

The Nomination Committee's proposals

The Nomination Committee, consisting of Gunnar Blix (chairman), appointed by the Third Swedish National Pension Fund; Anki Dahlin, appointed by Demban AB; Claes Andersson, appointed by Ackelsta AB proposes that the Annual General Meeting resolves in accordance with the following:

That attorney-at-law Gunnar Mattsson (Advokatfirman Lindahl) is elected chairman of the meeting.

That the board shall consist of seven members, without deputies.

That the number of auditors should be one, without deputy.

That remuneration to the members shall be paid as a fixed fee, amounting to SEK 500,000 to the chairman, SEK 250,000 to the deputy chairman and SEK 200,000 to each of the other members.

Remuneration for work in the Audit Committee shall be paid in the amount of SEK 100,000 to the chairman (previously SEK 60,000) and SEK 60,000, as previously, to the other members.

Remuneration for work in the Remuneration Committee shall be paid to the amount of SEK 60,000 to the chairman (previously SEK 40,000) and SEK 40,000, as previously, to the other members.

That auditor fees shall be paid according to current account.

That Wenche Rolfsen, Ivar Verner, Lars Lannfelt, Pär Gellerfors, Hans Ekelund and Eugen Steiner are re-elected as members and that Mikael Smedeby is elected as new member. The composition of the board meets the requirement for independence according to the Swedish Code of Corporate Governance. The Nomination Committee proposes that the board members shall be elected individually.

That in accordance with the proposal of the Audit Committee, Grant Thornton Sweden AB is re-elected as auditor, currently with Mia Rutenius as the auditor in charge, for the time up to the Annual General Meeting 2019.

That the Nomination Committee shall consist of three members. The Nomination Committee shall be appointed as follows: The Chairman of the Board contacts the three largest shareholders in terms of voting power according to Euroclear Sweden AB's transcription of the share register as of September 30, 2018, asking each of them to appoint a member. In the event that any of the three largest shareholders does not wish to appoint a member of the Nomination Committee the fourth largest shareholder should be asked, and so forth until the Nomination Committee consists of three members. The members of the Nomination Committee shall be announced on the company's website no later than six months prior to the Annual General Meeting. The Nomination Committee elects its chairman. The Chairman of the Board or other board members must not be the chairman of the Nomination Committee. The term of office for the appointed Nomination Committee shall run until a new Nomination Committee has been appointed. No fees shall be paid to the members for their work in the Nomination Committee. The Nomination Committee shall present proposals for resolutions regarding the following issues for the Annual General Meeting 2019:

- Election of the chairman of the meeting,
- Resolution on the number of members,
- Resolution on the fees and other remuneration to the board and its committees, divided between the chairman and other members,
- Resolution of the fees to the auditors,

- Election of members and Chairman of the Board,
- Election of auditors, and
- Proposal for principles for the composition and work of the Nomination Committee in preparation for the Annual General Meeting 2020.

The Nomination Committee's proposals and reasoned opinion

The Nomination Committee for BioArctic AB's proposals and reasoned opinion for the Annual General Meeting 2018.

The Nomination Committee's work

In the course of its work for the AGM 2018, the Nomination Committee has held three minuted meetings, has had direct contacts with members of the board and also met with executives and employees of the company on a visit and tour of the company's premises in order to form a picture of the company's situation, the main challenges and opportunities at hand. The Nomination Committee has also taken part of the board's own assessment of its work. The Nomination Committee has not received any proposals from other shareholders.

The Nomination Committee's reasoned opinion

What is described above has formed the basis for the considerations regarding the composition of the board of directors and the main demands to be made on the members. The Nomination Committee has also taken independency issues and a balanced gender distribution into consideration.

In preparation for the listing of the BioArctic share in the autumn of 2017 some changes were made to the board of directors. Wenche Rolfsen was appointed new Chairman of the Board, replacing Lars Lannfelt who continued as member. Mikael Smedeby, who was considered not to be independent in relation to the company, resigned from the board and Eugen Steiner was elected. As a result of this, a majority of the members were independent in relation to the company. These changes were thus made before the Nomination Committee was constituted, which occurred after the listing on the stock market.

The company's clinical research program continues during the current year and important results are expected in the second half of the year. In this context the company is collaborating with global pharma companies and contractual issues will continue to be of great importance. The Nomination Committee is therefore of the opinion that Mikael Smedeby should once again be elected to the board. Smedeby is a lawyer, he was a board member of BioArctic 2014-17 and thus has deep knowledge of the company, he has for several years been ranked as "leading" in life sciences in Sweden by Practical Law Company and he is co-chairman of the practice group life sciences in TerraLex, a global network of independent law firms. Smedeby has a number of directorships, among others as Chairman of the Board in Hanza Holding AB, which is listed on First North. According to our opinion Smedeby brings much valuable competence to the board. He is Managing Partner of Advokatfirman Lindahl, Uppsala, which has extensive business relations with BioArctic. The Nomination Committee finds that he cannot be considered independent in relation to the company as referred to in the Swedish Code of Corporate Governance 4.4, but as four out of seven members are independent, the board as a whole meets this requirement.

The Nomination Committee's board proposal meets the requirements of the Swedish Code of Corporate Governance 4.1 except for the desire for gender balance. In this context it is encouraging to note that BioArctic is one of very few listed companies where both the CEO and the Chairman of the Board are women. Furthermore, four out of nine members of the management team are women.

The Nomination Committee's proposal

The Nomination Committee proposes:

the re-election of members Wenche Rolfsen, Ivar Verner, Lars Lannfelt, Pär Gellerfors, Hans Ekelund and Eugen Steiner and the election Mikael Smedeby as new member,

the re-election of Wenche Rolfsen as Chairman of the Board.

The Nomination Committee, Stockholm in April 2018