

Notice to attend the Annual General Meeting of BioGaia AB (5 pages)

BioGaia AB (publ) will hold its Annual General Meeting at 4:00 p.m. on Thursday, 7 May 2015, at Lundqvist & Lindqvist Klara Strand, Klarabergsviadukten 90, in Stockholm. The doors will be opened for registration at 3:30 p.m. Registration will end at 4:00 p.m.

Right to participate

In order to participate in the Annual General Meeting (AGM), shareholders must be recorded in the register of shareholders maintained by Euroclear Sweden AB no later than Thursday 30 April 2015 and must provide notice of participation to the company no later than 4:00 p.m. on Monday 4 May 2015. Notification can be made by mail to BioGaia AB (publ), Box 3242, SE-103 64 Stockholm, Sweden, by telephone +46 (0)8-555 293 00, by fax +46 (0)8-555 293 01 or by e-mail to arsstamma@biogaia.se. The notification should include the shareholder's name, personal or corporate identity number, address, telephone number, registered shareholding and the names of any proxies or assistants.

In order to vote in the AGM, shareholders whose shares are registered in the name of a trustee must temporarily re-register the shares in their own name. Such re-registration must be completed no later than Thursday 30 April 2015.

Form of proxy

Shareholders who are represented by a proxy must submit a dated form of proxy. If the form of proxy is submitted by a legal entity, a copy of the certificate of registration or other proof of authorisation for the legal entity must be attached. A form of proxy can be downloaded from the company's website www.biogaia.se. An original form of proxy and, where appropriate, a certificate of registration or other proof of authorisation should be received by the company at the above address no later than Monday 4 May 2015.

Proposed agenda

1. Opening of the Meeting.
2. Election of the Chairman of the Meeting.
3. Drawing up and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two minutes-checkers.
6. Determination as to whether the Meeting has been duly convened.
7. Address by the President.
8. Presentation of the annual report, the audit report, the consolidated financial statements and consolidated audit report.
9. Resolution's regarding:
 - a) Adoption of the income statement and balance sheet and the consolidated income statement and balance sheet,
 - b) Appropriation of the company's earnings according to the adopted balance sheet,
 - c) Discharge from liability for the Board of Directors and the President.
10. Presentation of the Nominating Committee's proposals regarding items 11- 16 below.
11. Resolution regarding the number of Board members.
12. Determination of fees to be paid to the Board of Directors and auditors.
13. Election of Board members.
14. Election of the Board Chairman.
15. Election of Auditor
16. Resolution regarding the Nominating Committee
17. The Board's proposal for resolution regarding principles for remuneration to senior executives.
18. The Board's proposal for resolution regarding approval of transfer of shares in Infant Bacterial Therapeutics AB
19. Closing of the Meeting



Resolutions, etc.

The Nominating Committee's proposals regarding items 2 and 11-16 in the agenda.

In accordance with the AGM's resolution, the Nominating Committee was appointed according to the shareholding as of 30 June, 2014, and consists, except for the Board Chairman, David Dangoor, of Per-Erik Andersson, representing Annwall & Rothschild Investment AB, the company's largest shareholder, Sebastian Jahreskog, who via direct and indirect ownership is the second largest shareholder (Allan Ladow represented Sebastian Jahreskog until 12 March 2015, after which Sebastian Jahreskog himself entered as a member of the Nominating Committee), and Jannis Kitsakis representing Fjärde AP-fonden, the third largest shareholder.

The Nominating Committee proposes the following regarding items 2, 11-16 on the agenda:

Item 2 - Election of the Chairman of the Meeting

Attorney Peter Vennerstrand.

Item 11 - Resolution regarding the number of Board members

Eight (8) regular Board members with no (0) deputies.

Item 12 - Determination of fees to be paid to the Board of Directors and auditors

The Board Chairman shall receive SEK 300,000 and the other Board members not employed by the company shall receive SEK 150,000 each. Auditors' fees shall be paid according to approved account.

Item 13 - Election of Board members

Re-election of David Dangoor, Jan Annwall Stefan Elving, Inger Holmström, Paula Zeilon and Brit Stakston (Jan Litborn and Jörgen Thorball have declined re-election) and new election of Ewa Björling and Anthon Jahreskog.

A detailed description of the members of the Board proposed for re-election is provided in the 2014 annual report and on the company's website www.biogaia.com.

Motivation and description of the Board members proposed for new election will be provided on the company's website www.biogaia.com not later than 16 April 2015.

Item 14 - Election of the Board Chairman

Re-election of David Dangoor.

Item 15 – Election of Auditor

Election of the registered Accounting firm Deloitte AB.

Item 16 - Resolution regarding the Nominating Committee

The Board Chairman shall convene the three largest shareholders in the company, each of which shall have the right to appoint a member to the Nominating Committee together with the Board Chairman. In determining the composition of the Nominating Committee, the largest shareholders in terms of voting power shall be based on the ownership conditions at 30 June 2015. The Nominating Committee shall be chaired by the member representing the largest shareholder on this date. If any of the three largest shareholders should waive this right, the shareholder next in order of voting power shall be given the opportunity to appoint a member. The names of the shareholder representatives shall be announced as soon as they are appointed, although no later than six months prior to the 2016 Annual General Meeting. The mandate period of the Nominating Committee shall extend until such time as the new Nominating Committee has been appointed.

In the case that the shareholder that the member represents should no longer be one of the three largest shareholders, the Nominating Committee, if it finds it appropriate, could dismiss that member and give a representative of the shareholder that is next in terms of voting rights the opportunity of being elected. In the case that a designated member of the committee for any other reason leaves the Nominating Committee, the shareholder who has appointed the member, shall be entitled to appoint a new representative to the committee. If he/she declines to appoint a new representative, the Nominating Committee should, if it finds it appropriate, considering the remaining term of office, ask the shareholder that is next in terms of voting rights if he/she wishes to appoint a representative to the Nominating Committee.



The Nominating Committee shall prepare proposals on the following matters to be put before the 2016 AGM for decision:

- a) recommendations for election a Chairman of the AGM
- b) recommendations for election of Board members
- c) recommendations for election of the Board Chairman
- d) recommendation of Board fees
- e) recommendation of auditor
- f) recommendation of auditor's fees
- g) recommendations for the Nominating Committee ahead of the 2017 AGM.

The Board's proposals for resolution regarding items 9b and 17-18 on the agenda.

Item 9 b – Appropriation of the company's earnings

The Board of Directors and President propose that the shareholders be paid a dividend of SEK 5 per share, with the record date on 11 May 2015. Dividends are expected to be disbursed by Euroclear Sweden AB on 15 May 2015. In view of the proposed dividend, the Board has issued a separate statement in accordance with Chapter 18, Section 4, of the Swedish Companies Act (SFS 2005:551)

Item 17 - The Board's proposal for resolution regarding principles for remuneration to senior executives

The Board of Directors proposes that the AGM approve the following guidelines for remuneration and other terms of employment for senior executives in the Group. These principles apply to employment contracts entered into after the decision of the AGM and in the event that changes are made in the existing terms after this date.

It is of fundamental importance for the Board that the principles for remuneration and other terms of employment of senior executives in the Group create long-term motivation and enable the company to retain competent employees who work to attain maximum shareholder and customer value. In order to achieve this, it is vital to uphold fair and internally balanced terms that are market-based and competitive with respect to the structure, scope and level of remuneration. The total remuneration package for the affected individuals should contain a well balanced mix of fixed salary, variable remuneration, long-term incentive schemes, pension benefits, other benefits and terms of notice/termination benefits.

Fixed salary – Fixed salary shall be differentiated on the basis of the individual's role and responsibilities, as well as the individual's competence and experience in relevant positions.

Variable remuneration – Variable remuneration shall be equal to not more than 25% of the total remuneration.

Long-term incentive schemes – Every year, the Board of Directors shall evaluate whether a share-based or share price-based incentive scheme should be proposed to the AGM. Other types of long-term incentive schemes can be decided on by the Board. Any remuneration in the form of long-term incentive schemes shall be consistent with generally accepted practices in the respective market.

Pensions – Senior executives who are entitled to pension benefits shall have pension agreements of the defined contribution type. The mandatory age of retirement for the senior executives who are Swedish citizens is 65 years, and for others according to the pension rules in their respective countries. The amount of benefit payable depends on the amount payable under the pension agreements in force.

Other benefits – Other benefits shall be of limited value in relation to the other remuneration and shall be consistent with general norms in the respective geographic market.

Terms of notice and termination benefits – The President and the company have a mutual period of notice of 18 months. The company's Vice President(s) shall have a corresponding period of notice of six months, and other senior executives three months.

The Board of Directors proposes that the Board be authorised to deviate from the above proposed guidelines in individual cases when there is special reason to do so.



Item 18 Proposal for resolution regarding approval of transfer of shares in Infant Bacterial Therapeutics AB

The Board proposes that the AGM approves BioGaia's transfer of shares in Infant Bacterial Therapeutics AB, org.nr 556873-8586, (the "Company") to Staffan Strömberg and Eamonn Connolly.

On 12 November 2013 BioGaia transferred two thousand two hundred fifty (2,250) shares of the Company to each of Eamonn Connolly and Staffan Strömberg, corresponding to nine (9) per cent of all shares in the Company. At the time of the share transfer the Company was a wholly-owned subsidiary of BioGaia and Eamonn Connolly and Staffan Strömberg were employed by BioGaia as Research Director and Head of the Regulatory.

The background to the share transfer is that the Board of BioGaia decided to fund a project that Eamonn Connolly and Staffan Strömberg had presented, regarding the development of a drug containing one of BioGaia's patented probiotic strains of *Lactobacillus reuteri* against necrotising enterocolitis (NEC), a fatal disease affecting premature infants.

At the time of the share transfer, the value of the Company was assessed to SEK 1 million. Based on the valuation each of Eamonn Connolly and Staffan Strömberg acquired 4.5 per cent of the shares in the Company at a price of SEK 45,000 each.

According to Chapter 16. Companies Act the above share transfer needs to be approved by the General Meeting of BioGaia. A valid decision on the approval of share transfers requires that the Board's proposal is supported by shareholders representing at least nine tenths of both the votes cast and the shares represented.

Number of shares/votes and AGM documents, etc.

The total number of shares in the company on the record date amounts to 17,270,962, consisting of 740,668 class A shares and 16,530,294 class B shares, carrying a combined total of 23,936,974 votes.

At the AGM, if any shareholder should so request and the Board feels that this can be done without significant damage to the company, the Board of Directors and the President shall provide disclosures about conditions that could affect the assessment of items on the agenda and conditions that could affect the assessment of the company's or a subsidiary's financial situation and the company's relationship to other group companies.

The financial statements and audit report have been sent to the shareholders in March 2015. These documents, the Board of Directors' complete proposals for resolution regarding item 17 and 18 above, the Nominating Committee's proposal according to the above and motivated opinion, the auditor's statement on compliance with Board's principles for remuneration to senior executives, the Board's report in respect of the proposed appropriation of earnings and proposed conditions for payment of dividends, a motivated statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act (2005:551) and a proxy form will be available at the company starting on 16 April 2015 and will be sent to all shareholders who so request and who provide their mailing address. The documents will also be posted on the company's website www.biogaia.com.

This is a translation of the Swedish version of the Notice to attend the Annual General Meeting of BioGaia AB. When in doubt, the Swedish wording shall prevail.

Stockholm, April 2015

The Board of Directors of BioGaia AB (publ)

For additional information please contact

Peter Rothschild, President, telephone: +46 8 555 293 00

Latest press releases from BioGaia

2015-03-26 BioGaia subsidiary IBT starts trial already this year
2015-03-23 BioGaia signs exclusive agreement for oral health products in Mexico
2015-03-09 BioGaia's oral health probiotic effective in patients with dental implants

BioGaia has published this information in accordance with the Swedish Securities Market Act. The information was issued for publication on 8 April, 2015 8:30 am CET.

BioGaia is a healthcare company that develops, markets and sells probiotic products with documented health benefits. The products are primarily based on the lactic acid bacterium *Lactobacillus reuteri* which has probiotic, health-enhancing effects. The class B share of the Parent Company BioGaia AB is quoted on the Mid Cap list of the NASDAQ OMX Nordic Exchange Stockholm. www.biogaia.com

**BioGaia AB, Box 3242, SE- 103 64 STOCKHOLM Street address: Kungsbrogatan 3A, Stockholm
Telephone: +46 8 -55529300. Corp Identity no. 556380-8723. www.biogaia.com**