

Report by the Board of Directors on the evaluation of programs for variable remuneration and the application of the annual shareholders' meeting's guidelines for remuneration for senior executives

1. Background

- 1.1 The board of directors of BONESUPPORT HOLDING AB (the “**Company**”) has established a Remuneration Committee, which consists of Håkan Björklund (chairman), Björn Odlander and Lennart Johansson. The Remuneration Committee shall prepare matters regarding remuneration and other terms of employment for the CEO and other senior executives. Since the annual shareholders' meeting held on May 14, 2019, the Remuneration Committee has held five formal meetings and has had regular contacts as necessary.
- 1.2 The Remuneration Committee has monitored and evaluated the Company's programs for variable remuneration, both ongoing and ended during the year, the application of the guidelines for remuneration to the CEO and senior executives adopted by the annual shareholders' meeting on May 14, 2019, as well as the present remuneration structures and levels in the Company.

2. Report

- 2.1 In accordance with the Swedish Corporate Governance Code (*Sw. Svensk kod för bolagsstyrning*), the board of directors hereby gives the following report on the results of the evaluation performed by the Remuneration Committee. The report covers the period after May 14, 2019, when the annual shareholders' meeting resolved to adopt the current guidelines for remuneration to the CEO and other senior executives.
- 2.2 The Remuneration Committee has found that the remuneration guidelines have enabled the Company to attract, motivate and retain competent employees. Furthermore, the guidelines have contributed to keep the remuneration for the CEO and senior executives competitive and well-balanced. The guidelines have been applied in a correct manner and without any deviations. The Remuneration Committee is of the opinion that the guidelines effectively have fulfilled their objectives and that the current remuneration structures and levels for the CEO and senior executives are reasonable, well-functioning and in accordance with market conditions.
- 2.3 The Company has several outstanding share-related incentive programs. The Remuneration Committee is of the opinion that these programs have contributed to an increased alignment of interests between the participating employees and the shareholders, and also promoted a long-term commitment to the development of the Company. In light thereof, the Remuneration Committee has recommended the board of directors to propose that the annual shareholders'

meeting of 2020 resolves to implement a new long-term incentive program based on a performance-based share saving program for employees in the Company.

Lund in April 2020

BONESUPPORT HOLDING AB (publ)

The Board of Directors