

Minutes of the Annual General Meeting of **RaySearch Laboratories AB (publ)**, corporate registration number 556322-6157 (the “Company”), held on Tuesday, 27 May, 2014, in Stockholm, Sweden.

### Attending

#### Shareholders

Refer to list in Appendix 1.

#### Board members and auditors

Board members Johan Löf, Erik Hedlund and Carl Filip Bergendal and the authorized public accountant Per Hedström were present.

In addition, certain guests were present, refer to Appendix 2.

## **§ 1 Opening of the Meeting**

The Chairman of the Board of Directors, Erik Hedlund, opened the Meeting and welcomed those present.

## **§ 2 Election of Chairman of the Meeting**

Erik Hedlund was **elected** Chairman of the Meeting. The Chairman noted that Thomas Pousette had been requested to keep the minutes of the Meeting.

## **§ 3 Preparation and approval of the voting list**

The shareholders were ticked off from a list of participants based on an excerpt of the share register as of 21 May, 2014. The shareholders in attendance represented a combined 15,174,859 shares, of which 8,871,750 were Series A and 6,303,109 were Series B shares, combined a total of 95,020,609 votes of the total of 136,202,292 votes in the Company.

The Meeting **resolved** that the prepared list, as shown in Appendix 1, would be approved as the list of shareholders entitled to vote at the Meeting. One shareholder put forward the opinion that the postal addresses should be excluded from the list of shareholders and that a larger font size be used.

## **§ 4 Election of one or two minutes-checkers**

In addition to the Chairman, Amelie Hjelmstedt was **appointed** to check the minutes of the Meeting.

## **§ 5 Approval of the proposed agenda**

The Meeting **approved** the proposed agenda distributed at the entrance, Appendix 3.

## § 6 Determination of whether the Meeting had been duly convened

The Chairman stated that the summons to the Meeting had been done through a notice in Post- och Inrikes Tidningar (*Swedish Official Gazette*) on 29 April, 2014, through the notice as from the same day having been published on the Company's web site, and through an advertisement in Svenska Dagbladet informing that the summons had been made public.

The Meeting was **declared** to have been duly convened.

## § 7 Statement by the President

The President of the Company, Johan Löf, presented, together with the Chief Financial Officer, Anders Martin-Löf, an account of the Company's operations during the past fiscal year and during the first quarter of 2014 and, to a certain extent, of future projects.

In response to questions from shareholders, Johan Löf and Anders Martin-Löf thereafter stated the following in summary.

The Group comprises a large service organization in the US, but also in Sweden and throughout Europe. In addition, there are distributors which also provide service to the customers.

The settlement with Prowess does not significantly affect our cash flow, since the payment is more or less equally distributed over three years, so the settlement is not the only reason for the Board proposing the authorization to issue new shares, which is proposed also due to the Company being in an expansive development phase that leads to significant costs. The settlement costs us approx. SEK 35 million. In addition, there are legal fees that total more or less the same amount, making the total cost approx. SEK 70 million.

Unlike Varian and Elekta, the Company exclusively develops and provides a treatment planning system; no hardware. This is a satisfying focus. The Company is a competitor to Varian and Elekta but also a partner. The Company is not for sale.

The patent dispute has caused us to focus on enhancing our competence in relation to patents by, *inter alia*, hiring a patent engineer, and by the Company applying for its own patents, as well as challenging others', in our opinion, unsubstantiated applications.

On occasion, we refer to the number of clinics and at other times to the number of licenses, and this is due to the fact that one clinic may purchase more than one license. For example, PMH has 25 licenses. To date, our customer base comprises 116 clinics and we have sold over 354 systems. In China, many of our customers have initially only purchased one license, and therefore there are good prospects for additional sales. MGH started off with 8 licenses, but now has 28 licenses.

Scandidos is not a direct competitor to the Company, but they are in relation to IBA Dosimetry and their product Compass, so, in a way, they can be said to compete with us indirectly, to a very limited extent. There is no cooperation between Scandidos and the Company.

Normally, we invoice upon acceptance or delivery. The process of installing and having the products accepted is usually very rapid.

Radiumhemmet would be a very interesting customer, in particular since the Company originates from Karolinska Institutet. However, lead times are substantial and investment costs for the clinics high.

Clinics therefore normally do not replace a treatment planning system until 7-10 years after having acquired a system.

Updates of RayStation® occur through new releases at a minimum one time per year. Only customers with support agreements receive these new versions, but up until now all customers have entered into support agreements. Upon release of new modules with new functionality, the customers do, however, not receive these as part of the support provided under the support agreement, but the new modules need to be purchased separately. With regard to RayStation's efficiency, IMRT, for example, is a world leading treatment modality and the Company's IMRT module is perhaps also the module which is the most widespread throughout the world. There is clear clinical evidence in relation to the efficiency of IMRT. In essence, VMAT makes IMRT more efficient, which enables the clinics to treat more patients and thereby be more effective. Adaptive radiation therapy is something which we are in fact the sole provider of and there are yet no clinical studies which evidence the benefit of that form of radiotherapy. Many of the Company's products enhance the work flow in the clinics and thereby enhance the effectiveness. In a clinic, there are three large systems; the linear accelerator system, the information management system and the treatment planning system. Today, we develop and sell a treatment planning system and have also started to develop an information management system. Once we sell two out of these three systems, we will have a better starting point for influencing the clinics' procurement processes.

There was no reservation made in relation to the dispute as per December 31, 2013, but it was mentioned as a contingent liability, and this is in accordance with applicable accounting principles, since, among other things, it was not possible to specify an exact amount to reserve. All costs for the dispute have been charged to the Company since it is the Company that has been sued and since, in addition, it is the Company that has received basically all income. We could complete the annual report and hold the annual general meeting earlier in the year if the Finance Department were larger, but this appears unnecessary for such a small company, and in addition, we would not want to cause scheduling conflicts in relation to the major companies' annual reports and annual general meetings.

We do not perform any clinical trials ourselves. Radiation therapy as such is, however, established since 100 years and there are strict regulatory requirements imposed on the quality systems since it is tremendously important to ensure accurate doses. Many of our products are used together with the same machines, but those that involve protons require a completely different facility.

We do not pay any dividend this year since, as for the most recent years, we are currently in a very expansive development phase. The Board's policy on dividends, however, remains unchanged and hopefully we will be able to pay dividends within a near future. The number of people being affected by cancer is probably increasing. We do not market ourselves towards individuals, and it is uncertain whether we would be allowed to do so.

It has been somewhat difficult to find a suitable distributor in India, but anyhow we deem it to be a bit too early for us to focus on India. Instead, we are currently prioritizing China, Japan and other Asian countries.

## **§ 8 Presentation of the Annual Report and the Auditors' Report as well as the consolidated financial statements and the Auditors' Report for the consolidated financial statements for the 2013 fiscal year**

The Company's Annual Report, consolidated financial statements and the Auditors' Report for the period 1 January, 2013, to 31 December, 2013, were presented.

Per Hedström presented the Auditors' Report for the Company and the Group.

The Annual Report and the other documents were **declared** to have been presented to the Meeting.

**§ 9 Adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet; allocations to be made of the company's profit or loss as shown in the balance sheet adopted by the Meeting; and discharge of the members of the Board of Directors and of the President from personal liability**

- a) The Meeting **resolved** to adopt the income statements and balance sheets for the Company and the Group for the 2013 fiscal year in accordance with the recommendation of the auditor.
- b) In accordance with the proposal of the Board and the President, which had been recommended by the company's auditor, the Meeting **resolved** to approve that no dividend be paid to the Company's shareholders, and that the accrued profits of SEK 29,461,000 be brought forward. It was noted that the resolution was unanimous.
- c) In accordance with the recommendation by the auditor, the Meeting **resolved** to approve discharge from liability for the Board members and President. It was noted that each of the Board members in attendance refrained from voting as regards the discharge of liability.

**§ 10 Decision regarding guidelines for remuneration to senior executives**

The Meeting **resolved**, in accordance with the Board's proposal, to adopt guidelines for remuneration to senior executives in accordance with the proposal distributed at the Meeting, Appendix 4. The decision was not unanimous.

**§ 11 Determination of the number of members of the Board of Directors and deputies**

On a proposal by shareholders representing more than seventy percent (70%) of the voting rights in the Company, the Meeting **resolved** that the number of Board members be four (4) and the number of deputy members be zero (0). One shareholder put forward the opinion that it would be desirable to appoint a nominating committee, to which the Chairman answered that a nominating committee would not be appropriate considering the ownership structure of the Company.

**§ 12 Determination of the remuneration to be paid to the Board of Directors and auditors**

On a proposal by shareholders representing more than seventy percent (70%) of the voting rights in the Company, the Meeting **resolved** that the remuneration to those Board members who are not paid a salary from any company in the Group shall remain unchanged at SEK 760,000 (seven hundred and sixty thousand), of which SEK 440,000 (four hundred and forty thousand) is to be paid to the Chairman and SEK 160,000 (one hundred and sixty thousand) is to be paid to each of the other Board members elected by the Annual General Meeting and who do not receive a salary from any company in the Group.

The Meeting **resolved** that fees to the Company's auditors be paid on current account.

The resolutions were not unanimous.

### **§ 13 Election of the members of the Board (including the Chairman) and deputy member(s) of the Board**

On a proposal by shareholders representing more than seventy percent (70%) of the voting rights in the Company, the Meeting **resolved** to elect the following persons as Board members for a period extending to the end of the next Annual General Meeting:

|                      |              |
|----------------------|--------------|
| Erik Hedlund         | (re-elected) |
| Johan Löf            | (re-elected) |
| Carl Filip Bergendal | (re-elected) |
| Hans Wigzell         | (re-elected) |

It was **resolved** to appoint Erik Hedlund Chairman of the Board.

The resolutions were not unanimous.

### **§ 14 Election of Auditor**

The auditing firm Ernst & Young was **re-elected** ordinary auditor with the authorized public accountant Per Hedström as responsible auditor. The resolution was not unanimous.

### **§ 15 Resolution on the authorization to the Board to resolve on new issues of shares of series**

The Meeting **resolved**, in accordance with the Board's proposal, to authorize the Board to resolve, on one or several occasions up until the next Annual General Meeting, on new issues of Series B shares. The number of shares to be issued by virtue of the authorization shall not exceed an amount corresponding to 10 per cent of the registered share capital per the date of the invitation to the Meeting, amounting to SEK 17,141,386.5. New share issues may be made with or without deviation from the shareholders' pre-emption right and with or without terms of issue in kind or set-off or other terms. The purpose of the authorization is to increase the Company's financial flexibility. In the event of deviation from the shareholders' pre-emption right, the subscription price shall be on market terms. Other terms may be resolved by the Board.

### **§ 16 Close of the Annual General Meeting**

After extending his thanks to all participants, the Chairman declared the Meeting closed.

Minutes keeper:

Checked by:

Thomas Pousette

Erik Hedlund

Amelie Hjelmstedt

---

# PROPOSED AGENDA FOR THE ANNUAL GENERAL MEETING 2014

1. Opening of the Meeting.
2. Election of a Chairman of the Meeting.
3. Preparation and approval of the list of shareholders entitled to vote at the Meeting.
4. Election of one or two minute-checkers.
5. Approval of the proposed agenda.
6. Determination whether the Meeting has been duly convened.
7. Address by the CEO.
8. Presentation of the Annual Report and the Auditors' Report as well as the consolidated financial statements and the Auditors' Report for the consolidated financial statements for the 2013 fiscal year.
9. Resolutions concerning
  - a) (a) the adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet;
  - b) (b) the disposition to be made of the company's profits or losses as shown in the balance sheet adopted by the Meeting; and
  - c) (c) the discharge of the members of the Board of Directors and of the CEO from personal liability.
10. Decision on guidelines for remuneration to senior executives.
11. Determination of the number of members of the Board of Directors and deputies.
12. Determination of the fees to be paid to the Board of Directors and auditors.
13. Election of the members of the Board (including Chairman) and deputy member(s) of the Board.
14. Election of auditor.
15. Resolution on the authorization to the Board of Directors to resolve on new issues of Series B shares.
16. Close of the Annual General Meeting.

## **Proposed guidelines for remuneration to senior executives – annual general meeting 2014**

The Board proposes the Meeting to adopt the following guidelines for remuneration to senior executives to apply for the period until the close of the Annual General Meeting of 2015.

### *Salary, etc.*

The CEO shall receive a fixed salary and a variable remuneration. The variable remuneration shall amount to 2.0 per cent of the group's earnings before tax, though not more than six months' salary. In addition, the CEO may have other benefits of a common nature, such as a company car.

The CEO's salary shall be reviewed annually. This shall take place through negotiations between the CEO and the Chairman of the Board, after which the Chairman shall present a proposal to the other Board members. The CEO shall not be present when the Board discusses and resolves on this issue.

The other senior executives are the Chief Financial Officer (CFO), Director of Research, Director of Development, Chief Technology Officer (CTO), Director of Sales and Marketing, Director of Sales for the Asia & Pacific region, Director of Service and General Counsel.

The Director of Sales and Marketing shall receive a fixed salary and a variable remuneration. The variable remuneration shall amount to a certain percentage of the sales of RayStation® worldwide.

The Director of Sales for the Asia & Pacific region shall receive a fixed salary and a variable remuneration. The variable remuneration shall amount to a certain percentage of the sales of RayStation® in the Asia & Pacific region.

The CFO, Director of Research, Director of Development, CTO, Director of Service and General Counsel shall receive a fixed salary but no variable remuneration.

The salaries of the other senior executives shall also be reviewed annually. This shall take place in negotiations between the CEO and each individual.

### *Incentive programs*

There are no incentive programs intended specifically for senior executives and none is proposed. However, the senior executives, except the CEO, may participate together with the other employees in such option programs and profit-sharing programs as the company may apply.

### *Pensions*

All pension undertakings are defined-contribution plans. The retirement age for the CEO and the other senior executives is 65 years and the pension premiums correspond to the Swedish ITP plan.

### *Period of notice*

If the CEO terminates his employment, his period of notice is six months, and if the company terminates the CEO's employment, the period of notice is twelve months. In both cases, the CEO is entitled to salary during the period of notice. In respect of the other senior executives there is a mutual period of notice of three months during which salary shall be paid.

*Severance pay*

Neither the CEO nor the other senior executives shall be entitled to any severance pay, in a formal sense, should their employment cease. However, as described above, the CEO and the other senior executives shall be entitled to salary during the period of notice.

*Deviation*

The Board proposes that the Board be entitled to deviate from the above guidelines if there are special reasons for such deviations.