

THE NOMINATION COMMITTEE'S PROPOSALS FOR THE ANNUAL GENERAL MEETING 2020

The Nomination Committee for BioArctic AB (publ), corp. reg. no. 556601-2679, (the "**Company**") has been appointed in accordance with the principles adopted by the Annual General Meeting 2019 and consists of Gunnar Blix (chairperson), appointed by the Third Swedish National Pension Fund (Sw: *Tredje AP-fonden*), Margareta Öhrvall, appointed by Demban AB and Claes Andersson, appointed by Ackelsta AB. The chairperson of the board, Wenche Rolfsen, has been adjunct to the Nomination Committee's meetings. Nomination Committee's composition was announced on November 5, 2019 and has been available on the Company's website. The members of the Nomination Committee have been appointed by shareholders representing in total approximately 64 per cent of the shares and approximately 85 per cent of the votes of the Company.

In accordance with the instructions from the Annual General Meeting 2019, the Nomination Committee hereby presents the following proposals for the Annual General Meeting to be held on May 7, 2020.

Election of the chairman of the meeting (item 1)

The Nomination Committee proposes that *advokat* Gunnar Mattsson at Advokatfirman Lindahl be elected chairman of the meeting.

Number of members of board members and the number of auditors (item 9)

The Nomination Committee proposes that the board shall consist of eight (8) members without deputies.

The Nomination Committee proposes that a registered public accounting firm be elected as the Company's auditor and that no deputy auditor be appointed.

Resolution on the remuneration to the members of the Board of Directors (item 10)

The Nomination Committee proposes that the board's remuneration for the time until the next Annual General Meeting shall amount to the following (the remuneration for the current year is stated in brackets):

- The chairperson: SEK 500,000 (500,000)
- The deputy chairperson: SEK 300,000 (300,000)
- Each other board member who is not employed by the Company: SEK 250,000 (250,000)
- The chairperson of the audit committee: SEK 100,000 (100,000)
- Each other member of the audit committee who is not employed by the Company: SEK 60,000 (60,000)
- The chairperson of the remuneration committee: SEK 60,000 (60,000)
- Each other member of the remuneration committee who is not employed by the Company: SEK 40,000 (40,000)

The proposal entails a total remuneration to the board in the amount of SEK 2,410,000 (2,410,000). Lars Lannfelt is employed by the Company and does not receive board remuneration.

Resolution on the fees to the auditor (item 10)

The Nomination Committee proposes that the remuneration to the auditor shall be paid against approved invoice.

Election of Board of Directors members (item 11)

The Nomination Committee proposes re-election of the board members Wenche Rolfsen, Ivar Verner, Lars Lannfelt, Pär Gellerfors, Hans Ekelund, Eugen Steiner and Mikael Smedeby and election of Håkan Englund as a new member for a term of office extending until the end of the next Annual General Meeting. Further, the Nomination Committee proposes that Wenche Rolfsen be re-elected as chairperson of the board and that Ivar Verner be re-elected as deputy chairperson of the board.

Ewa Björling has informed the Nomination Committee that she is not available for re-election.

Håkan Englund has more than 40 years of experience from the life science industry and has an education background within economics, chemistry and polymer technology. Håkan Englund has had several leading commercial roles in sales and marketing within the Pharmacia group and is expected to be able to contribute valuable expertise in these areas to the board. Håkan Englund also has experience from several board assignments in both public and private companies in the life science sector. Håkan Englund is independent in relation to the Company, the Company's management and its major shareholders.

The Nomination Committee's assessment is that the board's composition complies with the independency requirements in the Swedish Corporate Governance Code (*sv. Svensk kod för bolagsstyrning*). The Nomination Committee's reasoned statement regarding the proposed board members is attached as Appendix 1.

Election of auditor (item 12)

The Nomination Committee proposes, in accordance with the recommendation from the audit committee, that the authorized auditing firm Grant Thornton Sweden AB be re-elected as the Company's auditor for a term of office that extends until the end of the next annual general meeting. Grant Thornton Sweden AB intends to appoint the authorized public accountant Mia Rutenius as auditor in charge.

The Nomination Committee has been informed by the audit committee of the procurement procedure that has been carried out as a part the preparation for the election of auditor and the audit committee's recommended proposal for the election of auditor. The Nomination Committee has considered the audit committee's proposal and the as well as the procurement procedure when preparing its proposal for the election of the auditor.

Resolution regarding the establishment of a Nomination Committee and guidelines for the work of the Nomination Committee (item 13)

The Nomination Committee proposes that the Annual General Meeting resolves to establish a Nomination Committee for the Annual General Meeting 2021, which is to be appointed according to the following principles, and that the Annual General Meeting adopts instructions for the work of the Nomination Committee as set out below.

Principles for appointing the members of the Nomination Committee

The general meeting authorizes the chairperson of the board to contact the three largest shareholders in terms of voting power according to Euroclear Sweden AB's transcription of the share register as of September 30, 2020, each of them appointing a member of the Nomination Committee. In the event that any of the three largest shareholders does not wish to appoint a member of the Nomination Committee the fourth largest shareholders should be asked and so forth, until the Nomination Committee consists of three members. The composition of the Nomination Committee shall be announced on the Company's website no later than six months prior to the next Annual General Meeting.

The term of office of the appointed Nomination Committee shall run until a new Nomination Committee has been appointed under a mandate from the next Annual General Meeting.

If a member leaves the Nomination Committee before its work is completed and the Nomination Committee finds that there is a need for replacing this member, the Nomination Committee shall appoint a new member in accordance with the principles described above, but based on Euroclear Sweden AB's transcription of the share register as soon as possible after the member left the Nomination Committee. Any change in the composition of the Nomination Committee shall be announced immediately.

The assignment of the Nomination Committee

The Nomination Committee shall prepare and present proposals regarding the following items for the Annual General Meeting 2021:

- Election of chairman of the meeting,
- Resolution on the number of board members and auditors,
- Resolution on the fees and other remuneration to the Board of Directors and its committees, divided between the chairperson, the deputy chairman and other members,
- Resolution on the fees to the auditors,
- Election of board members and chairperson of the board and deputy chairperson of the board,
- Election of auditors, and
- Proposal for principles for the composition and instructions regarding work of the Nomination Committee in preparation for the Annual General Meeting 2022.

The Nomination Committee shall perform the tasks assigned to the Nomination Committee in accordance with the Swedish Corporate Governance Code (the "**Code**") and duly consider the Code while performing its assignment.

The work of the Nomination Committee

The Nomination Committee appoints the chairperson of the committee. The chairperson of the board or another board member shall not be the chairperson of the Nomination Committee.

The Nomination Committee shall meet as often as is necessary for the Nomination Committee to fulfil its duties, but at least once per year. Notices convening meetings are issued by the chairperson of the Nomination Committee. If a member requests that the Nomination Committee be convened, the request shall be complied with. The chairperson of the board may participate at the Nomination Committee's meetings.

The Nomination Committee is quorate if at least two members are present. Resolutions of the Nomination Committee shall be adopted by a simple majority of the members present or, in the event of a tied vote, the chairperson shall have the casting vote.

Minutes shall be kept at the Nomination Committee's meetings.

Remuneration

No remuneration shall be paid to the members of the Nomination Committee. However, any necessary and reasonable expenses incurred in connection with the Nomination Committee's work shall be borne by the Company.

Stockholm April 2020

The Nomination Committee for BioArctic AB

Gunnar Blix
(Chairman)

Margareta Öhrvall

Claes Andersson

The Nomination Committee's reasoned statement regarding its proposal on the election of board members for the Annual General Meeting 2020

Statement regarding the Nomination Committee's work during its term of office

Within the scope of its assignment to prepare proposals for the Annual General Meeting 2020, the Nomination Committee has had three minuted meetings where the chairperson of the board was adjunct. The Nomination Committee has also had direct contact with the board members and met with the Company's executive management and employees of the Company. The Nomination Committee has also had access to the annual evaluation of the board's work, in which evaluation all board members have participated. The evaluation is concentrated on the board's working procedures, working climate and the potential need of any additional expertise or competence in the board. The Nomination Committee has noted that the board members are highly committed to the board work, that the attendance at meetings has been high and that the board's work has functioned well during the current term of office. However, the board members have expressed a need to strengthen the board with a board member who has experience and competence within marketing and sales with focus on the Nordic market in the coming years.

The shareholders have had the opportunity to make suggestions to the Nomination Committee. The Nomination Committee have not received any such suggestions from the shareholders.

The Nomination Committee's reasoned statement regarding its proposal on election of board members

The basis for the Nomination Committee's considerations is that the board shall have an adequate composition, considering the Company's business, the current stage of the Company's development and other relevant circumstances. The board shall have a diverse and versatile composition as regards the board members' competence, experience and background. The Nomination Committee has especially considered the need of industry experience and other relevant competences required to successfully pursue the Company's further development and business strategy. The board members' independence has been considered as well as the issue of gender diversity.

The proposed board members have solid experience from the life science industry as well as experience and competence within accounting, financial matters and business law. Several of the proposed board members also have experience from board work in listed companies and the specific requirements that apply to such companies. In the Nomination Committee's opinion, the proposed board has the appropriate experience, competence and versatility when considering the Company's business, development and other relevant circumstances. The proposed board also ensures continuity and stability in the board's work. Further, the Nomination Committee's assessment is that the proposed board members have the time and availability required to carry out their assignments as board members in a satisfactory manner.

The Nomination Committee has considered the need for a well-functioning board with a diverse and versatile composition. Unfortunately, the board member Ewa Björling has declined re-election. Since BioArctic has retained sales and marketing rights in the Nordics, the Nomination Committee has been looking for candidates with experience in sales and marketing in the life science industry. In light of the current gender

representation in the board, the Nomination Committee has also strived to identify and evaluate suitable female candidates. After an overall assessment, the Nomination Committee has decided to propose Håkan Englund as a new board member. Håkan has more than 40 years of experience from the life science industry, with emphasis on sales and marketing roles in the Nordics. In 1976, he started at Pharmacia Biotech and then worked for over 30 years in what later became Pharmacia Diagnostics and then Phadia. For the past ten years, Håkan has been active as a private investor and has had several board assignments in both public and private companies in the life science industry.

The Nomination Committee has assessed the proposed board members' independence and has concluded that the proposed board meets the requirements regarding independence in the Swedish Corporate Governance Code. The Nomination Committee makes the following assessment of the independence of the proposed board members in relation to the Company, the Company's executive management and the Company's major shareholders:

- Wenche Rolfsen, Ivar Verner, Hans Ekelund, Eugen Steiner and Håkan Englund are considered to be independent in relation to the Company, the Company's executive management, as well as the Company's major shareholders.
- Mikael Smedeby is considered to be independent in relation to the Company's major shareholders but is not considered to be independent in relation to the Company and the Company's executive management since Advokatfirman Lindahl, where Mikael Smedeby is active, provides legal services to the Company.
- Lars Lannfelt and Pär Gellerfors are not considered to be independent in relation to the Company, the Company's executive management and the Company's major shareholders.

The Nomination Committee's opinion is that the proposed board has an adequate composition, considering the Company's business, the current stage of the Company's development and other relevant circumstances.

A presentation of all proposed board members is available on BioArctic's website <https://www.bioarctic.se/en/>.