

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

## **THE NOMINATION COMMITTEE'S PROPOSAL AND REASONED STATEMENT REGARDING ITS PROPOSAL FOR BOARD MEMBERS INCLUDING A REPORT ON THE NOMINATION COMMITTEE'S WORK**

### **1. BACKGROUND**

- 1.1. It was resolved at the annual shareholders' meeting in Alligator Bioscience AB (the "Company") on 20 April 2016 to adopt an instruction and charter for the Nomination Committee according to which the Nomination Committee shall consist of four members representing the three largest shareholders as per the last day of September, together with the Chairman of the board. The largest shareholders refers to the registered shareholders or otherwise known shareholders on the last business day in September.
- 1.2. In accordance with the adopted instruction, a Nomination Committee for the annual shareholders' meeting of 2017 has been constituted consisting of Ulf Wiinberg (Chairman) representing Sunstone Life Science Ventures Fund II K/S, Thomas Kidane representing Duba AB and Jonas Sjögren representing Jonas Sjögren and the chairman of the board, Peter Benson. The composition of the Nomination Committee was announced on 2 November 2016. After the year-end, Duba AB announced that they relinquished its seat in the Nomination Committee. The Nomination Committee then contacted an ownership group within Banque International à Luxembourg, which appointed Berit Levy as its representative of the Nomination Committee.
- 1.3. The Nomination Committee has followed the instruction and charter for the Nomination Committee which the annual shareholders' meeting established on 20 April 2016.

### **2. THE NOMINATION COMMITTEE'S PROPOSAL FOR BOARD MEMBERS**

- 2.1. The Nomination Committee proposes;
  - that the board shall consist of six board members,
  - that Peter Benson, Carl Borrebaeck, Kenth Petersson, Jonas Sjögren and Ulrika Danielsson are re-elected as ordinary board members,
  - that Anders Ekblom is elected as new ordinary board member, and
  - that Peter Benson is re-elected as Chairman of the board.

The present ordinary board members Jakob Lindberg and Mathias Uhlén have declined re-election.

Anders Ekblom, born 1954, PhD, Board Certified Medical Doctor in Anesthesiology and Intensive Care, Doctor of Dental Surgery and Associate Professor in Physiology at the Karolinska Institute. Previous experiences

include inter alia head of Global Development of AstraZeneca and CEO at AstraZeneca AB Sverige. Other current positions: Chairman of the board at Karolinska University Hospital and TFS International AB. Member of the board in AnaMar AB, Forska!Sverige, Infant Bacterial Therapeutics AB, Mereo Biopharma Group Ltd, Medivir AB, RSPR Pharma AB and The Swedish Research Council. Anders Ekblom holds no shares in Alligator Bioscience AB. Anders Ekblom is considered as independent in relation to the Company, its senior management and major shareholders.

### **3. THE NOMINATION COMMITTEE'S REASONED STATEMENT**

- 3.1. The Nomination Committee of the annual shareholders' meeting of 2017 has been constituted with regard to the shares and votes in the Company as per 30 September 2016. As stated above, the composition of the Nomination Committee has been revised after its initial constitution. The Nomination Committee has held two formal meetings and has had continuous contacts by telephone.
- 3.2. The Company's shareholders have been informed that it has been possible to submit proposals for board members no later than 31 January 2017. No such proposals have been received.
- 3.3. The aim of the Nomination Committee's work has primarily been to create an appropriate composition of the board, through which the members combined expertise and experience creates a broad base that conforms well to the Company's activity, stage of development and other conditions in general. The board shall be characterized by diversity and width with reference to the members' skills, experience and background.
- 3.4. The Nomination Committee has noted the evaluation of the board and has considered what competence and qualities the members of the board should have.
- 3.5. In the light of that the present ordinary board members Jakob Lindberg and Mathias Uhlén have announced that they decline re-election, the Nomination Committee has initiated a process to identify new candidates to the board. The Nomination Committee has assessed that the proposed composition of six members of the board meet well with the Company's needs and otherwise the requirements of the Swedish Code of Corporate Governance.
- 3.6. According to the Swedish Code of Corporate Governance, an even gender balance of the board shall be sought for. The Nomination Committee has considered the question of an even gender balance and the Nomination Committee can conclude, unfortunately, that the proposed composition of the board will not correspond to the level of ambition of which 40 percent of the board members shall represent the underrepresented sex. However, the Nomination Committee notes in connection herewith, that the employee representative who has been appointed to the board is a woman. The Nomination Committee's ambition is that the gender balance shall increase further over time, and at least correspond to the levels expressed by the Swedish Corporate Governance Board.

3.7. The Nomination Committee also considers that the proposed composition of the board fulfills the requirements of the Swedish Code of Corporate Governance regarding the independence of the members of the board. According to the Nomination Committee, all proposed board members, except Carl Borrebaeck, are to be considered independent in relation to the Company, its senior management and major shareholders. Carl Borrebaeck is to be considered non-independent in relation to the Company and its senior management, but independent in relation to major shareholders.

3.8. Information on Anders Ekblom is stated above. Information on the board members proposed for re-election may be found at the Company's website and in the Annual Report (see [www.alligatorbioscience.se](http://www.alligatorbioscience.se)).

#### **4. THE NOMINATION COMMITTEE'S OTHER PROPOSALS FOR THE ANNUAL SHAREHOLDERS' MEETING OF 2017**

4.1. The Nomination Committee proposes that lawyer Ola Grahn is elected as Chairman of the meeting.

4.2. The Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that one registered public accounting firm without deputy is appointed, and that Ernst Young AB is re-elected as auditor. Ernst & Young AB has informed that Johan Thuresson will be appointed as the responsible auditor. Remuneration for the auditor is proposed to be paid in accordance with customary norms and approved invoice.

4.3. The Nomination Committee proposes that the total remuneration to the board and its Committees shall be paid with a maximum of SEK 1,675,000 (SEK 1,300,000 previous year). The proposal means that remuneration shall be paid with SEK 400,000 to the Chairman of the board (SEK 300,000 previous year) and with SEK 225,000 to each of the other board members who are not employed by the Company (SEK 150,000 previous year). Furthermore, remuneration is proposed for committee work with SEK 100,000 to be paid in remuneration for the Chairman of the Audit Committee (SEK 50,000 previous year) and SEK 25,000 to each of the other members in the Audit Committee (SEK 25,000 previous year). No remuneration is proposed for committee work in the Remuneration Committee.

4.4. Finally, regarding the instruction and charter for the next year's Nomination Committee, the Nomination Committee proposes that the instruction and charter shall be adopted in accordance with the [schedule](#).

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Lund in March 2017

The Nomination Committee in Alligator Bioscience AB (publ)