each matter on the agenda in advance. Such advance votes must be cast by completing and submitting the attached advance voting form to Nordea Bank Norge ASA, Issuer Services, PO. Box 1166 Sentrum, 0107 Oslo, Norway, e-mail: [isno@nordea.com](mailto:isno@nordea.com), telex +47 22 36 97 03, online through the Company's web-site [www.photocure.com](http://www.photocure.com) or through the Norwegian Securities Depository's (VPS) Investor Services for shareholders having access to this. Please refer to the attached forms for further



denne fristen kan stemmer som allerede er avgitt endres eller trekkes tilbake. Stemmer som er avgitt før generalforsamlingen er avholdt vil bli ansett som trukket tilbake dersom aksjeeieren deltar personlig på generalforsamlingen eller ved fullmakt.

Selskapets vedtekter fastsetter at ved erverv av aksjer kan retten til å delta og stemme på generalforsamlingen kun utøves hvis ervervet er innført i aksjeeierboken fem virkedager før generalforsamlingen. **Erverv må være registrert i VPS 20. april 2017.**

Etter Selskapets syn har verken den reelle aksjeeieren eller forvalteren rett til å stemme for aksjer som er registrert på forvalterkonto i VPS, jf. allmennaksjeloven § 4-10. Aksjeeiere som holder sine aksjer på en forvalterkonto i VPS og som ønsker å avgi stemmer for slike aksjer må etter selskapets vurdering overføre aksjene til en VPS-konto i eget navn før generalforsamlingen for å være sikret å kunne avgi stemmer for slike aksjer. Hvis aksjeeieren godtgjør at det er tatt nødvendige skritt for slik overføring, og aksjeeieren har reell aksjeeierinteresse i Selskapet, kan aksjeeieren etter Selskapets oppfatning stemme for aksjene, selv om aksjene ennå ikke er registrert på en separat VPS-konto.

Beslutninger om stemmerett for aksjeeiere og fullmektiger treffes av møteåpner, hvis beslutning kan omgjøres av generalforsamlingen med alminnelig flertall.

Aksjeeiere kan ikke kreve at nye saker settes på dagsordenen, da fristen for å kreve dette er utløpt, jf. allmennaksjeloven § 5-11 andre setning. Aksjeeiere har rett til å fremsette forslag til vedtak i de saker som er på dagsordenen.

En aksjeeier kan kreve at styremedlemmer og daglig leder på generalforsamlingen gir tilgjengelige opplysninger om forhold som kan innvirke på bedømmelsen av saker som er forelagt aksjeeierne til avgjørelse. Det samme gjelder opplysninger om Selskapets økonomiske stilling og andre saker som generalforsamlingen skal behandle, med mindre de opplysninger som kreves, ikke kan gis uten uforholdsmessig skade for Selskapet. Aksjeeiere har rett til å ta med rådgiver, og kan gi talerett til én rådgiver.

instructions. **The deadline for casting advance votes is 24 April 2017 at 16:00 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.

The Company's articles of association states that upon acquisition of shares, the right to participate and vote at the general meeting may only be exercised if the acquisition is recorded in the shareholder registry the fifth business day prior to the general meeting. **Acquisitions must be registered in the VPS on 20 April 2017.**

The Company is of the opinion that neither the beneficiary shareholder nor the nominee is entitled to vote for shares registered on a nominee account in the VPS, cf. the Norwegian Public Limited Act (**Act**) section 4-10. Shareholders, who hold their shares on a nominee account in the VPS, and who wish to vote for such shares must, based on the Company's assessment, transfer the shares to a securities account in the VPS held in their own name prior to the general meeting in order to be assured that it may vote for such shares at the general meeting. If the shareholder proves that the necessary steps for such transfer have been taken, and the shareholder has a real shareholder interest in the Company, the shareholder may in the Company's opinion vote for such shares even if the shares have not yet been registered on a separate VPS-account.

Decisions on voting rights for shareholders and representatives are made by the person opening the meeting, whose decision may be reversed by the general meeting by majority vote.

Shareholders cannot require that new matters are put on the agenda as the deadline for this has lapsed cf. the Act section 5-11 second sentence. Shareholders have the right to propose resolutions under the matters to be addressed by the general meeting.

A shareholder may demand that board members and the chief executive officer provide available information at the general meeting about matters which may affect the assessment of items which have been presented to the shareholders for decision. The same applies to information regarding the Company's financial position and other business to be transacted at the general meeting, unless the information demanded cannot be disclosed without causing disproportionate harm to the Company. Shareholders are entitled to bring advisors, and may grant the right of speech to one advisor.



Informasjon om generalforsamlingen og dokumenter som skal behandles av generalforsamlingen eller inntas i innkallingen er gjort tilgjengelig på Selskapets nettside, herunder vedlegg til innkallingen og Selskapets vedtekter. Dokumenter som gjelder saker som skal behandles av generalforsamlingen kan sendes vederlagsfritt til aksjeeiere på forespørsel til Selskapets kontor.

Adresse til Selskapets nettside er: [www.photocure.com](http://www.photocure.com).

Oslo, 5. april 2017

Med vennlig hilsen  
For styret i Photocure ASA

Bente-Lill Bjerkelund Romøren  
Styrets leder

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**Styrets forslag til vedtak:**

**Sak 3 – Valg av møteleder og en person til å medundertegne protokollen**

Styret foreslår at Bente-Lill Bjerkelund Romøren velges til å lede generalforsamlingen, og at en av de fremmøtte aksjonærene velges til å medundertegne protokollen.

**Sak 4 – Godkjenning av innkalling og dagsorden**

Styret foreslår at generalforsamlingen godkjenner innkalling og dagsorden.

**Sak 5 – Godkjenning av årsregnskapet og årsberetningen for regnskapsåret 2016**

Selskapets årsregnskap og årsberetning for 2016 er tilgjengelig på Selskapets internettside [www.photocure.com](http://www.photocure.com).

Styret foreslår at generalforsamlingen treffer følgende vedtak:

*"Generalforsamlingen godkjenner styrets forslag til årsregnskap og årsberetning for regnskapsåret 2016,*

Information about the general meeting and documents to be considered by the general meeting or incorporated in the notice is posted on the Company's website, including the appendices to this notice and the Company's articles of association. Documents relating to matters to be considered by the general meeting may be sent free of charge to shareholders upon request.

The address to the Company's website is:  
[www.photocure.com](http://www.photocure.com).

Oslo, 5 April 2017

Kind regards  
on behalf of the board of directors of Photocure ASA

Bente-Lill Bjerkelund Romøren  
Chairperson of the board of directors

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**The board of directors' proposal for resolutions:**

**Item 3 – Election of chairperson of the meeting and a person to co-sign the minutes**

The board of directors proposes that Bente-Lill Bjerkelund Romøren is elected as chairperson of the meeting, and that one of the present shareholders is elected to co-sign the minutes.

**Item 4 – Approval of notice and agenda**

The board of directors proposes that the notice and the agenda are approved.

**Item 5 – Approval of the annual accounts and annual report for the financial year 2016**

The Company's annual accounts and annual report for the financial year 2016 are available on the Company's website [www.photocure.com](http://www.photocure.com).

The board of directors proposes that the general meeting makes the following resolution:

*"The general meeting approves the board of director's proposal for annual accounts and annual report for the*



*herunder styrets redegjørelse for foretaksstyring i henhold til regnskapsloven § 3-3b."*

**Sak 6 – Godkjenning av erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte**

Selskapet viser til erklæringen inntatt i styrets årsberetning for 2016, og som eget vedlegg til innkallingen.

Retningslinjer for tildeling av aksjer, tegningsretter, opsjoner og andre former for godtgjørelse som er knyttet til aksjer eller utviklingen av aksjekursen i Selskapet eller i andre selskaper innenfor konsernet vil være bindende for styret ved generalforsamlingens godkjenning. Slike retningslinjer er beskrevet i punkt 3.2 i styrets erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte. Øvrige retningslinjer i denne erklæringen er veiledende for styret.

Dersom styret i en avtale fraviker de veiledende retningslinjene, skal begrunnelsen for dette angis i styreprotokollen.

Det skal avholdes en rådgivende avstemning for retningslinjer som er veiledende for styret. Bindende retningslinjer skal godkjennes av generalforsamlingen.

Styret foreslår at det avholdes en rådgivende avstemning for veiledende retningslinjer.

Styret foreslår at generalforsamlingen treffer følgende vedtak med hensyn til punkt 3.2 i erklæringen:

*"Generalforsamlingen godkjenner punkt 3.2 i erklæringen om fastsettelse av lønn og annen godtgjørelse til ledende ansatte."*

**Sak 8 – Godtgjørelse til styremedlemmer og valgkomitémedlemmer**

Valgkomiteens innstilling er vedlagt denne innkallingen, samt tilgjengelig på Selskapets internettside [www.photocure.com](http://www.photocure.com).

Valgkomiteen har blant annet foreslått at det som et alternativ til styregodtgjørelse i kontanter også kan utstedes restricted stock units (RSUer) basert på en definert markedsverdi av den underliggende aksje til de styremedlemmer som ønsker det. RSU programmet er nærmere beskrevet i valgkomiteens innstilling.

*financial year 2016, including the board of directors' report on corporate governance pursuant to the Norwegian Accounting Act section 3-3b."*

**Item 6 – Approval of the declaration on salaries and other remuneration for senior management**

The Company refers to the declaration included in the annual report for 2016, and as a separate attachment to the notice.

Guidelines for allocation of shares, subscription rights, options and any other form of remuneration stemming from shares or the development of the official share price in the Company or in other group companies are binding on the board of directors when approved by the general meeting. Such guidelines are described in section 3.2 of the board of director's declaration on salaries and other remuneration for senior management. Other guidelines are precatory for the board of directors.

If the board of directors in an agreement deviates from the precatory guidelines, the reasons for this shall be stated in the minutes of the board of directors' meeting.

An advisory vote shall be held for the guidelines that are precatory for the board of directors. Binding guidelines shall be approved by the general meeting.

The board of directors proposes that an advisory vote is held for precatory guidelines.

The board of directors proposes that the general meeting makes the following resolution with respect to section 3.2 of the declaration:

*"The general meeting approves section 3.2 of the board of director's declaration on salaries and other remuneration for senior management."*

**Item 8 – Remuneration to the board members and members of the nomination committee**

The nomination committee's recommendation is attached hereto and available on the Company's website [www.photocure.com](http://www.photocure.com).

The nomination committee has inter alia proposed that as an alternative to board remuneration in cash, it may also be issued restricted stock units based on a market value of the underlying share to the members of the board of directors who choose this option. The RSU program is further described in the nomination committee's recommendation.



Styret foreslår at generalforsamlingen, i tråd med valgkomiteens innstilling, treffer følgende vedtak:

*"Godtgjørelse til styrets medlemmer for siste år fastsettes til NOK 470 000 for styrets leder og NOK 270 000 for hvert av de øvrige styremedlemmene.*

*Valgkomiteens forslag om innføring av et restricted stock units ("RSU") program godkjennes. Hvert styremedlem må velge ett av de fire følgende alternativene:*

- a. Motta 100 % av styregodtgjørelsen i form av RSUer;*
- b. Motta 1/3 av styregodtgjørelsen i kontanter og 2/3 i form av RSUer;*
- c. Motta 2/3 av styregodtgjørelsen i kontanter og 1/3 i forma av RSUer; eller*
- d. Motta 100 % av styregodtgjørelsen i kontanter og ingen RSUer.*

*Hver RSU gir styremedlemmer rett og plikt til å kjøpe én aksje i Selskapet til pålydende verdi. Antall RSUer som skal tildeles skal beregnes basert på NOK beløpet av RSU delen av den samlede godtgjørelsen, delt på markedspris for Selskapets aksjer. Ytterligere vilkår og betingelser for RSUer fastsettes av valgkomiteen i henhold til valgkomiteens innstilling til generalforsamlingen.*

*Generalforsamlingen oppfordrer styremedlemmer til å delta i RSU-programmet.*

*Styremedlemmer bosatt utenfor Norge skal bli kompensert med et beløp tilsvarende EUR 100 for hver arbeidstime benyttet til reise, i henhold til valgkomiteens innstilling til generalforsamlingen. "*

Styret foreslår at generalforsamlingen, i tråd med valgkomiteens innstilling, treffer følgende vedtak:

*"Godtgjørelse for hvert av medlemmene av valgkomiteen fastsettes til NOK 20 000 for siste år."*

The board of directors proposes that the general meeting, in accordance with the nomination committee's recommendation, makes the following resolution:

*"Remuneration to the members of the board for the last year is fixed to NOK 470,000 for the chairperson for the board and NOK 270,000 for each of the other board members.*

*The nomination committee's proposal to implement a restricted stock units ("RSU") program is approved. Each member of the Board has to choose one of the following four alternatives:*

- a. Receive 100 % of the board remuneration in the form of RSUs;*
- b. Receive 1/3 of the board remuneration in cash and 2/3 in the form of RSUs;*
- c. Receive 2/3 of the board remuneration in cash and 1/3 in the form of RSUs; or*
- d. Receive 100% of the board remuneration in cash and no RSUs.*

*Each RSU give board members a right and obligation to acquire one share in the Company at par value. The number of RSUs to be granted is calculated based on the NOK amount of the RSU portion of the total remuneration, divided by the market price for the Company's shares. Further terms and conditions for RSUs are determined by the nomination committee in accordance with the nomination committee's recommendation to the general meeting.*

*The general meeting encourages board members to participate in the RSU program.*

*Board members domiciled outside Norway shall be compensated with an amount equivalent of EUR 100 for each working hours spent travelling, in accordance with the nomination committee's recommendation to the general meeting."*

The board of directors proposes that the general meeting, in accordance with the nomination committee's recommendation, makes the following resolution:

*"Remuneration for each member of the nomination committee for the last year is fixed to NOK 20,000."*



### Sak 9 – Godtgjørelse til revisor

Påløpte honorarer til revisor for 2016 utgjør totalt NOK 744 590, hvorav NOK 300 000 er relatert til ordinær lovpålagt revisjon for regnskapsåret 2016, NOK 54 590 er relatert til attestasjonstjenester og andre revisjonsnære tjenester og NOK 390 000 for andre tjenester. Generalforsamlingen skal treffe vedtak om honorar relatert til lovpålagt revisjon.

Styret foreslår at generalforsamlingen treffer følgende vedtak:

*"Godtgjørelse til revisor for 2016 på NOK 300 000 for lovpålagt revisjon godkjennes."*

### Sak 10 – Valg av styremedlemmer

Valgkomiteens innstilling er vedlagt denne innkallingen, samt tilgjengelig på Selskapets internettside [www.photocure.com](http://www.photocure.com).

Det nåværende styret ble valgt med en valgperiode frem til ordinær generalforsamling 2017. Følgelig skal generalforsamlingen velge et nytt styre.

Styret foreslår at generalforsamlingen, i tråd med valgkomiteens innstilling, velger følgende styremedlemmer med valgperiode frem til ordinær generalforsamling i 2018, ved å fatte følgende vedtak:

*"Følgende personer velges som styremedlemmer:*

- Jan H. Egberts, *styreleder*
- Xavier Yon, *styremedlem*
- Synne Røine, *styremedlem*
- Tom Pike, *styremedlem*
- Grannum R. Sant, *styremedlem*
- Johanna Holldack, *styremedlem*
- Gwen Mellincoff, *styremedlem*

*med en valgperiode frem til ordinær generalforsamling i 2018."*

### Sak 11 – Valg av medlemmer til valgkomiteen

Valgkomiteens innstilling er vedlagt denne innkallingen, samt tilgjengelig på Selskapets internettside [www.photocure.com](http://www.photocure.com).

### Item 9 – Remuneration to the auditor

Accrued fees to the auditor for 2016 amount to NOK 744,590 for the Company, whereof NOK 300,000 is related to the statutory audit for the financial year 2016, NOK 54,590 is related to attestation services and other audit related services and NOK 390,000 to other services. The general meeting shall make a resolution regarding the remuneration related to the statutory audit.

The board of directors proposes that the general meeting makes the following resolution:

*"Remuneration to the auditor for 2016 of NOK 300,000 for statutory audit is approved."*

### Item 10 – Election of board members

The nomination committee's recommendation is attached hereto and available on the Company's website [www.photocure.com](http://www.photocure.com).

The current board of directors was elected with an election term until the ordinary general meeting 2017. Accordingly, the general meeting shall elect a new board of directors.

The board of directors proposes that the general meeting, in accordance with the nomination committee's recommendation, elects the following board members with an election period until the ordinary general meeting in 2018, by making the following resolution:

*"The following persons are elected as board members:*

- Jan H. Egberts, *chairperson*
- Xavier Yon, *board member*
- Synne Røine, *board member*
- Tom Pike, *board member*
- Grannum R. Sant, *board member*
- Johanna Holldack, *board member*
- Gwen Mellincoff, *board member*

*with an election term until the ordinary general meeting in 2018."*

### Item 11 – Election of members to the nomination committee

The nomination committee's recommendation is attached hereto and available on the Company's website [www.photocure.com](http://www.photocure.com).



Alle medlemmer av valgkomiteen er, i henhold til Selskapets vedtekter, på valg hvert år.

Styret foreslår at generalforsamlingen, i tråd med valgkomiteens innstilling, velger følgende medlemmer til valgkomiteen, med valgperiode frem til ordinær generalforsamling i Selskapet i 2018, ved å fatte følgende vedtak:

*"Følgende personer velges som medlemmer av valgkomiteen:*

- Hans Peter Bøhn, leder
- James McDonald, medlem
- Dan Mahoney, medlem.

*med en valgperiode frem til ordinær generalforsamling i 2018."*

#### **Sak 12 – Frist for innkalling til ekstraordinær generalforsamling**

Etter allmennaksjeloven kan det i noterte selskaper når det legges til rette for at aksjeeierne kan stemme på generalforsamlingen elektronisk besluttes av generalforsamlingen, med virkning frem til den neste ordinære generalforsamlingen, at innkalling til ekstraordinær generalforsamling kan sendes senest to uker før møtet skal holdes. Styret anser det hensiktsmessig at generalforsamlingen treffer slikt vedtak for å legge til rette for effektiv saksbehandling ved behov.

Styret foreslår at generalforsamlingen treffer følgende vedtak:

*"Fristen for innkalling til ekstraordinær generalforsamling kan settes til to uker for ekstraordinære generalforsamlinger i perioden frem til ordinær generalforsamling 2018."*

#### **Sak 13 – Styrefullmakt til erverv av egne aksjer**

Styret har fullmakt fra generalforsamlingen til erverv av aksjer i Selskapet som også omfatter erverv av avtalepant i egne aksjer. Styret foreslår at fullmakten fornyes.

Selskapets styre mener at det er hensiktsmessig å ha en fullmakt til å kunne erverve egne aksjer, herunder å kunne inngå avtaler om pant i egne aksjer. Styret foreslår at

Pursuant to the Company's articles of association, all members of the nomination committee shall be elected annually by the general meeting.

The board of directors proposes that the general meeting, in accordance with the nomination committee's recommendation, elects the following members to the nomination committee, with an election period until the ordinary general meeting in 2018 by making the following resolution:

*"The following persons are elected as members of the nomination committee:*

- Hans Peter Bøhn, chairperson
- James McDonald, member
- Dan Mahoney, member.

*with an election term until the ordinary general meeting in 2018."*

#### **Item 12 – Notice period for calling extraordinary general meeting**

Pursuant to the Norwegian Public Limited Liability Companies Act it may in listed companies where it is facilitated for shareholders to vote at the general meeting online, be decided by the general meeting, with effect until the next annual general meeting, that the notice of extraordinary general meetings may be sent no later than two weeks prior to such meeting being held. The board finds it appropriate that the general meeting makes such resolution to facilitate expedient case handling if needed.

The board of directors proposes that the general meeting makes the following resolution:

*"The notice period for the notice of extraordinary general meetings may be set to two weeks for extraordinary general meeting in the period until the annual general meeting 2018."*

#### **Item 13 – Board authorisation to acquire own shares**

The board has authorisation from the general meeting to acquire own shares which also includes acquisition of charge by agreement in own shares. The board proposes that the authorization is renewed.

The Company's board of directors believes it to be expedient to have an authorisation to acquire own shares, including to enter into agreements on charges in own shares. The board





generalforsamlingen tildeler slik fullmakt på de betingelser som fremgår nedenfor.

Fullmakten vil gi Styret mulighet til å utnytte de finansielle instrumenter og mekanismer som allmennaksjeloven gir anledning til. Tilbakekjøp av egne aksjer, med etterfølgende sletting, vil kunne være et viktig virkemiddel for optimalisering av Selskapets kapitalstruktur. Videre vil en slik fullmakt også medføre at Selskapet, etter eventuelt erverv av egne aksjer, kan benytte egne aksjer i forbindelse med incentivprogram og for helt eller delvis oppgjør i forbindelse med erverv av virksomheter.

Styrets forslag til vedtak innebærer en fullmakt til erverv av egne aksjer med samlet pålydende verdi tilsvarende tilnærmet 10 % av Selskapets aksjekapital. Aksjer ervervet av Selskapet skal kunne benyttes for eventuell senere nedskrivning av aksjekapitalen med generalforsamlingens samtykke, godtgjørelse til styrets medlemmer, for incentivprogram eller som oppgjør i eventuelle oppkjøp av virksomheter.

Styret foreslår på denne bakgrunn at generalforsamlingen treffer følgende vedtak:

*"I henhold til allmennaksjeloven §§ 9-4 og 9-5 gis styret fullmakt til å erverve Selskapets egne aksjer, på følgende vilkår:*

- 1 Selskapet kan, i en eller flere omganger, erverve egne aksjer opptil samlet pålydende verdi NOK 1 077 895,50. Fullmakten omfatter også erverv av avtalepart i egne aksjer.*
- 2 Den høyeste og laveste kjøpesum som skal betales for aksjene som kan erverves i henhold til fullmakten er henholdsvis maksimalt NOK 100 og minimum NOK 0,50. Styret står for øvrig fritt med hensyn til på hvilken måte erverv og avhendelse av egne aksjer skal skje.*
- 3 Fullmakten gjelder til ordinær generalforsamling i 2018, likevel senest til 30. juni 2018.*
- 4 Aksjer ervervet i henhold til fullmakten skal enten slettes ved kapitalnedsettelse i Selskapet, brukes til godtgjørelse til styrets medlemmer, brukes i incentivprogram eller benyttes som vederlagsaksjer i forbindelse med erverv av virksomheter.*

of directors proposes that the general meeting grants such authorisation on the terms set out below.

The authorisation would give the board of directors the opportunity to take advantage of the financial instruments and mechanisms provided by the Norwegian Public Limited Liability Companies Act. Buy-back of the Company's shares, with subsequent cancellation, may be an important aid for optimising the Company's capital structure. In addition, such authorisation will also enable the Company, following any acquisition of own shares, to use own shares as part of incentive schemes, and in full or in part, as consideration with regards to acquisition of businesses.

The board of directors' proposal entails that the general meeting gives the board of directors an authorisation to acquire shares in the Company, with a total nominal value corresponding to 10 % of the Company's share capital. Shares acquired by the Company can be used in a later reduction of the share capital with the general meeting's approval, remuneration to the members of the board, for incentive schemes or as consideration with regards to acquisition of businesses.

The board of directors proposes that the general meeting makes the following resolution:

*"In accordance with the Norwegian Public Limited Liability Companies Act sections 9-4 and 9-5, the board of directors is authorised to acquire the Company's own shares, on the following conditions:*

- 1 The Company may, in one or more rounds, acquire shares with a total nominal value of up to NOK 1,077,895.50. The authorisation also includes acquisition of charge by agreement in own shares.*
- 2 The highest and lowest purchase price payable for shares acquired pursuant to the authorisation shall be maximum NOK 100 and minimum NOK 0,50 respectively. The board of directors is incidentally free to decide on the means to be used to acquire and dispose of own shares.*
- 3 This authorisation is valid until the ordinary general meeting in 2018, however no later than 30 June 2018.*
- 4 Shares acquired pursuant to this authorisation shall either be deleted in connection with a later reduction of the registered share capital, be applied as remuneration to the members of the*



- 5 Fullmakten erstatter andre fullmakter til styret til å erverve egne aksjer i Selskapet fra tidspunktet for registrering i Foretaksregisteret."

#### Sak 14 – Styrefullmakter til å gjennomføre kapitalforhøyelse

Styrets eksisterende fullmakter fra generalforsamlingen til gjennomføring av aksjekapitalforhøyelse i Selskapet utløper på tidspunktet for den ordinære generalforsamlingen 2017. Styret foreslår at fullmaktene fornyes.

Den første fullmakten vil legge til rette for at styret ved behov kan sikre finansiering av Selskapets videre utvikling og/eller gjennomføre oppkjøp med oppgjør i aksjer. Den andre fullmakten kan benyttes til å utstede aksjer til ansatte under Selskapets incentivordning. Formålet tilsier at aksjeeiernes fortrinnsrett til å tegne aksjer kan settes til side ved bruk av fullmaktene.

Styret foreslår at generalforsamlingen treffer følgende vedtak:

(1)

1. "Styret gis herved fullmakt til å gjennomføre en eller flere aksjekapitalforhøyelser samlet begrenset oppad til 2 155 791 aksjer pålydende NOK 0,50. Samlet økning av aksjekapitalen kan utgjøre opp til NOK 1 077 895,50.
2. Fullmakten kan benyttes til å utstede aksjer for å sikre finansiering av Selskapets utvikling. Fullmakten kan også benyttes ved erverv, fusjoner og andre virksomhetsformål som tjener Selskapets utvikling. Aksjer vil kunne utstedes mot kontantvederlag eller vederlag i form av andre aktiva (tingsinnskudd).
3. Styret gis fullmakt til å fastsette øvrige vilkår for tegningen, herunder tegningskurs, dato for innbetaling og retten til videresalg av aksjene til andre.

board, for incentive schemes or as consideration shares with regards to acquisition of businesses.

- 5 The authorisation replaces any other authorisation to the board of directors to acquire own shares in the Company from registration in the Norwegian Register of Business Enterprises."

#### Item 14 – Board authorisations to increase the share capital

The board's current authorisations from the general meeting to implement share capital increase in the Company expire at the time of the annual general meeting 2017. The board proposes that the authorizations are renewed.

The first authorisation will allow the board to, if required, secure financing for the further development of the Company and/or carry out acquisitions by issuing shares as consideration. The second authorisation may be used to issue shares to employees under the Company's incentive scheme. The purpose of the authorisations indicates that the pre-emptive rights for existing shareholders to subscribe for new shares may be set aside if the authorisations are used.

The board proposes that the general meeting makes the following resolutions:

(1)

1. "The board of directors is hereby authorised to execute one or more share capital increases by issuing in total up to 2,155,791 shares with a nominal value of NOK 0.50. The total amount by which the share capital may be increased is NOK 1,077,985.50.
2. The authorisation may be used to issue shares in order to secure the financing of the Company's development. The authorisation can also be used in connection with acquisitions, mergers and other business purposes that serve the Company's development. Shares can be issued against cash deposit or against other assets (contribution in kind).
3. The board of directors is authorised to decide upon the subscription terms, including subscription price, date of payment and the right to sell shares to others in relation to an increase of share capital.



<p>4. Fullmakten gjelder til ordinær generalforsamling i 2018, likevel senest til 30. juni 2018.</p> <p>5. Eksisterende aksjeeieres fortrinnsrett til å tegne aksjer etter allmennaksjeloven § 10-4 kan settes til side.</p> <p>6. Fullmakten omfatter beslutning om fusjon etter allmennaksjeloven § 13-5.</p> <p>7. Generalforsamlingen gir styret fullmakt til å endre Selskapets vedtekter vedrørende aksjekapitalen og antall aksjer når fullmakten brukes.</p> <p>8. Denne styrefullmakt erstatter tidligere gitte fullmakter til kapitalforhøyelse fra tidspunktet for registrering i Foretaksregisteret."</p> <p>og</p> <p>(2)</p> <p>1. "Styret gis herved fullmakt til å gjennomføre en eller flere aksjekapitalforhøyelser samlet begrenset oppad til 1 077 895 aksjer pålydende NOK 0,50. Samlet økning av aksjekapitalen kan utgjøre opp til NOK 538 947,50.</p> <p>2. Styret kan utvide aksjekapitalen ved utstedelse av aksjer til ansatte og medlemmer av styret. Fullmakten kan også benyttes til utstedelse av aksjer ved utøvelse av opsjoner/tegningsrettigheter tildelt under Selskapets incentivprogram.</p> <p>3. Fullmakten gjelder til ordinær generalforsamling i 2018, likevel senest til 30. juni 2018.</p> <p>4. Eksisterende aksjeeieres fortrinnsrett til å tegne aksjer etter allmennaksjeloven § 10-4 kan settes til side.</p>	<p>4. This authorisation is valid until the ordinary general meeting in 2018, however at the latest until 30 June 2018.</p> <p>5. Existing shareholders pre-emptive right to subscribe for shares according to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be set aside.</p> <p>6. The authorisation includes decision on merger according to Section 13-5 of the Norwegian Public Limited Companies Act.</p> <p>7. The general meeting authorises the board of directors to amend the Company's articles of association concerning the share capital and number of shares when the authorisation is used.</p> <p>8. This authorisation replaces previously granted authorisations for share capital increase from registration in the Norwegian Register of Business Enterprises."</p> <p>and</p> <p>(2)</p> <p>1. "The board of directors is hereby authorised to execute one or more share capital increases by issuing in total 1,077,895 shares with a nominal value of NOK 0.50. The total amount by which the share capital may be increased is NOK 538,947.50.</p> <p>2. The board of directors is authorised to increase the Company's share capital through issuing shares to employees and members of the board of directors]. The authorisation may also be used to issue shares in connection with the exercising of options/subscription rights allocated under the Company's incentive program.</p> <p>3. This authorisation is valid until the ordinary general meeting in 2018, however no later than 30 June 2018.</p> <p>4. Existing shareholders pre-emptive right to subscribe for shares according to Section 10-4 of the Norwegian Public Limited Liability Companies Act may be set aside.</p>
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5. Fullmakten omfatter ikke beslutning om fusjon etter allmennaksjeloven § 13-5 eller kapitalforhøyelse ved tingsinnskudd.

6. Generalforsamlingen gir styret fullmakt til å endre Selskapets vedtekter vedrørende aksjekapitalen og antall aksjer når fullmakten brukes."

\*\*\*

Ingen andre saker foreligger til behandling.

5. The authorisation does not include decision on merger according to Section 13-5 of the Norwegian Public Limited Companies Act or share capital increase with settlement against consideration in kind.

6. The general meeting authorises the board of directors to amend the Company's articles of association concerning the share capital and number of shares when the authorisation is used."

\*\*\*

No other matters are on the agenda.



[NAME]  
[ADRESS I]  
[ADRESS II]  
[ZIP CODE PLACE]  
[COUNTRY]

PIN: XXXXX

REF: XXXXX

Annual general meeting in Photocure ASA is held  
Thursday 27 April 2017 at 17:00 (CET) in  
Hoffsveien 4, 1<sup>st</sup> floor, 0275 Oslo

#### NOTICE OF ATTENDANCE

**Notice of attendance for the general meeting, either personally or by proxy, must be received by Nordea no later than 24 April 2017 at 16:00 (CET).**

Notice of attendance can be sent to Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, 0107 Oslo, Norway, Email: [isno@nordea.com](mailto:isno@nordea.com) or telex +47 22 36 97 03. Attendance can also be registered electronically through the company's website [www.photocure.com](http://www.photocure.com) or through VPS Investor Services for shareholders with access to this. The reference code must be stated upon the registration of attendance.

The undersigned will attend the annual general meeting in Photocure ASA on 27 April 2017:

Representative for the shareholder (if a company) \_\_\_\_\_

Place

Date

Signature for the shareholder

If the shareholder is a company, the certificate of registration or other valid documentation (e.g. board resolution) showing that the undersigned may sign on behalf of the shareholder shall be attached. Shareholders which are granting proxy shall use the proxy form. Shareholders which provide an advance vote shall use the form on advance voting.





[NAME]  
 [ADDRESS I]  
 [ADDRESS II]  
 [ZIP CODE PLACE]  
 [COUNTRY]

PIN: XXXXX

REF: XXXXX

Annual general meeting in Photocure ASA is held  
 Thursday 27 April 2017 at 17:00 (CET) in  
 Hoffsvæien 4, 1<sup>st</sup> floor, 0275 Oslo

**PROXY WITH VOTING INSTRUCTIONS**

This proxy form is to be used for a proxy with voting instructions.

**Notice of attendance for the general meeting, either personally or by proxy, must be received by Nordea no later than 24 April 2017 at 16:00 (CET). Attendance will be registered when this proxy has been received within the said deadline.**

The proxy form can be sent to Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, 0107 Oslo, Norway, Email: [isno@nordea.com](mailto:isno@nordea.com) or telex +47 22 36 97 03. Registration of proxy can also be made electronically through the company's website [www.photocure.com](http://www.photocure.com) or through VPS Investor Services for shareholders with access to this. The reference code must be stated upon the registration of attendance.

The undersigned shareholder hereby grants (tick off)

- The chairperson of the board of directors or the person who the chairperson authorises
- Name of proxy holder:

a proxy to attend and vote at Photocure ASA's annual general meeting on 27 April 2017 for my/our shares. If the proxy holder is not named, the proxy shall be deemed granted to the chairperson of the board of directors or the person who the chairperson authorises.

Neither the company nor the chairperson of the board (or whoever the chairperson of the board authorises) can be held responsible for any loss resulting from the proxy form not being received by the proxy in time. The company and the chairperson of the board (or whoever the chairperson of the board authorises) are not responsible for ensuring that votes will be cast in accordance with the proxy form and have no responsibility in connection with cast of votes pursuant to the proxy form.

**Please note that if any items below are not voted on (not ticked off); this will be deemed to be an instruction to vote "for" the proposals in the notice.** However, if any motions are made from the floor in addition to or in replacement of the proposals in the notice, the proxy holder may vote or abstain from voting at his discretion. If the voting instruction is unclear, the proxy holder will vote on the basis of his reasonable understanding of the instruction. Where no such reasonable interpretation is possible, the proxy holder may abstain from voting.

Agenda annual general meeting 2017	For	Against	Abstain
1. Opening of the meeting by the chairperson of the board of directors	<i>No vote</i>		
2. Presentation of the record of shareholders and representatives present	<i>No vote</i>		
3. Election of a chairperson of the meeting and a person to co-sign the minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of notice and agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of the annual accounts and the annual report for the financial year 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of the declaration on salaries and other remuneration for senior management			
a. Advisory vote is held for precatory guidelines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Approval of binding guidelines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Presentation of the company's state of affairs	<i>No vote</i>		



8. Remuneration to the board members and members of the nomination committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Remuneration to the auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Election of board members The nomination committee's proposal in its entirety, or individual vote:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- <i>Jan H. Egberts, chairperson</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- <i>Xavier Yon, board member</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- <i>Synne Røine, board member</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- <i>Tom Pike, board member</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- <i>Grannum R. Sant, board member</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- <i>Johanna Holldack, board member</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- <i>Gwen Mellincoff, board member</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Election of members to the nomination committee The nomination committee's proposal in its entirety, or individual vote:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- <i>Hans Peter Bøhn, chairperson</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- <i>James McDonald, member</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- <i>Dan Mahoney, member</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Notice period for calling extraordinary general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Board authorisations to acquire own shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Board authorisations to increase the share capital			
Board authorisation no. 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Board authorisation no. 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Representative for the shareholder (if a company) \_\_\_\_\_

Place

Date

Signature for the shareholder

If the shareholder is a company, the certificate of registration or other valid documentation (e.g. board resolution) showing that the undersigned may sign on behalf of the shareholder shall be attached.





[NAME]  
[ADDRESS I]  
[ADDRESS II]  
[ZIP CODE PLACE]  
[COUNTRY]

PIN: XXXXX

REF: XXXXX

Annual general meeting in Photocure ASA is held  
Thursday 27 April 2017 at 17:00 (CET) in  
Hoffsveien 4, 1<sup>st</sup> floor, 0275 Oslo

#### FORM FOR ADVANCE VOTING

This form is used to provide advance votes. **Advance votes must be received by Nordea not later than 24 April 2017 at 16:00 (CET).** Neither the company nor the chairperson of the board (or whoever the chairperson of the board authorises) can be held responsible for any loss resulting from advance votes not being received in time.

The form for advance voting can be sent to Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, 0107 Oslo, Norway, Email: [isno@nordea.com](mailto:isno@nordea.com) or telex +47 22 36 97 03. Registration of advance votes can also be made electronically through the company's website [www.photocure.com](http://www.photocure.com) or through VPS Investor Services for shareholders with access to this. The reference code must be stated upon the registration of attendance.

Until the deadline stated above votes already cast can be changed or withdrawn. Votes cast prior to the general meeting being held will be deemed withdrawn if the shareholder attends in person at the general meeting or by proxy. Shareholders which cast advance votes will not have the possibility to consider or vote over motions made from the floor, proposals in addition to or as replacement of the proposals in the notice. If the tick-off in the form is unclear the chairperson of the meeting may register that the shareholder abstains from voting. **Please note that if a vote is not cast for or against by tick-off of the items below in a matter on the agenda, this will be deemed as the shareholder abstains from voting in the particular matter.**

Agenda annual general meeting 2017	For	Against	Abstain
1. Opening of the meeting by the chairperson of the board of directors	<i>No vote</i>		
2. Presentation of the record of shareholders and representatives present	<i>No vote</i>		
3. Election of a chairperson of the meeting and a person to co-sign the minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of notice and agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of the annual accounts and the annual report for the financial year 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of the declaration on salaries and other remuneration for senior management			
c. Advisory vote is held for precatory guidelines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Approval of binding guidelines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Presentation of the company's state of affairs	<i>No vote</i>		
8. Remuneration to the board members and members of the nomination committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Remuneration to the auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## PHOTOCURE ASA

### THE BOARD OF DIRECTORS' DECLARATION ON DETERMINATION OF SALARIES AND OTHER REMUNERATION FOR SENIOR MANAGEMENT 2017

#### 1. General

This declaration is prepared by the board of directors in Photocure ASA (“**Photocure**” or the (“**Company**”) in accordance with the Norwegian Public Limited Liability Companies Act (the “**Companies Act**”) section 6-16a, for consideration at the annual general meeting on 27 April 2017.

Principles in this declaration regarding allocation of shares, subscription rights, options and any other form of remuneration stemming from shares or the development of the official share price in the Company are binding on the board of directors when approved by the general meeting. Such guidelines are described in section 3.2. Other guidelines are precatory for the board of directors. If the board of directors in an agreement deviates from these guidelines, the reasons for this shall be stated in the minutes of the board of directors’ meeting.

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 Companies Act. The annual general meeting in 2018 will review how the principles set out in this declaration have been pursued in 2017 and deal with the principles for 2018 in accordance with the Companies Act.

#### 2. Main principles

Senior management remuneration in Photocure and group companies shall be determined based on the following main principles:

##### 2.1 Remuneration shall be competitive, but not leading

Senior management remuneration shall, as a general guideline, be suited to attract and retain skilled leaders in order to enhance value creation in the Company and contribute to aligned interests between management and the shareholders. Total remuneration should as a general rule be at level with remuneration for senior management in comparable industries, businesses and positions in the country in which the individual manager resides.

##### 2.2 Remuneration shall be motivational

Senior management remuneration shall be structured to drive motivation and encourage improvements in results and shareholder value. In general, the remuneration consists of five elements: base salary, short term incentives, long term incentives, benefits in kind and pension benefits.

The variable remuneration, short term and long term, is linked to value generation for shareholders over time. The variable remuneration is determined both by achievement of individual and Company wide key performance indicators and goals. Instrumental is that the senior manager both individually and as a team can influence achievement of the key performance indicators and goals.

The long term incentives are tied to development of the official share price in the Company and in accordance with section 3.2 of this declaration.

### **2.3 Remuneration shall be comprehensible and acceptable both internally and externally**

The remuneration system shall not be unduly difficult to explain to the general public and should not involve disproportional complexity for the administration.

### **2.4 Remuneration shall be flexible, allowing adjustments over time**

To be able to offer competitive remuneration the Company must have a flexible system that can accommodate changes as Company and markets evolve.

## **3. Principles regarding benefits offered in addition to base salary**

The base salary is the main element of the senior manager's remuneration. Additional and variable remuneration elements are, at time of grant, subject to determination of specific maximum amounts depending on position.

The following refer to the individual benefits which are granted in addition to base salary. Unless specifically mentioned, no special terms, conditions or allocation criteria apply to the benefits mentioned.

### **3.1 Additional benefits**

#### **3.1.1 Short term incentive / bonus scheme**

The Company has established a bonus scheme for senior management. These schemes are reviewed at least annually. Bonus schemes are tied to achievement of operational and financial goals for the Company laid down by the Board of directors and achievement of personal goals. Personal goals for senior management are approved by the Board of directors at the start of the year.

The Chief Executive Officer of the Company has a bonus agreement of up to 40% of base salary, while other members of the senior management team have bonus agreements from 20% to 30% of their base salary.

#### **3.1.2 Pension plans and insurance**

Senior managers participate in the Company's pension scheme, which is a contribution scheme that involves payment of between 6% and 16% of the employee's salary, up to a maximum of 12 times the basic amount (G) of the Norwegian National Social Security Scheme (Folketrygden). Photocure has established pension coverage for management for salary above 12 G. The scheme is a contribution-based operating pension with provisions corresponding to 16% of salary above 12 G. In the event of resignation, full pension rights are conditional upon at least five years' employment, while less than 3-years' employment carries no rights. The pension schemes also cover in the event of disability.

The Company compensates the senior management for health and life insurance plans in line with standard conditions for senior positions, in addition to mandatory occupational injury insurance required under Norwegian Law.

#### **3.1.3 Severance schemes**

In accordance with detailed regulations, the current Chief Executive Officer is entitled to continue to receive his salary for up to 24 months after the end of his period of notice. Should the Chief Executive Officer receive other income from employment in this period, any such income will be offset in full against his continued salary during the last 12 months of the period in which he continues to receive salary. Other senior management have a period of notice between 3 and 12 months.

#### **3.1.4 Benefits in kind**

Senior managers will normally be given the benefits in kind that are common market practice, i.e., telephone expenses, a laptop, free broadband connection and use, newspapers and car allowance. There are no special restrictions on the type of other benefits that can be agreed on.

#### **3.1.5 Loans and guarantees**

No loans are granted, nor any security provided for members of the senior management team, the Board of directors, employees or other persons in elected corporate bodies.

#### **3.1.6 Other benefits**

It may be used other variable elements in the remuneration or awarded other special benefits than those mentioned above, provided that this is considered expedient for attracting and/or retaining a manager. No special limitations have been placed on the type of benefits that can be agreed.

### **3.2 Binding principles for options and other types of benefits related to shares or share price trends**

Senior managers may be offered to participate in a cash bonus plan up to 30% of the annual base salary at the time for granting. The bonus is offered to the senior managers according to the Board's discretion. The Board will take into consideration inter alia the Company's goals and strategies as well targeted performance for each senior manager, when allocating the bonus.

The plan is a performance based remuneration element reflecting the underlying long term value creation of the company. The participant receiving the grant is required to invest the net bonus payment after tax into shares in the Company ("**Restricted Stocks**"), that will be subject to a three years' lock up period. The Company will, on behalf of the participant, seek to facilitate the share purchase with the use of treasury shares or share capital increases. The Board will decide further terms and conditions regarding the lock-up, termination of employment and other terms and conditions for the Restricted Stock plan.

Existing subscription rights issued under the Company's previous stock option incentive plan, as resolved by the annual general meeting of the Company in 2016 and previous years, will continue in accordance with their terms. The Board may however, at its discretion, convert granted stock options to Restricted Stocks based on fair value. No further subscription rights are granted under the stock option incentive plan after implementation of the Restricted Stock plan.

### **4. Remuneration to senior managers in other Photocure companies**

All companies in the Photocure group are to follow the main principles for the determining of senior management salaries and remuneration as set out in this declaration. Photocure aims at coordinating management remuneration policy and the schemes used for variable benefits throughout the group.

## **5. Statement on executive salary policy and consequences of agreements on remuneration in the previous financial year**

Remuneration, including pension and insurances, severance schemes, benefits in kind and other benefits granted to senior management are discussed note 22 to the annual accounts for the financial year 2016.

Photocure has had an incentive scheme regarding allocation of share options in the Company, pursuant to which current senior management have received a total of 183,400 options in 2016. Each option carries the right to subscribe one share in the Company. From and including 2017, the Company has implemented the Restricted Stock plan as further described in section 3.2 of this declaration. Previous allocated share options will remain until exercised, lapsed or converted to Restricted Stock.

The annual report and annual accounts for 2016 are available on the web site of the Company, [www.photocure.com](http://www.photocure.com).

The agreements entered into with senior management during the financial year 2016 are entered into in accordance with the principles for determining senior management salaries and remuneration as approved by the general meeting in 2016.

The Board believes that the guidelines for share-based remuneration promote value creation in the Company and that the impact they have on the Company and shareholders is positive.

Oslo, 5 April 2017

The Board of Directors of Photocure ASA

## **REPORT AND RECOMMENDATIONS FROM THE NOMINATION COMMITTEE IN PHOTOCURE TO THE ANNUAL GENERAL MEETING TO BE HELD ON APRIL 27<sup>TH</sup> 2017**

### **1) NOMINATION COMMITTEE MANDATE AND MEMBERSHIP**

The mandate of the Nomination Committee is stipulated in the Articles of Association § 7:

*“The company shall have a Nomination Committee.*

*The Nomination Committee shall make recommendations to the general meeting regarding election of shareholder-elected members of the Board of Directors, remuneration to the members of the Board of Directors, election of members to the Nomination Committee and remuneration to the members of the Nomination Committee.*

*The Nomination Committee shall consist of two to three members out of whom at least two shall be shareholders or representatives of shareholders. The members of the Nomination Committee, including the chairperson of the Nomination Committee, are elected by the general meeting for a term of one year. Remuneration to the members of the Nomination Committee is determined by the general meeting.*

*The general meeting shall resolve the instructions for the Nomination Committee.”*

At the Annual General Meeting (AGM) on April 28<sup>th</sup> 2016 the Nomination Committee was established as follows: Daniel Mahony (member); James McDonald (member); Hans Peter Bøhn (leader)

### **2) THE ACTIVITIES OF THE NOMINATION COMMITTEE**

Since the members of the Nomination Committee are located in the UK, Australia and Norway respectively, we have not had opportunity to hold meetings with all present. However, the Nomination Committee held a kick-off meeting in November 2016 where Dan Mahony and HP Bøhn were present with James McDonald available over the telephone. After this, there have been a number of teleconferences and exchange of e-mails. The Committee has conducted a survey among the 20 largest shareholders. In addition, the chairman has had contact over the telephone with the top 10. Furthermore, the committee chairman has conducted separate telephone interviews with Board members and met the entire Board on two occasions. The committee has also been in dialogue with the Board chairperson on a continuous basis. Conversely, she has given input to, and regularly been updated on the committee's work. The committee has been in running contact with Photocure's CEO, who also has had several meeting with the committee chairman.

After the Board chairperson, Bente-Lill Romøren announced she would not make herself available for re-election, the Committee decided to engage an executive search agency to help finding a replacement. This was motivated by identifying a need for a broader international experience on the Board, especially operational, related to sales and marketing within pharmaceuticals and diagnostics. At the same time, the Committee wanted a candidate with experience from structural transactions, such as licensing, acquisitions and divestments of products and operational units. The decision to

engage an executive search agency was endorsed by the Photocure Board as well as company management. After a brief bidding round, Russell Reynolds was chosen. The Nomination Committee has since had a running contact with Russell Reynolds. After a search process and a round of interviews we have arrived at a number of suitable candidates.

### 3) PROPOSED COMPOSITION OF THE BOARD OF DIRECTORS

All members of the Board of Directors, including the leader, are up for election every year. The Chairperson Bente-Lill Romøren has announced that she will retire from the Board. The remaining members will stand for re-election. The Nomination Committee propose the following:

Jan H. Egberts (board chair)	(new)
Xavier Yon (board member)	(re-election)
Synne Røine (board member)	(re-election)
Tom Pike (board member)	(re-election)
Grannum R. Sant (board member)	(re-election)
Johanna Holldack (board member)	(new)
Gwen Melincoff (board member)	(new)

Jan H. Egberts is proposed as the new chairperson. Johanna Holldack and Gwen Melincoff are proposed as new board members. Brief CVs for the three new candidates may be found in an appendix hereto. The bios for remaining board members are presented on the company website, and thus accessible for the shareholders.

The proposal from the Nomination Committee is based on a careful evaluation of what additional competence and experience could be beneficial for the company in its current situation. It is our belief that the proposed new members are eminently suited to the task and will represent a significant strengthening of the board's international experience, network and know-how.

### 4) REMUNERATION OF BOARD MEMBERS

#### 4a) Nominal remuneration

The Nomination Committee propose that the remuneration to board members is left unchanged:

Board chairperson: NOK 470,000 annually

Board members: NOK 270,000 annually

#### 4b) Restricted Stock Units

In order to attract eligible board members with appropriate competence and international experience, the Nomination Committee has considered an alternative for board remuneration whereby the members of the Board may receive remuneration in shares in Photocure. Introducing such alternative would also facilitate further ownership of shares in the company by Board members, in line with the recommendations of the Norwegian Code of Practice for Corporate Governance.



Based on the Nomination Committees preparatory work and discussions with inter alia the company's largest shareholders the Nomination Committee recommends that Photocure establishes a program whereby the members of the Board may opt to receive all or part of their remuneration in the form of restricted stock units (RSUs). The RSUs will be non-transferrable and each will give the right and obligation to acquire a share in Photocure at nominal value of NOK 0.50, subject to satisfaction of the applicable vesting conditions.

Each member of the Board must choose one of four alternatives when the remuneration to the members of the Board is resolved by the General Meeting:

- a) Receive 100 % of the Board remuneration in the form of RSUs
- b) Receive 1/3 of the Board remuneration in cash and 2/3 in the form of RSUs
- c) Receive 2/3 of the Board remuneration in cash and 1/3 in the form of RSUs
- d) Receive 100% of the Board remuneration in cash and no RSUs

The number of RSUs to be granted is calculated as the NOK amount of the RSU portion of total remuneration opted by each Board member, divided by the current market price for the Photocure share. The current market price shall be calculated as the volume weighted average share price for the 10 trading days prior to the AGM at which the board remuneration is decided. The RSU program shall apply to the remuneration proposed for the Board in section 4a above and for future periods unless otherwise resolved by the General Meeting.

As a main rule, the vesting of the RSUs will be subject to (i) the grantee being a member of the Board at the vesting date, and (ii) the grantee not having notified the Company prior to the vesting date of the grantee's intention to step down from the Board. If any of the above events occur prior to vesting, then the number of RSUs that vest shall be equal to the total number of RSUs granted, multiplied by a fraction in which the numerator is equal to the number of calendar days in the period from grant and until the date of which the event occurs, and the denominator is equal to 365. The remaining RSUs will lapse without compensation.

The RSUs will vest on the first anniversary of the AGM Date unless otherwise determined by the Nomination Committee. Upon delivery, the grantee may receive all shares or have a portion of sold off immediately in order to cover Norwegian tax.

The RSUs will be honoured by the issue of new Photocure shares or by the delivery of shares held in treasury. The Board member must for each share pay the nominal value of a Photocure share of NOK 0.50.

In summary, the Nomination Committee proposes that:

- a) *The Annual General Meeting approves the RSU program and authorises the Nomination Committee to determine the further terms of the RSU program within the framework cited above.*
- b) *The AGM encourages Board members to participate in the RSU program.*

4c Compensation for time spent on international travel

As an extra incentive for attracting board members from outside Norway, the Nomination Committee proposes to compensate board members for the working hours lost while on international travel. The arrangement is to pertain to Photocure board members domiciled abroad and to be applicable for travels to and from board meetings.

The Nomination Committee proposes that:

*For each working hour thus spent traveling, Board members domiciled outside Norway are compensated the equivalent of EUR 100.-*

5) COMPOSITION OF THE NOMINATION COMMITTEE

All current members will be available for re-election. Thus, the Nomination Committee proposes:

Hans Peter Bøhn (leader)  
James McDonald (member)  
Daniel Mahony (member)

6) REMUNERATION OF THE NOMINATION COMMITTEE

The Nomination Committee propose that remuneration of the committee is left unchanged:

Committee leader: NOK 20,000 annually

Committee members: NOK 20,000 annually

Individual members of the committee may opt to waive their fees.

\* \* \*

The proposals from the Nomination Committee are unanimous.

Oslo, March 30<sup>th</sup> 2017

Hans Peter Bøhn  
(Committee Leader)

## **Appendix**

### **BRIEF BIOGRAPHIES OF PROPOSED NEW BOARD MEMBERS**

#### **Dr. Jan H. Egberts (board chairman nominee)**

Jan H. Egberts, M.D. has over 25 years of experience in the pharmaceutical and medical devices sector. Dr Egberts gained his medical degree from Erasmus University Medical School in the Netherlands and pursued the clinical part of his medical training at Harvard Medical School. Dr Egberts also obtained an MBA from Stanford University. After Stanford, he joined McKinsey & Co. as a strategic consultant in New York. Dr Egberts subsequently held various business development and general management positions of increasing responsibility in the USA at Merck & Co. and Johnson & Johnson. While at Johnson & Johnson, he initiated and subsequently led the leveraged buyout of the BARRIER surgical drapes and gowns business from Johnson & Johnson and the subsequent merger with Mölnlycke Health Care. Thereafter, he served as Senior Advisor, Healthcare Investments for 3i, the private equity firm. Dr Egberts then became CEO of OctoPlus, a publicly traded specialty pharmaceutical company in the Netherlands. OctoPlus was subsequently acquired by Dr Reddy Laboratories. After this, Dr Egberts joined Agendia, a molecular diagnostics company, initially as board member and subsequently full time as interim CEO.

Currently, Dr Egberts serves as the Managing Partner of Veritas Investments, a private investment company focused on minority and controlling investments in healthcare companies. Dr Egberts also has held over 15 executive and non-executive supervisory board positions in the U.S.A. and various European countries.

#### **Dr Johanna Holldack (board nominee)**

Dr. Holldack has international operational experience from pharma companies, including clinical trials, drug approvals, IPOs and licensing. She has also managed several mergers and acquisitions. In addition, Dr. Holldack has venture capital experience from Swiss-based Aravis Venture where she was a partner for 5 years. Her industry career spans over 20 years, during which she held key positions in both start-up and large pharma companies. Her experience includes management and executive positions at Behringwerke, Chiron, MediGene, Borean Pharma, Telormedix and Trethera Corporation. She is chairman of Amal Therapeutics. In Telormedix she gained experience within the field of bladder cancer, something highly relevant for Photocure.

Dr. Holldack has a medical degree from Georg-August-University in Gottingen, Germany and is a Board Certified paediatrician. In addition, she has held positions as an assistant professor at the University of Essen, research fellow for the Deutsche Krebshilfe and a research associate at Harvard Medical School.

**Ms. Gwen Melincoff (board nominee)**

Ms. Melincoff has over 25 years of leadership experience in the biotechnology and pharmaceutical industries. Her experience has spanned public and private company boards, venture financing, business development, licensing, mergers and acquisitions, research operations, marketing, product management and project management.

From August 2014 to September 2016, she served as Vice President of Business Development at BTG International Inc. From September 2004 to the December 2013, Ms. Melincoff was Senior Vice President of Business Development at Shire Pharmaceuticals. Additionally, she led the Strategic Investment Group (SIG), Shire's \$50MM corporate venture fund which was started in 2010. During her tenure, she was involved in numerous licenses, product divestments, co-promotion and collaboration agreements, and mergers and acquisitions. Melincoff was named a "Top Women in Biotech 2013" by Fierce Biotech as well as being named to the Powerlist 100 of Corporate Venture Capital in 2012 and 2013.

Ms. Melincoff has a B.S in Biology, a Master's of Science in Management, and has attained the designation of the Certified Licensing Professional (CLP™).