

The Nomination Committee's proposals for BioArctic's 2019 Annual General Meeting

The Nomination Committee, which has comprised Gunnar Blix (chairman), appointed by Tredje AP-fonden (the Third Swedish National Pension Fund); Margareta Öhrvall, appointed by Demban AB; and Claes Andersson, appointed by Ackelsta AB, submits the following proposals to the annual general meeting (AGM) of BioArctic AB to be held on 9 May 2019:

Chairman of the AGM (item 1)

The Nomination Committee proposes that *advokat* Gunnar Mattsson be appointed chairman of the AGM.

Number of directors and auditors (item 8)

The Nomination Committee proposes that eight directors be elected by the general meeting, without alternate directors.

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

Board fees (item 9)

The Nomination Committee proposes that board fees for the period until the next AGM be paid as follows (board fees for the current year are stated in brackets):

- Chairman of the Board: SEK 500,000 (500,000)
- Vice Chairman: SEK 300,000 (250,000)
- Other directors (who are not employed by the company): SEK 250,000 (200,000)
- Chairman of the audit committee: SEK 100,000 (100,000)
- Other members of the audit committee: SEK 60,000 (60,000)
- Chairman of the remuneration committee: SEK 60,000 (60,000)
- Other members of the remuneration committee: SEK 40,000 (40,000)

The proposal entails total remuneration to the Board of SEK 2,410,000 (1,910,000). Lars Lannfelt is a company employee and draws no board fee.

Auditor fees (item 9)

The Nomination Committee proposes that fees to the auditor be paid in accordance with an approved time/materials invoice.

Election of directors, Chairman of the Board and Deputy Chairman (item 10)

The Nomination Committee proposes that directors Wenche Rolfsen, Ivar Verner, Lars Lannfelt, Pär Gellerfors, Hans Ekelund, Eugen Steiner and Mikael Smedeby be re-elected and that Ewa Björling be elected as a new director, for a term of office extending until the close of the next AGM. The Nomination Committee also proposes the re-election of Wenche Rolfsen as Chairman and Ivar Verner as Vice Chairman.

Ewa Björling's background is as a dentist, researcher and politician. She holds a PhD in virology and she has researched and taught at Karolinska Institutet and been an active politician on a municipal level and in the Swedish Parliament. Ewa Björling served as Trade Minister during 2007–2014. She is currently the Board Chairman of Svenska Petroleum &

Biodrivmedel Institut and a director of, among other companies, Essity AB and BioGaia AB. Ewa Björling is independent in relation to the Company, company management and the major shareholder.

The composition of the Board satisfies the requirements for independence pursuant to the Swedish Corporate Governance Code. The Nomination Committee proposes that the directors be elected individually.

Election of auditor (item 11)

In accordance with a proposal from the audit committee, the Nomination Committee proposes the re-election of the registered accounting firm Grant Thornton Sweden AB as the Company's auditor for term of office extending until the close of the next AGM. Grant Thornton AB has designated authorised public accountant Mia Rutenius as auditor-in-charge.

The Nomination Committee has been informed by the audit committee regarding the procurement procedure carried out for preparation of the issue of the election of an auditor and the audit committee's proposal recommending the election of an auditor. The Nomination Committee has taken into account the audit committee's proposal and conducted a procurement before deciding on the Nomination Committee's proposal for election of an auditor.

Establishment of a Nomination Committee and guidelines for the work of the Nomination Committee (item 12)

The Nomination Committee proposes that the AGM resolve that a Nomination Committee be appointed for the 2020 AGM in accordance with the following principles:

The Nomination Committee shall comprise three members in addition to the Chairman of the Board. The Nomination Committee shall be appointed by means of the Chairman of the Board contacting the three largest shareholders in terms of votes in accordance with Euroclear's printout of the share register as of 30 September 2019, requesting that each of them appoint a member. In the event any of the three largest shareholders does not wish to appoint a member of the Nomination Committee, the fourth largest shareholder shall be asked, and so on and so forth until the Nomination Committee comprises three members. The identity of the members of the Nomination Committee shall be published on the Company's website not later than six months prior to the AGM. The Nomination Committee shall appoint a chairman from among its members. Neither the Board Chairman nor any other director may serve as chairman of the Nomination Committee. The term of office of the appointed Nomination Committee shall be until a new Nomination Committee has been appointed. The members shall receive no fees for their work in the Nomination Committee.

The Nomination Committee shall present proposals to the 2020 AGM for resolutions on the following issues:

- election of a chairman of the meeting
- determination of the number of directors

- determination of fees and other remuneration to the Board and its committees, with a breakdown between the chairman and other directors
- determination of auditors' fees
- election of directors and a Board Chairman
- election of auditors
- proposal for principles regarding the composition of the Nomination Committee and its work pending the 2021 AGM

The Nomination Committee's reasoned statement

The Nomination Committee's reasoned statement regarding the proposal for a Board of Directors and information regarding the proposed directors can be read in a separate document which is available on the Company's website www.bioarctic.se

Stockholm, April 2019

The Nomination Committee of BioArctic AB

Gunnar Blix
(Chairman)

Margareta Öhrvall

Claes Andersson