

## Corporate governance report

Episurf Medical AB is a Swedish public limited company that is domiciled in Stockholm. The share has been traded on Nasdaq Stockholm since 11 June 2014. In a limited company like Episurf Medical, governance, management and control are divided between the shareholders, the Board of Directors, the CEO and the executive management in accordance with the applicable laws, rules and instructions.

### Governance structure



**THE COMPANY'S CORPORATE GOVERNANCE** is regulated by the Articles of Association, the Swedish Companies Act, Nasdaq Stockholm's Rules for Issuers, which include the Swedish Corporate Governance Code (the Code), and other applicable laws and rules.

Episurf Medical's Articles of Association can be downloaded from the company's website ([www.episurf.com](http://www.episurf.com)). Episurf Medical complies with the Code with effect from the listing on Nasdaq Stockholm's main market. The Code is based on the "comply or explain" principle. This means that a company that applies the Code may deviate from individual rules in the Code, but must explain the reasons for doing so. The Code must be applied in full in connection with the first annual general meeting after the year after listing.

Episurf Medical complies with the Code with deviation for the audit committee. This deviation is explained in detail below. Since the time of listing, the company has not committed any violations of Nasdaq Stockholm's Rules for Issuers or generally accepted practice in the stock market.

#### 1 Share and shareholders

Episurf Medical's shares are issued in two classes, class A and class B. The class B shares are traded on Nasdaq Stockholm with the ticker symbol EPIS B. Prior to this, the company's shares began trading on Nasdaq Stockholm First North on 15 August 2011. Each class A share carries the right to three votes at a general meeting and each share of class B carries the right to one vote at a general meeting. Shares of class A can be freely converted to class B. The total number of shares at year-end 2019 was 90,930,755, of which 971,024 were class A shares and 89,959,731 were class B shares. The total number of votes amounted to 92,872,803.

The number of shareholders at year-end was 5,273 (3,502). The ten largest shareholders in Episurf Medical in terms of voting power held shares corresponding to 36.4 percent (46.3) of the share capital and 37.2 percent (58.5) of the votes. The largest shareholder, UBS Switzerland, WG8IMY, held shares corresponding to 10.6 percent (8.1) of the share capital and 10.4 percent (6.6) of the votes. For further information about the share, shareholders and ownership structure, see pages 32–34 of the annual report.

## 2 General meeting of shareholders

The general meeting of shareholders is the company's highest decision-making body and, according to the Articles of Association, shall be held yearly within six months after the end of the financial year. Shareholders who are recorded in the share register five days before the general meeting and who provide notification of attendance in the correct manner have the right to participate.

Notice of attendance shall be made to the company no later than the date stated in the notice of meeting. All shareholders who are recorded in the share register on the record date and who have given notice of their attendance on time have the right to attend the meeting and vote the total number of shares held. Notice of general meetings shall be given through an announcement in the Post- och Inrikes Tidningar (the Official Gazette) and through publication on the company's website. At the same time, an announcement that notice has been given shall be published in Dagens Industri and on the company's website ([www.episurf.com](http://www.episurf.com)).

At the Annual General Meeting (AGM), the shareholders elect the Board of Directors and, when appropriate, the auditors. The AGM also resolves on matters such as principles for appointment of the nominating committee, discharge from liability for the Board of Directors and the CEO, adoption of the annual report, appropriation of earnings, fees for the Board of Directors and auditors, and guidelines for remuneration to the CEO and other senior executives.

Notices, Minutes, communiqués and other materials related to general meetings are published on the company's website.

It is the General meeting which decides on amendment of the Article of Association.

### AGM 2019

#### The AGM on 8 April 2019 passed the following resolutions:

- » To adopt the income statement and balance sheet.
- » To appropriate the earnings according to the Board's proposal in the annual report.
- » To grant the Board of Directors and the CEO discharge from liability for the past financial year.
- » The Board of Directors shall comprise of five ordinary members with no deputy members.
- » To pay a fixed board fee of SEK 200.000 to each member of the Board, however that Leif Ryd, shall receive an annual fee of SEK 100.000 and the Chairman of the Board of Directors shall receive an annual fee of SEK 400.000. the total is therefore SEK 1.100.000. No fees paid for work on the Board's committees. It was proposed that fees for the auditors be paid according to approved account.
- » To re-elect Laura Shunk, Leif Ryd, Christian Krüeger, Dennis Stripe and Wilder Fulford as members of the Board of Directors for the period until the end of next annual general meeting. It was further resolved to re-elect Dennis Stripe as chairman of the Board of Directors.
- » To re-elect the authorised public accounting firm KPMG AB as the company's auditor for the period until the end of the next annual general meeting, with Duane Swanson as auditor-in-charge.
- » To Adopt the procedures for establishing the nomination committee for the 2020 annual general meeting in accordance with the proposal of the nomination committee.
- » To adopt the guidelines for remuneration to the senior management in accordance with the proposal of the Board of Directors.
- » To Authorise the Board of Directors to resolve on new issues of shares for the period until the 2020 annual general meeting.

### Extraordinary general meeting 2019

The extraordinary general meeting on 7 May 2019 resolved to approve the Board of Director's resolution regarding amendments to the articles of association and on a new issue of shares with preferential rights for shareholders.

### **AGM 2020**

The 2020 AGM will be held in Stockholm on 2 April 2020. The notice of meeting was made public through a press release and announcements in Post och Inrikes Tidningar and Dagens Industri, as well as published on Episurf Medical's website.

### **3 Nomination committee**

Ahead of the AGM, the nominating committee shall put forward proposals for the number of Board members, the composition of the Board, fees to the Board of Directors, the Chairman of the AGM and of the Board, and when appropriate, proposals for election of an auditor and auditing fees. The 2019 AGM resolved on principles for Episurf Medical's nominating committee that shall apply until changed by a future general meeting, according to the following:

» The nominating committee shall have four members. The three largest shareholders in the company in terms of voting power in the company at 31 August the year before the year in which the AGM is held shall each have the right to appoint a member to the nominating committee. The Board Chairman shall also be appointed as a member of the nominating committee. The CEO and other members of the executive management shall not be members of the nominating committee.

#### **Members of the nomination Committee ahead of 2020 AGM**

**Dennis Stripe**, Chairman of Episurf Medical AB

**Leif Ryd**, Representing Nilés Noblitt

**Carl Palmstierna**

**Robert Charpentier**, Representing Pål Ryfors

Robert Charpentier has been appointed chairman of the Nomination Committee.

#### **The work of Nomination Committee**

» By 15 October, the Board Chairman shall convene the largest shareholders in the company. If any of these should waive its right to appoint a member to the nominating committee, the next largest shareholder in order of voting power shall be given the opportunity to appoint a member.

» The composition of the nominating committee shall be made public no later than six months before the AGM.

» The Board Chairman shall convene the first meeting of the nominating committee. However, the Board Chairman shall not be appointed as chairman of the nominating committee.

» If it becomes known that any of the shareholders that have appointed a member to the nominating committee is no longer one of the largest shareholders, due to changes in the shareholder's holding or as a result of changes in other shareholders' holdings, the member appointed by the shareholder, if the nominating committee deems it appropriate, shall resign and be replaced by a new member who is appointed by the shareholder which at that time is the largest registered shareholder that has not already appointed a member to the nominating committee. If the registered ownership conditions are otherwise significantly changed before the nominating committee has completed its work, and if the nominating committee deems it appropriate, the composition of the nominating committee shall be changed according to the above principles.

» The nominating committee's mandate period extends until a new nominating committee has been appointed.

» The Chairman of the Board shall annually present an evaluation of the Board's work during the year for the nominating committee, which should be the base for the work for the Nomination committee together with the requirements of the Swedish code and specific requirements of Episurf Medical AB. The nominating committee's proposals are published in the notice of the AGM, on the company's website and at the AGM.

#### **Nomination Committee meetings**

Nomination committee for the AGM 2020 has held one formal meeting and in addition to the informal discussions. No fees have been paid for work on the nominating committee.

#### 4 Board of Directors

Episurf Medical's Board of Directors consists of five members elected by the AGM, with no deputies. The members of the Board are elected by the AGM to serve for the period until the company's next AGM. The 2018 AGM elected the Board according to the table below, which also shows fees, independence, etc. According to the Articles of Association, the Board shall consist of at least three and at most eight members. The CEO is not a member of the Board.

##### Independent

The company's Board of Directors has been assessed to meet the independence requirements, as four of the five members elected by the AGM are independent in relation to the company and its management and five of the five members are independent in relation to major shareholders. Leif Ryd is not deemed to be independent in relation to the company and its management as he currently active as a consultant in the company. One Board member is a woman, but in accordance with the Code. the Board intends to strive for a more even gender distribution on the Board.

##### The Board's work and responsibilities

The Board of Directors establishes the company's goals, strategies, budget and business plan. The Board is responsible for the company's organisation and administration and for ensuring the quality of its financial reporting and internal control. Furthermore, the Board shall examine and approve the financial reports and establish significant policies and regulatory systems. The Board shall also resolve on decisions outside the scope of day-to-day management, such as major investments and changes. The Board shall monitor the company's operations based on the established goals and guidelines. This work is governed by the Swedish Companies Act, the Articles of Association, the Code and the Board's procedural plan.

Every year, the Board shall hold an inaugural meeting immediately following the AGM. The inaugural meeting shall among other things appoint the company's authorised signatories and shall review and adopt the Board's procedural plan. The company's Board meetings shall normally deal with the company's financial situation and matters of material importance to the company. The CEO reports continuously on business plans and strategic issues. According to the Board's procedural plan, the Board is a quorum when at least three of its members are present.

##### Composition of the Board

Name	Function	Born in	Elected in	Fees (SEKm)	Meeting attendance	Independent	
						From the company	From shareholders
Dennis Stripe	Board Chairman	1957	2016	0.4	16/16	Yes	Yes
Christian Krüeger	Board Member	1966	2016	0.2	16/16	Yes	Yes
Laura Shunk	Board Member	1957	2017	0.2	16/16	Yes	Yes
Leif Ryd	Board Member	1949	2009	0.1	16/16	No	Yes
Wilder Fulford	Board Member	1958	2016	0.2	16/16	Yes	Yes

Pursuant to the Swedish Companies Act, Episurf Medical's Board of Directors has adopted a written procedural plan for its work. The now applicable procedural plan and CEO instructions were adopted at the inaugural Board meeting on 8 April 2019. The procedural plan among other things regulates how the Board shall conduct its work and which matters are to be dealt with by the Board. The procedural plan also regulates how the Board is to be continuously provided with information and financial reporting by the CEO.

The Board in its entirety takes part in matters related to auditing, including monitoring and evaluation of the audit process, quality assurance of the company's financial reporting assessment of reports from the independent auditor and review of the auditors' independence from the company, including the scope of any non-audit services provided by the auditor to the company. The Board has therefore not set up any audit committee.

The Board shall annually review the Board's and the CEO's work and present it to the Nomination Committee.

### **Work of the Board in 2019**

The Board held sixteen meetings in 2019. The Board members' attendance is shown in the table above. Each scheduled Board meeting followed an agenda and decision data was sent to the members of the Board ahead of each meeting. The CEO and certain other senior executives in the company have taken part in Board meetings in order to present reports. The Board has dealt with matters such as R&D, marketing plans and commercialisation of products, organisation, risk and internal control, financial reporting and monitoring, financial position and investments. In 2019 the Board devoted special attention to issues related to marketing, sales and financing.

Evaluation of the Board's work was conducted in November 2019 and was presented written to the Board and the Nomination Committee in November 2019 and then orally for the Board November 22, 2019. Evaluation of the Board's executive director Pål Ryfors, was conducted in November 2019.

### **Remuneration to the Board**

Fees and other remuneration to the members of the board of directors, including the Chairman, are determined by a general meeting of the shareholders of the company. At the annual general meeting held on 8 April 2019, it was resolved that remuneration shall be paid with SEK 0.4m to Dennis Stripe, who was appointed Chairman of the board of directors and SEK 0.2m to Wilder Fulford, Laura Shunk and Christian Krüeger and SEK 0.1m to Leif Ryd. It was further resolved that no remuneration shall be paid for committee work. During the financial year 2019, the total remuneration to the members of the board of directors amounted to SEK 1.1m distributed in accordance with the table above.

### **BOARD COMMITTEES**

#### **5 Remuneration committee**

According to the Code, the members of the remuneration committee shall be independent in relation to the company and the senior executives.

The board of directors' remuneration committee continuously evaluates the remuneration to senior executives in view of current market conditions.

The Remuneration Committee currently consists of three members: Dennis Stripe, Christian Krüeger, Wilder Fulford, which are all considered to be independent in relation to the company and the senior executives. The remuneration committee's main tasks are to:

- (a) prepare the board of directors' decisions on issues relating to compensation and other employment terms for the senior executives,
- (b) monitor and to evaluate current remuneration structures, remuneration levels and programs for variable remuneration to the senior executives and
- (c) to monitor and evaluate the outcome of variable compensation schemes and the company's compliance with remuneration guidelines adopted by the general meeting.

After the annual meeting 2019, the Remuneration Committee held three meetings.

#### **Remuneration committee, no. of meetings**

Dennis Stripe 3/3

Christian Krüeger 3/3

Wilder Fulford 3/3

#### **– Audit Committee**

Episurf Medical deviates from the Code in that it has no specially appointed audit committee. Matters related to auditing are dealt with by the Board, pursuant to the Swedish Companies Act. Chapter 8. section 49 a. paragraph 2.

The Board's assessment is that Episurf Medical has no need for a separate audit committee in view of Episurf Medical's size and that audit-related matters are best handled by the entire Board.

#### **6 Auditors**

The independent auditor is appointed at the AGM to examine the company's financial accounts and the administration of the company by the Board of Directors and the CEO.



#### **Auditor**

The 2019 AGM elected the auditing firm of KPMG AB as the company's independent auditor to serve until the end of the 2020 AGM. Auditor in Charge is Authorised Public Accountant Duane Swanson. Duane Swanson, born in 1959, is an Authorised Public Accountant and a member of FAR. KPMG AB's office address is: Vasagatan 16, 101 27 Stockholm, Sweden.

#### **7-8 CEO and executive management**

The Board appoints the CEO. The CEO oversees the company's operations, supervises its day-to-day management and is responsible for ensuring that the Board is provided with the information necessary to discharge its duties.

The CEO is not a member of the Board. The CEO presents reports to the Board and takes part in meetings, except for when the CEO is evaluated, at which time the Board meets with the auditor without the presence of the executive management, or if the Board so decides. The segregation of responsibilities between the Board of Directors and the CEO is described in written CEO instructions that are subject to yearly revision.

The CEO appoints the members of the executive management. The role of the executive management is to drive business operations and monitor the company's development.

At the beginning of 2019 the executive management consisted of Pål Ryfors (CEO), Veronica Wallin (CFO), Jeanette Spångberg (COO), Fredrik Zetterberg (Marketing Director), Göran Martinsson (Sales Director) and Katarina Flodström (Chief Regulatory Officer, quality affairs and intellectual property).

The company announced that after nearly nine years as Chief Operating Officer of Episurf Medical, Jeanette Spångberg had chosen to accept an opportunity outside the group. At the same time, it was announced that Katarina Flodström, Head of Regulatory Affairs, Quality and IP, was appointed Chief Operating Officer. In connection with these changes, the company also announced that Michael Näsström was appointed acting Quality Manager. These changes were implemented on June 1, 2019.

## Remuneration to the CEO and management

**THE COMPANY'S AGM ON 8 April 2019** resolved to implement the following guidelines for remuneration to senior executives for the period until the 2020 AGM.

Remuneration and terms of employment for senior executives, by which is meant the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Chief Regulatory Officer, Regulatory affairs, Quality affairs and Intellectual property, the Sales Director and the Marketing Director December 31, 2018, shall be designed to ensure the company's access to executives with the right expertise. This remuneration shall consist of basic salary, possible variable remuneration, incentive programs and other benefits including a company car and pension contributions. The remuneration shall be market-based and proportionate to the executive's powers and responsibilities. Any variable remuneration shall be related to established, well-defined targets and to the basic salary, and shall be limited to a maximum amount equal to six months' salary (gross).

Episurf Medical's pension policy is based on an individual occupational pension in a maximum amount equal to 30 percent of basic salary. The company has a term of notice of no more than six months. Other remuneration and benefits, such as company car, shall be market-based.

The Board is given the opportunity to deviate from the above guidelines in individual cases where there is special reason to do so. In such case, information and the reasons for the deviation shall be reported at the next AGM. Aside from the CEO, no other senior executive or other employee is entitled to termination benefits.

On 25 February 2015 the Board decided to appoint a remuneration committee and it currently consists of Dennis Stripe, who is also chairman of the committee, Wilder Fulford and Christian Krüeger.

Remuneration to other senior executives is negotiated with the CEO and must be approved by the Board Chairman.

### **Incentive programmes**

See more information about Episurf Medicals incentive programmes in note 9.

### **Proposal for the Annual General Meeting to be held on April 2, 2020**

The Board of Directors of proposes that the Meeting resolves on the following guidelines for remuneration to senior executives.

The guidelines comprise the CEO and the other members of the senior management of the company. Remuneration covered by the guidelines shall include salary and other remuneration to the senior executives. These guidelines shall not apply to any remuneration resolved upon or approved by the general meeting. Hence, these guidelines do not apply to share-based incentive programs or board fees to the Board members.

To the extent that a non-employed Board member elected by the general meeting performs work for the company, besides the Board assignment, consultancy fees and other remuneration on market terms may be granted for such work. Decisions on consultancy fees and other remuneration to non-employed Board members elected by the general meeting are taken by the Remuneration Committee.

For employments governed by rules other than Swedish rules, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

### ***The guidelines' contribution to the company's business strategy, long-term interests and sustainability***

The business strategy of the company is to provide orthopaedists with individualised, top-quality treatment alternatives via the company's self-developed technology for image analysis, implant design and manufacturing. For more information on the business strategy, please refer to the company's website, [www.episurf.com](http://www.episurf.com). A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The company shall therefore offer remuneration and other terms of employment that enables the company to recruit and retain skilled executives with the experience and competence required. These guidelines enable the company to offer the senior executives a competitive remuneration.

**Types of remuneration**

The remuneration shall be on market terms and be competitive, and may consist of the following components: fixed base salary, variable remuneration, pension benefits and other benefits such as company car. Additionally, the general meeting may resolve upon, *inter alia*, share-based remuneration.

**Fixed base salary**

Each senior executive shall receive a fixed base salary that enables the company to attract and retain skilled employees. The fixed base salary shall be based on the senior executive's competence, responsibilities and performance.

**Variable remuneration**

The variable remuneration shall be linked to predetermined and measurable criteria which can be financial and non-financial. Financial criteria may relate to turnover, results, share price development and operational efficiency. Non-financial criteria may relate to clinical activities, personnel-related KPIs and quality-related KPIs. The variable remuneration is thereby linked to the company's business strategy, long-term interests and sustainability. The criteria shall be established, assessed and re-evaluated annually. Out of the total variable remuneration, a maximum of 50 per cent shall be based on financial criteria and a maximum of 50 per cent based on non-financial criteria. The variable remuneration shall not amount to more than 50 per cent of the fixed base salary of the senior executive.

**Pension benefits**

The pension benefits of the senior executives shall be defined premium pension benefits, unless the senior executive is subject to defined-benefit pension in accordance with the provisions of a collective agreement. The pension premiums for defined contribution may not exceed 4.5 per cent of the annual fixed base salary up to 7.5 Income Base Amounts (Sw. *inkomstbasbelopp*) and 30 per cent of the annual fixed base salary exceeding 7.5 Income Base Amounts. Variable remuneration shall only be pensionable to the extent it is required pursuant to applicable provisions of a collective bargaining agreements. Pension benefits may not amount to more than 50 per cent of the fixed base salary of the senior executive. Further, salary exchange shall be possible, allowing senior executives to exchange parts of the monthly fixed salary against pension payments.

**Other benefits**

Remuneration to senior executive may consist of other benefits, for example company car and health insurance. These benefits may not amount to more than 30 per cent of the fixed salary of the senior executive.

**Salary and employment conditions for employees**

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

**Notice period and severance pay**

The employment agreements between the company and senior executives shall generally apply until further notice. If the company terminates the employment of a senior executive, the notice period may not exceed 12 months. The fixed base salary during the notice period and severance pay may together not exceed an amount corresponding to the fixed base salary for a period of 24 months. When termination is made by the senior executive, the notice period may not exceed six months and may not include any right to severance pay.

**Decision-making process**

The Board of Directors has established a Remuneration Committee. The tasks of the Remuneration Committee includes the preparation of the Board of Directors' proposal for these guidelines. The Board of Directors shall prepare, and submit to the Annual General Meeting, a proposal for new guidelines at least every four years.

The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall further monitor and re-evaluate the variable remuneration programs for the senior executives, the application of the guidelines for salary and other remuneration to the senior executives, as well as the current remuneration structures and remuneration levels in Episurf. Senior executives shall not participate insofar as they are affected by the Board of Directors consideration of and decisions on remuneration-related issues.

***Derogation from the guidelines***

The Board of Directors may temporarily resolve to derogate from these guidelines, in whole or in part, if in a specific case there is special cause for such derogation and a derogation is necessary to serve the company's long-term interests, including sustainability, or to ensure the company's financial viability. As indicated above, the tasks of the Remuneration Committee includes the preparation of decisions of the Board of Directors on remuneration-related issues, which includes decisions on deviations from the guidelines.

## Internal control

**AS STATED IN THE SWEDISH COMPANIES ACT AND THE CODE**, the Board of Directors is responsible for ensuring that the company has satisfactory internal controls, for staying informed about the company's internal control system and for assessing the effectiveness of this system. Episurf Medical's internal control work can be divided between the control environment, risk assessment, control activities, information and communication, and monitoring. Episurf Medical's internal audit is handled by the Board of Directors, the CEO and the CFO, but in view of the company's size this is deemed to meet the requirements placed on the company. On a yearly basis, the Board evaluates the need to set up an internal audit function.



### Control environment

Episurf Medical has established a control environment that consists of an organisation with defined decision-making paths, powers and responsibilities. This is governed by policy documents such as the Board's procedural plan, instructions for the CEO, risk management policy, the company's information policy, authorisation procedures and other guidelines and instructions. These are reviewed yearly.

### Risk assessment

The Board of Directors has ultimate responsibility for risk assessment. On a yearly basis, the company evaluates risks and strives to achieve a high level of risk awareness among the employees. The main identified risk areas are financial reporting, operational risks and legal risks.

### Control activities

The Group's business processes include financial controls to avoid errors and mistakes. In order to enter into agreements, pay invoices and similar, an employee must follow defined decision-making paths and authorisation procedures.

### Information and communication

Episurf Medical has been listed since 2010 (at that time on the Aktietorget marketplace) and the company has long experience of external financial communication. The company has an organisation and routines to ensure the correctness and accuracy of the financial reporting. This work is governed by internal control documents that define who is responsible for what in order to ensure that the right information reaches the affected parties in the correct manner.

The company has a comprehensive information policy to safeguard high quality in the external and internal information and ensure that Episurf Medical meets the stock market's requirements for information disclosure. The aim is to convey information in confidence-building manner, externally and internally, so that knowledge and confidence in the company are upheld and enhanced. A separate control document contains routines for press releases, financial reports, general meetings, issues, the website, registration of insiders, handling of the logbook, etc. All reports and press releases are published simultaneously with publication on the company's website.

### Monitoring

The Board of Directors monitors internal control to ensure that shortcomings are corrected and that good ideas are realised, among other things by evaluating the executive management's information.

## Board of Directors

According to the Articles of Association, Episurf Medical's Board of Directors shall consist of at least three and at most eight members, with up to two deputies. The company's Board of Directors currently consists of five members, including the Chairman. All Board members are elected to serve until the end of the next AGM. Below is a presentation of the Board members with information about their year of birth, education, year of election to the Board, other current positions and shareholdings. Assignments in the Group are not stated. Shareholdings in the company include own direct and indirect holdings and related party holdings at 31 December 2019.



**Dennis Stripe**  
**Chairman of the Board since 2016**  
**Shareholding** 49,900 B-shares. 663 TO4B (warrants)  
**Born** 1957

**Education and experience:** Mr. Dennis Stripe has a bachelor degree in Business from Ohio Northern University and over 40 years of experience from various positions in management, sales and marketing on a global basis. When joining Kendall Healthcare Products in 1983, Mr. Stripe started a career within the healthcare industry lasting 37 years and he remains active in the medical device industry. In 1991, Mr. Stripe joined Smith & Nephew as a Senior Product Manager. During his time at Smith & Nephew, Mr. Stripe held various senior positions with Marketing, ending as a Group Marketing Director within the Orthopedic Division. Following a successful career at Smith & Nephew, Mr. Stripe joined the Spine Division of Stryker Corporation in 1996 and remained there until 2008. At Stryker Corporation, Mr. Stripe held several senior management roles on a global basis, including the Vice President of Global Marketing. In 2008, Mr. Stripe joined OrthoHelix Surgical Designs, a medical technology company focusing on implants and instruments for reconstruction surgery. Mr Stripe remained at OrthoHelix Surgical Designs until 2013 and served as Chief Executive Officer and as member of the Board of Directors for five years. OrthoHelix Surgical Designs was ultimately sold to Nasdaq listed company Tornier N.V., a transaction led by Mr. Stripe.

Mr. Stripe is currently a key executive of California based Compliant Innovations, a company focusing on software solutions for the healthcare industry, as well as a member of the Board of Directors of Central-Insurance Companies and Medshape.

**Current positions:** Member of the Board of directors of Medshape Inc., Central Insurance Companies, The Foot and Ankle Association (also known as Step2Walk) and advisor to Compliant Innovations Inc. (Also known as Docspera)

**Independence:** Independent in relation to the company, its senior executives and principal shareholders.



**Wilder Fulford**  
**Board member since 2016**  
**Shareholding** –  
**Born** 1958

**Education and experience:** Dr Wilder Fulford has advised the Boards, management and owners of companies in diverse industries on M&A, corporate finance and other strategic transactions for over 30 years. Dr Fulford is currently CEO of The Fulford Group, which he founded in 2016 to provide independent M&A and strategic and financial advice and execution to companies, entrepreneurs and investors in Life Sciences, Healthcare, and other industries. He also a strategic advisor and member of the investment committee (with the title of Operating Partner) for the Singapore-based private equity firm Quadria Capital, a leading investor in healthcare companies in Southeast Asia. In 2011, Dr Fulford founded the London office of Torrey Partners, a specialist life sciences advisory firm. Prior to that he was Head of European Healthcare M&A at Deutsche Bank, Head of European Healthcare Investment Banking at

Bank of America, and Head of European Healthcare and Basic Materials M&A at Merrill Lynch. He began his career in New York, working for a number of years as a venture capitalist, and then as an M&A banker at James D. Wolfensohn Inc. and as a partner at Salomon Brothers. In his career he has undertaken hundreds of advisory assignments, and advised on over 100 completed transactions. In recent years, he has advised on numerous healthcare mergers & acquisitions as well as life science and medtech partnering and licensing deals. Dr. Fulford earned a PhD in Molecular Biology from The Rockefeller University and a BSc in Biochemistry from the University of Toronto.

**Current positions:** CEO for the Fulford Group and operating partner at Quadria Capital.

**Independence:** Independent in relation to the company, its senior executives and principal shareholders.



**Leif Ryd**

**Board member since 2009**

**Shareholding** 223 A-shares 150,000 B-shares in person, and 421,185 A-shares and 215,714 B-shares through the company Aktiebolaget Gile Medicinkonsult and 2,378 TO4B in person and 15,663 TO4B through the company Aktiebolaget Gile Medicinkonsult (warrants)

**Born** 1949

**Education and experience:** Leif Ryd is an orthopedic surgeon with a long career in clinical research, focusing on osteoarthritis (OA). He is also a former Professor at Karolinska Institute in Stockholm. Dr. Ryd's clinical areas of expertise include degenerative joint disease of the hip and knee, as well as traumatic injuries of the knee. Dr. Ryd works on a consultancy basis for Episurf as a Senior Medical Advisor focusing on medical/scientific development and marketing Episurf products to the medical profession.

**Current positions:** Chairman of the board and CEO of Aktiebolaget Gile Medicinkonsult and member of the Board of directors of Crage AB.

**Independence:** Independent in relation to the company, but not in relation to the company's senior executives and principal shareholders.



**Christian Krüeger**

**Board member since 2016**

**Shareholding –**

**Born** 1966

**Education and experience:** Christian Krüeger has a Bachelor of Science in Business Administration and has Majored in Finance at University of Lund. Mr Krüeger is currently the CEO of LMK Venture Partners AB, a Swedish family office investing in both listed, unlisted companies and treasury bond. Mr. Krüeger has extensive experience from the financial industry, including stock and bond brokerage, equity raisings and the debt capital markets. Mr Krüeger has held senior positions, most recently as Head of Equities, at Pareto Securities in Stockholm. Prior to Pareto, Mr Krüeger held multiple senior positions at Öhman Fondkommission and Matteus Fondkommission.

**Current positions:**

Member of the board and CEO of LMK Venture Partners AB and LMK Venture Partners Utveckling AB. Member of the board of Solnaberg Property AB (publ), Bynk AB, Mälarsåsen AB (publ), Venaticus Capital AB, Bostadsrättsföreningen Härolden nr 38, Krueger Liljefors Holding AB, Mälarsåsen Fastigheter i Märsta AB, Mälarsåsen Fastigheter i Stockholm AB and Solnaberg Bladet 3 ProCo AB. Deputy member of the board of LMK Hotels & Real Estate AB, LMK Ventures AB, Krueger Liljefors Partners AB and Krueger Liljefors Konsult AB.

**Independence:** Independent in relation to the company, its senior executives and principal shareholders.



**Laura Shunk**

**Board member since 2017**

**Shareholding** 127,417 B-shares, 769 TO4B (warrants)

**Born** 1958

**Education and experience:** Laura Shunk is a senior and founding partner in the law firm of Hudak, Shunk and Farine. Co LPA in Cuyahoga Falls, Ohio, USA, where she has practiced in the field of Intellectual Property Law since 1987. Laura's career has included patent and trademark prosecution work focused in the healthcare and medical device field with representations including InvaCare,

Cross Medical, Biomet, OrthoHelix Surgical Designs, Tornier, and Wright Medical.

**Current positions:** Chairman of the board of SCI Engineered Materials, Co.

**Independence:** Independent in relation to the company, its senior executives and principal shareholders.

## Executive management



**Pål Ryfors**  
**CEO since 2017**  
**Shareholding** 1,159,250 B-shares  
**Employee stock option** 71,450  
**Warrants** 39,681  
**Born** 1983

**Education and experience:** Pål has a Bachelor in Financial Economics from Gothenburg School of Economics. He has vast experience from leading positions within the finance and banking sector both in the Nordics and internationally.

Most recently, he was the CFO of Marginalen Bank, a Swedish bank employing some 350 people, where Ryfors was responsible for the strategic financial planning and management, as well as leading the financial operations and implementing corporate development initiatives. Previously, Ryfors was Head of Group Controlling at Hoist Finance. Prior to joining Hoist Finance, Ryfors was an investment banker at Societe Generale, where he joined after holding several leading positions in the restructuring of the Swedish operations of Kaupthing Bank.

**Other appointments:** Board member Aros Kapital, Doxa Aktiebolag and Bostadsrättsföreningen Bajonetten 5.



**Veronica Wallin**  
**CFO since 2017**  
**Shareholding** 12,000 B-Shares  
**Employee stock option** 44,350  
**Warrants** 24,748  
**Born** 1986

**Education and experience:** Veronica Wallin has a Degree of Master of Science in Business and Economics from Stockholm's University and was employed by Episurf Medical in August 2016 as Head of Finance. In June 2017 Veronica became CFO after Pål Ryfors, who then assumed the position as CEO. Prior to

joining Episurf Medical Veronica worked as Head of Finance at ApoEx during 2013–2016.

**Other appointments:** Board member Bostadsrättsföreningen Kettingen 1.



**Katarina Flodström**  
**COO since 2019**  
**Shareholding** 75,000 B-Shares (of which 21,000 is family members)  
**Employee stock option** 42,400  
**Warrants** 11,755 (of which 259 is family members)  
**Born** 1975

**Education and experience:** Katarina has a PhD in Physical Chemistry from Lund University and a MSc in Chemical Engineering from the Royal Institute of Technology in Stockholm. She was employed by Episurf Medical in 2014. Katarina has over 15 years' experience from RnD in start-up companies. She was the RnD Manager and Quality Manager of Diamorph AB from which Episurf is a spin-off.

**Other appointments:** Board member Bostadsrättsföreningen Oscar.



**Göran Martinsson**

**Sales Director since 2014**

**Shareholding** 243,040 B-Shares (of which 22,020 is family members)

**Employee stock option** 53,550

**Warrants** 22,413 (of which 271 is family members)

**Born** 1959

**Education and experience:** Göran Martinsson has more than 30 years of experience from senior management roles in various technology companies including the companies in the medical technology sector. Prior to joining Episurf Medical in August 2014, Göran worked at companies such as ArthroCare and Merivaara.

**Other appointments:** –



**Fredrik Zetterberg**

**Marketing Director since 2017**

**Shareholding** 12,000 B-Shares

**Employee stock option** 35,450

**Warrants** 12,700

**Born** 1975

**Education and experience:** Fredrik Zetterberg was employed by Episurf Medical AB in February 2016 and has 20 years of experience from medical technology companies such as Baxter, Cardinal Health, ArthroCare and Smith & Nephew. Since 2008 the focus has been on orthopedics where he has held senior positions within sales management and international marketing.

**Other appointments:** –