

*This English translation of the notice is an unofficial translation of the Swedish original. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **Notice of Annual General Meeting of Episurf Medical AB (publ)**

The shareholders in Episurf Medical AB (publ), 556767-0541 (“**Episurf**” or the “**Company**”), are hereby summoned to the Annual General Meeting on Thursday, 2 April 2020 at 17:30 (CEST) (the “**Meeting**”) at the Company’s offices at Karlavägen 60, 114 49 Stockholm. The doors open at 17:00 (CEST).

### **NOTICE OF ATTENDANCE, ETC.**

Shareholders who wish to attend and vote at the Meeting must be registered in the share register maintained by Euroclear Sweden AB on Friday, 27 March 2020, and no later than on Friday, 27 March 2020 give notice of attendance via the Company’s website, [www.episurf.com](http://www.episurf.com), or by post to Episurf Medical AB (publ), att. Veronica Wallin, Karlavägen 60, 114 49 Stockholm, Sweden.

Notice of attendance must be received by the Company no later than on Friday, 27 March 2020. The notification shall include the shareholder’s name, personal identification number/corporate registration number and daytime telephone number. The notice of attendance shall also include the number of accompanying advisors (not more than two) who are attending the Meeting. Shareholders who are represented by a proxy must submit a dated and signed power of attorney. The original of the power of attorney and, for legal entities, a certified copy of a certificate of registration, should be sent to the Company at the postal address above in ample time prior to the Meeting. The power of attorney may not be valid for a longer period than five years from its issuance if so explicitly stated. A form of power of attorney is available on the Company’s website, [www.episurf.com](http://www.episurf.com).

Shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own name to be entitled to participate at the Meeting. Such registration must be completed at Euroclear Sweden AB no later than on Friday, 27 March 2020. The nominee should therefore be instructed well in advance of this date.

Personal data obtained from the share register, notices of attendance at the Meeting and information on proxies and advisors will be used for registration, preparation of the voting list for the Meeting and, where applicable, the minutes of the Meeting. For information about how your personal data is processed, please refer to the Privacy Policy available on Euroclear’s website: [www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf](http://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf).

### **PROPOSED AGENDA**

- 1) Opening of the Meeting
- 2) Election of chairman of the Meeting
- 3) Preparation and approval of the voting list
- 4) Election of one or two persons to approve the minutes of the Meeting

- 5) Approval of the agenda
- 6) Determination of whether the Meeting has been duly convened
- 7) Presentation of the annual accounts and the auditors' report and the consolidated accounts and the auditors' report on the consolidated accounts
- 8) Presentation by the CEO, and shareholders' questions to the Board of Directors and management of the Company
- 9) Resolution on:
  - a) adoption of the income statement and the balance sheet and the consolidated income statement and balance sheet
  - b) allocation of the result of the Company in accordance with the adopted balance sheet, and
  - c) discharge of liability for the members of the Board of Directors and the CEO
- 10) Resolution on the number of members of the Board of Directors
- 11) Determination of fees for the members of the Board of Directors and the auditor
- 12) Election of members of the Board of Directors, Chairman of the Board of Directors and auditor
- 13) Resolutions on Nomination Committee
- 14) Resolution regarding guidelines for remuneration to the senior management
- 15) Resolutions on
  - a) adoption of an incentive programme
  - b) an issue of warrants of series 2020/2023(A)
  - c) an issue of warrants of series 2020/2023(B) and approval of transfers of warrants of series 2020/2023(B)
- 16) Resolution on authorisation for the Board of Directors to resolve on new issues
- 17) Closing of the Meeting

## **PROPOSALS FOR RESOLUTIONS**

### **Proposals from the Nomination Committee under item 2 and 10-13**

The Nomination Committee, established in accordance with the principles adopted at the annual general meeting of 2019, makes the following proposals under items 2, 10, 11, 12, and 13.

- Gustav Skogö Nyvang, attorney-at-law, is proposed to be appointed as chairman of the Meeting.
- The Board of Directors is proposed to consist of five members with no deputy members.
- Proposed re-election of Dennis Stripe, Wilder Fulford, Christian Krüeger, Leif Ryd and Laura Shunk as members of the Board of Directors until the end of the next annual general meeting.
- Proposed re-election of Dennis Stripe as Chairman of the Board of Directors until the end of the next annual general meeting.
- Total fees of SEK 1,100,000 are proposed to be paid to the Board of Directors, of which SEK 400,000 are proposed to be paid to the Chairman of the Board of Directors, SEK 200,000 are

proposed to be paid to each of Christian Krüeger, Wilder Fulford and Laura Shunk and SEK 100,000 are proposed to be paid to Leif Ryd. No fees are proposed to be paid for committee work.

- Proposed re-election of KPMG AB as auditor of the Company until the end of the next annual general meeting. Should the proposal be adopted, KPMG intends to appoint Duane Swanson as auditor in charge.
- Auditors' fees are proposed to be payable in accordance with approved invoice.

**The Nomination Committee proposes that the Meeting resolves on the following principles for appointing the Nomination Committee for the next annual general meeting.**

The Nomination Committee shall consist of four members. The three, in terms of votes, largest shareholders/owner groups (the "Largest Shareholders") as per 31 August the year prior to the next annual general meeting, according to the list of shareholders in the share register maintained by Euroclear Sweden AB or that in another way are proved to be one of the Largest Shareholders, are entitled to appoint one member of the Nomination Committee each. In addition, the chairman of the Board of Directors shall be appointed as member of the Nomination Committee. The chairman of the Board of Directors shall summon the Largest Shareholders by 15 October the year preceding the annual general meeting, at the latest. If any of these shareholders waive their right to appoint a member of the Nomination Committee, the next shareholder/owner groups in order of size shall be given the opportunity to appoint a member of the Nomination Committee.

The CEO or any other person from the senior management shall not be a member of the Nomination Committee. The chairman of the Board of Directors shall summon the Nomination Committee's first meeting.

The chairman of the Board of Directors shall not be appointed chairman of the Nomination Committee. The Nomination Committee's term of office extends until a new Nomination Committee is appointed. The composition of the Nomination Committee shall be made public no later than six months before the annual general meeting.

If it becomes known that a shareholder that has appointed a member of the Nomination Committee, as a result of changes in the said owner's shareholdings or due to changes in other owners' shareholdings, is no longer one of the Largest Shareholders, the committee member who was appointed by said shareholder shall, if the Nomination Committee so decides, resign and be replaced by a new member appointed by the shareholder who at the time is the largest registered shareholder that has not already appointed a member of the Nomination Committee.

If the registered ownership structure is otherwise significantly changed prior to the completion of the Nomination Committee's work, the composition of the Nomination Committee shall, if the Nomination Committee so decides, be changed in accordance with the above stated principles.

**The Nomination Committee proposes that the Meeting resolves on the following instruction for the Nomination Committee' work ahead of the next annual general meeting.**

**Members of the Nomination Committee**

Members of the Nomination Committee are to promote the common interests of all shareholders. The members of the Nomination Committee shall not unduly reveal the content and details of the discussions of the committee. Each member of the Nomination Committee is to consider carefully whether there is any conflict of interest or other circumstance that makes membership of the Nomination Committee inappropriate before accepting the assignment.

**The tasks of the Nomination Committee**

The tasks of the Nomination Committee is, where applicable, to propose decisions to the shareholders' meeting on:

- election of chairman for the general meeting
- number of members of the Board of Directors
- fees to members of the Board of Directors appointed by the general meeting, including remuneration for committee work
- auditor fees
- election of members of the Board of Directors and a chairman of the Board of Directors
- election of auditor
- principles for the appointment of the Nomination Committee
- instructions to the Nomination Committee

**The composition of the Board of Directors**

The Board of Directors is to have a composition appropriate to the Company's operations, phase of development and other relevant circumstances. The board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The Company is to strive for gender balance on the board.

As part of the Nomination Committee's work on finding suitable candidates and assessing the need for complementary competence and to assess both the composition of the Board of Directors and the suitability of individual members, the Nomination Committee shall examine the internal Board evaluation from the chairman of the Board of Directors and each board member's own evaluation of the Board's overall competence, the work climate and the member's own competence.

Furthermore, the Board of Directors shall be ownership based and, at the same time, the need for independence from the Company, the Company's management and the Company's major shareholders shall be taken into account regarding the Board of Directors as a whole.

Members of the Board of Directors are to be appointed for a period extending no longer than to the end of the next annual general meeting. Deputies for directors elected by the shareholders' meeting are not to be appointed. Before the Nomination Committee nominates a candidate for the annual general meeting, the Nomination Committee conducts an assessment of the candidate's suitability, partly on the basis of an overall evaluation of the composition of the Board of Directors, and partly on the basis of an evaluation, among other things, of the candidate's character and theoretical and practical experience. Potential conflict of interest should also be taken into account. Furthermore, the candidate's ability to devote enough time on the board assignment shall be assessed.

**Proposal for election of auditor**

The Nomination Committee's proposal to the shareholders' meeting on the election of the auditor is to include the Audit Committee's recommendation (or that of the Board of Directors if it does not have an audit committee). If the proposal differs from the recommendation, the reasons for not following such recommendation are to be stated in the proposal.

**Work of the Nomination Committee**

The Company shall pay for reasonable costs that the Nomination Committee has considered to be necessary in order for the Nomination Committee to be able to complete its assignment.

The Nomination Committee is to issue a statement explaining its proposals with regard to the requirements concerning the composition of the Board of Directors contained in this instruction. The committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance. The statement is also to include an account of how the Nomination Committee has conducted its work.

The Nomination Committee is to notify its proposals and statements to the Company in sufficient time for it to be presented in the notice of a shareholders' meeting where the election of board members or auditors is to be held as well as published on the Company's website when the notice of the shareholders' meeting is issued.

At a shareholders' meeting where the election of board members or auditors is to be held, the chairman of the Nomination Committee, or whoever the Chairman appoints, is to present the Nomination Committee's proposals and statements

Furthermore, the Nomination Committee shall carry out the tasks assigned to it pursuant to the Swedish Corporate Governance Code.

**Proposal under item 14; Resolution regarding guidelines for remuneration to the senior management**

The Board of Directors 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.

**Proposal under item 15; Resolution on (a) adoption of an incentive programme, (b) an issue of warrants of series 2020/2023(A), and (c) an issue of warrants of series 2020/2023(B) and approval of transfers of warrants of series 2020/2023(B)**

***Proposal under item 15(a); Resolution on adoption of an incentive programme***

#### **General**

The Board of Directors proposes that the Meeting resolves to adopt an incentive programme for the employees of the Company and its subsidiaries based on employee stock options, performance based employee stock options, and warrants (the "**Programme**").

The rationale for the proposal is to achieve optimum alignment of interests between the employees and the shareholders in Company, to create conditions for retaining competent personnel to the Episurf group and to drive performance among the employees. The Board of Directors is of the opinion that the Programme is in favour of Episurf and its shareholders.

The Programme means that all employees of the Episurf group as the date of this notice (22 persons) will, in accordance with the below (i) be entitled to subscribe for a certain number of warrants of series 2020/2023 (A) (the "**Incentive Warrants**") for a price calculated in accordance

with the below, and (ii) be allotted a certain number of employee stock options (the “**Stock Options**”) free of charge.

In addition, the members of the senior management (five persons) and certain other employees of the Episurf group (nine persons) will, in accordance with the below, be allotted a certain number of performance based employee stock options (the “**Performance Options**”) free of charge.

No more than 220,000 Incentive Warrants, no more than 3,080,000 Stock Options and no more than 2,619,939 Performance Options will be issued. This implies a maximum dilution of approximately 3.1 per cent of the share capital and 3.0 per cent of the votes in the Company provided (i) that the extraordinary general meeting of the Company to be held on 10 March 2020 (the “**EGM 2020**”) resolves upon the fully guaranteed new issues of shares as further set forth in the notice to the EGM 2020 (the “**Share Issues**”), and (ii) that the Share Issues are fully subscribed for. In accordance with the below, the Performance Options are subject to certain performance targets for the financial year 2020, which determine to what extent the employees are entitled to keep and exercise the Performance Options. The Performance Options are introduced in order to reduce the cash payments under the Company’s existing cash based incentive programme for the financial year 2020.

**Allocation, etc.**

Each employee of the Episurf group (22 persons) shall be entitled to subscribe for up to 10,000 Incentive Warrants (i.e. a total of up to 220,000 Incentive Warrants may be issued).

The Stock Options shall be allocated in accordance with the following. Each employee of the Episurf group (22 persons) is proposed to be allotted, free of charge:

- a) 100,000 Stock Options (i.e. a total of 2,200,000 Stock Options); and
- b) four (4) Stock Option for each Incentive Warrant subscribed for in accordance with the above (i.e. a maximum of up to 880,000 Stock Options may be issued).

The Performance Options are proposed to be allotted to the participants free of charge in accordance with the following.

- a) the CEO is allotted 756,942 Performance Options;
- b) the other members of the senior management (four persons) are allotted 1,416,647 Performance Options in total, of which no participant within this category may be allotted more than 385,989 Performance Options; and
- c) the other participants (nine persons) are allotted 446,350 Performance Options in total, of which no participant within this category may be allotted more than 66,814 Performance Options.

**Incentive Warrants**

The Incentive Warrants are issued for a price corresponding to the Incentive Warrants’ market value calculated according to the Black & Scholes formula. Each Incentive Warrant entitles its

holder to subscribe for one (1) share of series B in the Company during the period from and including 1 June 2023 until and including 31 May 2024 for a subscription price corresponding to 125 per cent of the volume-weighted average of the price for the Company's share of series B on Nasdaq Stockholm during the period from and including 26 March 2020 until and including 1 April 2020 (the "**Calculation Period**"), provided however that the subscription price shall never be less than the quota value of the share.

### **Stock Options**

Provided that the participant is still employed by the Episurf group at the exercise of the Stock Options, each Stock Option entitles the employee to purchase one share of series B in the Company during the period from and including 1 June 2023 until and including 31 May 2024. The price for the shares of series B shall be equal to an amount corresponding to 125 per cent of the average volume-weighted share price for the Company's share of series B on Nasdaq Stockholm during the Calculation Period, provided however that the purchase price shall never be less than the quota value of the share.

The Stock Options may not be transferred or pledged. In case of special circumstances, the Board of Directors shall be authorised to resolve that Stock Options may be kept and exercised despite the fact that the employment in the Episurf group has ceased, for example due to illness.

### **Performance Options**

Episurf applies a short-term cash based incentive programme for certain employees of the Episurf group, which means that such employees may receive a cash bonus in an amount corresponding to a certain number of monthly salaries based on the outcome of certain predetermined performance targets measured during a period of 12 months. The programme includes (i) the members of the senior management (five persons), who each may receive a cash bonus in a maximum amount corresponding to up to six monthly salaries, and (ii) the employees of the production department of Episurf (nine persons), who each may receive a cash bonus in a maximum amount corresponding to up to two monthly salaries.

In order to reduce the cash payments under the cash based incentive programme for the financial year 2020 (the "**Performance Period**"), the Board of Directors proposes that Episurf shall be entitled to settle up to 70 per cent of any vested cash bonus for each participant of the cash based incentive programme with Performance Options instead of cash. The Performance Options (i.e. a total of 2,619,939) shall be allotted to the participants as soon as possible following the Meeting and no later than on 30 June 2020. The number of Performance Options to be allotted to the participants has been determined by dividing the amount of the cash bonus that may be settled with Performance Options (assuming that the maximum cash bonus becomes payable for all employees) with an amount of SEK 0.59, corresponding to the Performance Option's market value calculated according to the Black & Scholes formula where a share price of SEK 1,51 has been

used, corresponding to the average volume-weighted share price for the Company's share of series B on Nasdaq Stockholm during the period from and including 24 February 2020 up to and including 28 February 2020.

The degree of fulfilment of the performance targets for the cash based incentive programme during the Performance Period determines the extent to which (if any) of the allotted Performance Options may be kept and exercised by the employees to acquire shares of series B in the Company at the expiry of a period of three years from the allotment of the Performance Options (the "**Vesting Period**"). The performance targets for the Performance Period includes (i) increase of sales in Episurf's core markets, (ii) increase in the number of clinical publications available for the Company's Episealer® technology, and (iii) the degree of progress in clinical studies sponsored by the Company. Each participant and Episurf shall enter into an agreement which shall include detailed terms on the performance targets and the employees' right to keep and exercise the allotted Performance Options. The outcome of the performance targets and the number of exercisable Performance Options will be announced by Episurf ahead of the Annual General Meeting of 2021.

Provided that a participant is still employed by the Episurf group at the expiry of the Vesting Period, each exercisable Performance Option entitles the employee to purchase one share of series B in the Company during a period of one year following the expiry of the Vesting Period (the "**Exercise Period**"). The price for the shares of series B shall be equal to an amount corresponding to 125 per cent of the average volume-weighted share price for the Company's share of series B on Nasdaq Stockholm during the Calculation Period, provided however that the purchase price shall never be less than the quota value of the share.

The Performance Options may not be transferred or pledged. In case of special circumstances, the Board of Directors shall be authorised to resolve that Performance Options may be kept and exercised despite the fact that the employment in the Episurf group has ceased, for example due to illness.

The Board of Directors shall be entitled to make adjustments to the Programme if significant changes in the Episurf group, or its markets, result in a situation where the decided terms and conditions for exercising the Performance Options or Stock Option are no longer appropriate.

***Proposal under item 15(b); Resolution on an issue of warrants of series 2020/2023(A)***

As further described under item 15(a) above, the Board of Directors proposes that the Company shall issue a maximum of 220,000 Incentive Warrants. The right to subscribe for the Incentive Warrants shall, with deviation from the shareholders' preferential rights, belong to the employees of the Episurf group. Subscription of the Incentive Warrants shall take place on a separate subscription list no later than on 30 June 2020. Payment shall be made no later than on the same date.

The increase of the Company's share capital will, upon exercise of the Incentive Warrants, amount to not more than approximately SEK 66,055.87 calculated as per the date of this notice.

***Proposal under item 15(c); Resolution on an issue of warrants of series 2020/2023(B) and approval of transfers of warrants of series 2020/2023(B)***

To ensure delivery of shares to holders of the Stock Options and Performance Options, the Board of Directors proposes that the Company shall issue a maximum of 5,699,939 warrants of series 2020/2023(B) ("**Hedge Warrants**"). The right to subscribe for the Hedge Warrants shall, with deviation from the shareholders' preferential rights, belong to Episurf Operations AB (the "**Subsidiary**"), a wholly-owned Swedish subsidiary of the Company.

The Hedge Warrants shall be issued to the Subsidiary without compensation and subscription shall take place on a separate subscription list no later than on 30 June 2020.

Each Hedge Warrant entitles the holder to subscribe for one new share of series B in the Company during the period from and including 1 July 2023 up until and including 30 June 2024. The subscription price shall be equal to an amount corresponding to 125 per cent of the volume-weighted average of the price for the Company's share of series B on Nasdaq Stockholm during the Calculation Period. The increase of the Company's share capital will, upon exercise of the Hedge Warrants, amount to not more than approximately SEK 1,711,429.10 calculated as per the date of this notice.

The Board of Directors finally proposes that the meeting approves that up to 5,699,939 Hedge Warrants during the period from and including 1 July 2023 up until and including 30 June 2024 are transferred by the Subsidiary to participants in the Programme or to third parties in order to ensure delivery of shares of series B pursuant to the Stock Options and the Performance Options.

**Majority requirements and conditions, etc.**

The Board of Directors' proposals for resolution pursuant to item 15(a)–(c) above constitute a "package", since the various proposals are dependent on and strongly tied to each other. On account of this, it is proposed that the Meeting only pass one resolution in relation to the above-mentioned proposals with observance of the majority rules that are stated in Chapter 16 of the Swedish Companies Act, meaning that the resolution must be supported by shareholders representing at least nine tenths of both the votes cast and of the shares represented at the Meeting.

The Board of Directors' proposals for resolution pursuant to item 15(a)–(c) above is conditional upon the EGM 2020 having resolved upon the Share Issues.

**Proposal under item 16; Resolution on authorisation for the Board of Directors to resolve on new issues**

The Board of Directors proposes that the Meeting authorises the Board of Directors to, during the period until the next annual general meeting, on one or more occasions, with or without deviation from the shareholders' preferential rights, resolve on new issues of shares, convertibles and/or warrants in the Company. The authorisation shall be limited whereby the Board of Directors may not resolve to issue shares, convertibles and/or warrants that, on a fully diluted basis, represent more than 20 per cent of the total number of shares in the Company following the registration of the New Issues with the Swedish Companies registration Office.

Payment may, except for in cash, be made in kind, by right of set-off or otherwise against markets terms according to the Board of Directors' assessment on a case-by-case level.

The Board of Directors or a person appointed by the Board of Directors are authorised to make minor adjustments to the resolution that may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office or due to other formal requirements.

A valid resolution under this item must be supported by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the Meeting.

**MISCELLANEOUS**

On the date of this notice, the total number of shares in Episurf is 90,930,755, of which 971,024 are shares of series A with three votes each, and 89,959,731 are shares of series B with one vote each. Accordingly, the total number of votes amounts to 92,872,803. The Company does not hold any shares in treasury.

The Nomination Committee's complete proposals is available at the Company's website [www.episurf.com](http://www.episurf.com) and at the Company's head of office at Karlavägen 60, 114 49 Stockholm, Sweden. The annual report and the auditors' report, a form of power of attorney as well as the Board of Directors' complete proposals and reports prepared in accordance with the Swedish Companies Act will not later than on 12 March 2020 be available to the shareholders on the Company's website and at the Company's head office. All documents will also be sent free of charge to those shareholders who so request and provide the Company with their address.

The shareholders are informed of their right to request information from the Board of Directors and the CEO at the Meeting in accordance with Chapter 7, Section 32 of the Swedish Companies Act.

Welcome!

Stockholm in March 2020  
The Board of Directors

[www.episurf.com](http://www.episurf.com)