

## **The Nomination Committee's proposals and reasoned statement for the annual shareholders' meeting 2019**

### **1. Background**

In accordance with the guidelines adopted by the annual shareholders' meeting in BONESUPPORT HOLDING AB (the "**Company**") on 22 May 2018, a Nomination Committee has been appointed and announced through a press release on 7 November 2018. The Nomination Committee has consisted of Jacob Gunterberg, appointed by HealthCap V L.P., Johan Kördel, appointed by Lundbeckfonden Invest A/S, Jonas Jendi, appointed by Stiftelsen Industrifonden, and the chairman of the board, Håkan Björklund. Jacob Gunterberg has been the chairman of the Nomination Committee.

### **2. The Nomination Committee's proposals for the annual shareholders' meeting 2019**

The Nomination Committee submits the following proposals for resolutions:

#### *Item 1: Election of chairman of the meeting*

The Nomination Committee proposes to the annual shareholders' meeting that attorney Ola Grahn is elected as chairman of the meeting.

#### *Item 9: Determination of the number of members of the board and the number of auditors*

The Nomination Committee proposes to the annual shareholders' meeting that the number of the members of the board shall be six. Furthermore, it is proposed that one registered accounting firm is appointed as auditor until the end of the next annual shareholders' meeting.

#### *Item 10: Determination of fees to the board of directors and the auditors*

The Nomination Committee proposes to the annual shareholders' meeting that board remuneration shall be paid with SEK 325,000 to the chairman of the board (unchanged since previous year) and with SEK 150,000 to each of the other board members who are not employed by the Company (unchanged since previous year). It is further proposed that remuneration for committee work shall be paid with SEK 125,000 to the chairman of the audit committee (unchanged since previous year), with SEK 70,000 to each of the other members of the audit committee (unchanged since previous year), with SEK 50,000 to the chairman of the remuneration commit-

tee (unchanged since previous year) and with SEK 25,000 to each of the other members of the remuneration committee (unchanged since previous year).

Remuneration to the auditor is proposed to be paid in accordance with invoiced amounts in accordance with customary charging standards.

*Item 11: Election of members of the board, chairman of the board as well as election of auditors and deputy auditors*

The Nomination Committee proposes to the annual shareholders' meeting that Håkan Björklund, Björn Odlander, Lars Lidgren, Tone Kvåle, Lennart Johansson and Simon Cartmell are re-elected as ordinary board members. The Nomination Committee further proposes to the annual shareholders' meeting that Lennart Johansson is elected as new chairman of the board. The present board member Nina Rawal has declined re-election and the present chairman of the board Håkan Björklund has declined re-election as chairman of the board.

Information on the board members proposed for re-election can be found at the Company website and in the annual report ([www.bonesupport.com](http://www.bonesupport.com)).

Furthermore, the Nomination Committee proposes to the annual shareholders' meeting, in accordance with the recommendation from the audit committee, that Ernst & Young AB is re-elected as accounting firm. Ernst & Young AB has announced that the authorized public accountant Ola Larsmon will be the auditor in charge.

*Item 12: Resolution on instruction and charter for the Nomination Committee*

The Nomination Committee's proposal for the annual shareholders' meeting on guidelines for appointing members of the Nomination Committee and on the Nomination Committee's assignment can be found in the **Appendix**.

- 3. Description of the Nomination Committee's work and the Nomination Committee's reasoned statement**
- 3.1 The composition of the Nomination Committee was announced on 7 November 2018.
- 3.2 The Nomination Committee has held three meetings and has also had additional contacts. The Nomination Committee has applied the instruction for the Nomination Committee which was adopted by the annual shareholders' meeting on 22 May 2018.
- 3.3 The Company's shareholders have been informed on the Company website, that it has been possible to submit proposals to the Nomination Committee. No such proposals have been submitted.
- 3.4 Following the constitution of the Nomination Committee, the Nomination Committee has oriented itself with regard to how the work in the board of directors has been conducted and how it works as well as with regard to the Company's strategy and future challenges. The Nomination Committee has furthermore evaluated which competence and experience the members of the board should possess, which has served

as guidance for the Nomination Committee's work. The chairman of the board has ensured that the Nomination Committee has received relevant information about the board work during the year, as well as the board evaluation which has been carried out by the members of the board.

- 3.5 The present board member Nina Rawal has informed that she declines re-election. The Nomination Committee makes the assessment that the board of directors has worked well during the period and that the members of the board who are available for re-election together possess the competence and the qualifications required to lead the Company's continued development.
- 3.6 As Håkan Björklund has announced that he declines re-election as chairman of the board, but is prepared to remain as an ordinary member of the board, the Nomination Committee has made the assessment that Lennart Johansson is the right person to take over the chairmanship. Since Lennart Johansson already is an ordinary member of the board, continuity is secured.
- 3.7 The Nomination Committee further makes the assessment that the proposed composition of six members of the board is well in line with the Company's needs and with the requirements of the Swedish Corporate Governance Code (*Sw. Svensk kod för bolagsstyrning*) (the "**Code**").
- 3.8 In light of the foregoing, the Nomination Committee has concluded that the proposed board of directors composed of six members meets the requirements well with regard to the Company's operations, stage of development, current situation, future alignment and other circumstances as well as the requirements of breadth in terms of qualifications, experience and background of the members of the board elected by the annual shareholders' meeting. Furthermore, the Nomination Committee has come to the conclusion that the proposed board of directors stands for continuity and that there is currently no need to renew or supplement the current composition of the board of directors. In view of this, the Nomination Committee has proposed re-election of all current members of the board who have not declined re-election.
- 3.9 The Nomination Committee has also discussed the requirement for diversity as set forth in the Code. The Nomination Committee has applied Rule 4.1 of the Code as diversity policy, which states that the composition of the board of directors shall be characterized by diversity and breadth with respect to qualifications, experience and background of the members of the board. An equal gender balance shall also be strived for in the board of directors. The Nomination Committee can conclude that the proposed composition of the board of directors consists of one woman and five men. The gender diversity is thus 17 % / 83 %, which, in the Nomination Committee's opinion, is not consistent with the requirement of an equal gender balance. The Nomination Committee's ambition is that the gender balance shall increase further over time, and at least correspond to the levels expressed by the Swedish Corporate Governance Board (*Sw. Kollegiet för svensk bolagsstyrning*).

- 3.10 At last, the Nomination Committee has, in accordance with the requirements set forth in the Code, discussed the independence of the members of the board of directors. The Nomination Committee has made the assessment that all proposed members of the board of directors, except Björn Odlander, are to be considered independent in relation to major shareholders, and all proposed members of the board of directors, except Simon Cartmell, are to be considered independent in relation to the Company and its senior management. Björn Odlander is to be considered independent in relation to the Company and its senior management, but not in relation to major shareholders as he is a partner of HealthCap. Simon Cartmell is to be considered independent in relation to major shareholders, but not in relation to the Company and its senior management since he entered into a consultancy agreement with the Company after the annual shareholders' meeting 2018, through which he regularly advises the Company in matters regarding commercialization strategies as well as product and business development. Accordingly, the proposal on the composition of the board of directors fulfils the requirements set forth in the Code regarding the independence of the members of the board.

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April 2019

The Nomination Committee in BONESUPPORT HOLDING AB (publ)

## Appendix

### Instruction for the Nomination Committee in BONESUPPORT HOLDING AB

The Nomination Committee in BONESUPPORT HOLDING AB, Reg. No. 556802-2171 (the “**Company**”) proposes that the following instruction for the Nomination Committee is adopted.

1. **Appointment of Nomination Committee**
  - 1.1 The Nomination Committee shall consist of four members, appointed by the three largest shareholders as per the end of September, together with the chairman of the board of directors. The “three largest shareholders” refer to the ownership grouped registered or in any other way known shareholders as per the end of September.
  - 1.2 The chairman of the board of directors shall as soon as possible when the information regarding the three shareholders as per the end of September is known, contact the three largest shareholders to find out whether they wish to appoint a representative to the Nomination Committee. In case one of the three largest shareholders refrain from appointing a representative, or such representative resign prior to completion of the assignment and without the shareholder who has appointed the representative appointing a new member, the chairman of the board of directors shall encourage the next owner in size (i.e. in the first place the fourth largest shareholder) to appoint a representative. The procedure shall go on until the Nomination Committee is composed of four members including the chairman of the board of directors.
  - 1.3 The Nomination Committee shall appoint the Chairman of the Nomination Committee among its members. The chairman of the board of directors or another member of the board of directors should not be appointed as Chairman of the Nomination Committee.
  - 1.4 The members of the Nomination Committee shall be announced no later than six months before the annual shareholders’ meeting. When significant changes in the ownership occur after the date the Nomination Committee was appointed, the Nomination Committee may, if it considers it necessary, decide to offer a new owner a position in the Nomination Committee in accordance with the principles above. Changes in the Nomination Committee shall be made public immediately.
  - 1.5 The Nomination Committee’s term shall run until such time as a new Nomination Committee has been elected.

1.6 No fees shall be paid to the members of the Nomination Committee.

**2. Duties of the Nomination Committee**

2.1 The Nomination Committee shall prepare and propose the following to the coming annual shareholders' meeting:

- (a) election of chairman at the shareholders' meeting;
- (b) election of chairman of the board of directors and other members of the board of directors;
- (c) fees to the board of directors, divided between the chairman and other members, and any fees for committee work;
- (d) election of auditor and fees to the auditor; and
- (e) principles for appointment of the Nomination Committee.

2.2 On request by the Nomination Committee, the Company shall provide the Nomination Committee with human resources such as a secretary function in order to facilitate the Nomination Committee's work. The Nomination Committee shall also have the right to, as far as necessary in connection with the future election of a board member, obtain material from external consultants on knowledge, experience and profile in reference to suitable candidates, and with the right for the Nomination Committee to charge the Company with reasonable costs for the production of such material.

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