

## **The nomination committee's proposal and motivated opinion for the annual general meeting 2019**

The nomination committee of Xspray Pharma AB (publ), which consists of Michael Wolff Jensen (chairman of the board), Gillis Cullin (appointed by Östersjöstiftelsen), Anders Bladh (appointed by Ribbskottet AB) and Niclas Eriksson (appointed by the Niclas Eriksson Family and holding companies), proposes the following:

- that Dain Hård Nevonen, member of the Swedish Bar Association, shall be appointed chairman of the annual general meeting,
- that the number of members of the board shall be seven without deputies,
- that an audit firm shall be appointed as auditor,
- that the directors' fees shall be paid with SEK 250,000 to the chairman of the board, with SEK 125,000 to each of the other ordinary board members, with SEK 30,000 to the chairman of the audit committee and SEK 15,000 to each of the other members of the audit committee, and with SEK 30,000 to the chairman of the remuneration committee and SEK 15,000 to each of the other members of the remuneration committee,
- that the fee to the auditor shall be paid in accordance with approved statement of costs,
- that the board members Michael Wolff Jensen, Hans Arwidsson, Maris Hartmanis, Carl-Johan Spak and Torbjörn Koivisto are re-elected as board members and that Gunnar Gårdemyr and Christine Lind are elected as new board members, for the period until the end of the next annual general meeting,
- that Michael Wolff Jensen is re-elected chairman of the board,
- that KPMG AB is elected as audit firm, in accordance with the board's recommendation, whereby KPMG AB has informed that Duane Swanson will be auditor in charge, and
- that the annual general meeting resolves on materially unchanged principles for appointing the nomination committee, in accordance with the below.

### The nomination committee's proposal on principles for the appointment of the nomination committee

The nomination committee proposes that the annual general meeting resolves on materially unchanged principles for appointing the nomination committee, in accordance with the following.

The chairman of the board shall contact the three largest shareholders of the company in terms of votes, according to Euroclear Sweden AB's share register on 30 September. Each such shareholder shall be offered the opportunity to appoint a member who shall, together with the chairman of the Board, form the nomination committee. If any of these shareholders renounce from its right to appoint a representative, the right to appoint such representative shall pass to the largest shareholder in turn in terms of votes which is not already entitled to be represented on the nomination committee. The procedure shall continue until the nomination committee consists of three members, excluding the chairman of the board, if this can be achieved after contacts with the ten largest shareholders and shareholders with a shareholding of three percent or more, as applicable, after which the thereby appointed members shall form the committee. The chairman of the nomination committee shall be the member who represents the largest shareholder in terms of votes, unless the members agree otherwise. The chairman of the board may not be chairman of the nomination committee.

The chairman of the board shall convene the nomination committee to its first meeting and shall, as a part of the nomination committee's work, report to the nomination committee such circumstances regarding the work of the board of directors and the need for special competences etc. that may be of importance for the work of the nomination committee.

The composition of the nomination committee shall be announced as soon as the nomination committee has been formed and in all events no later than six months before the next annual general meeting. The members of the nomination committee are appointed for a term starting upon announcement of the

composition of the nomination committee and running until a new nomination committee has been appointed.

In the event that the ownership structure of the company is changed after 30 September but before announcement of the nomination committee's complete proposals, and if a shareholder that after this change has become one of the three largest shareholders in the company in terms of votes makes a request to the chairman of the nomination committee to be part of the nomination committee, this shareholder shall have the right to appoint an additional member of the nomination committee. The nomination committee may further resolve that a member who has become significantly smaller than the third largest shareholder in the company in terms of votes shall resign from the nomination committee, if deemed appropriate.

If a member of the nomination committee resigns during the term of office or otherwise is unable to continue as member, the nomination committee shall request the shareholder that had appointed that member to, within reasonable time, appoint a new member. If the shareholder renounces its right to appoint a member, the right to appoint such new member shall pass to the largest shareholder in turn in terms of votes which is not already represented on, or has renounced its right to appoint a member to the nomination committee. Changes to the composition of the nomination committee shall be announced as soon as they occur.

The nomination committee shall prepare proposals in respect of the following issues for the next annual general meeting to resolve upon:

- chairman of the annual general meeting,
- members of the board of directors,
- chairman of the board of directors,
- remuneration to the board of directors, distributed between the chairman of the board of directors and the other members of the board of directors,
- remuneration to the members of the remuneration committee and the audit committee, (if applicable),
- election of auditor,
- remuneration to the auditor, and
- in so far as it seems appropriate, changes to the procedures in force for the nomination committee.

No remuneration shall be paid to members of the nomination committee.

These instructions shall remain in force until the annual general meeting resolves otherwise.

#### Information on the proposed board members

##### **Gunnar Gårdemyr**

Gunnar Gårdemyr is a Swedish citizen, born 1959. Gunnar Gårdemyr holds a Bachelor of Science degree in marketing and finance from Lund University and degrees in business administration and marketing management from Stockholm University. Gunnar Gårdemyr also has extensive experience from different management positions in the global pharmaceutical industry (e.g. Takeda Pharmaceuticals and Targovax ASA). Gunnar Gårdemyr is currently acting as CBO for Follicum AB and is a member of the board of directors of RhoVac AB. Gunnar Gårdemyr holds 400 shares in Xspray Pharma and is considered to be independent of Xspray Pharma and its management as well as Xspray Pharma's larger shareholders.

##### **Christine Lind**

Christine Lind is a US citizen, born 1974. Christine Lind holds a Bachelor of Science degree in finance and information systems from New York University, Stern School of Business, and an MBA in finance and management from Columbia Business School. Christine Lind has extensive experience from management positions in the global biotech industry (e.g. LifeCell Corporation and Medivir AB) and as

a strategic and financial advisor to biotech and pharma companies (at Merrill Lynch & Co). Christine Lind is currently CEO and chairman of the board of directors of Lind Growth Strategy AB. Christine Lind does not hold any shares in Xspray Pharma and is considered to be independent of Xspray Pharma and its management as well as Xspray Pharma's larger shareholders.

Information regarding the individuals proposed by the nomination committee for re-election is available at the company's webpage [www.xspraypharma.com](http://www.xspraypharma.com).

### **The work of the nomination committee**

The nomination committee has had four documented meetings ahead of the annual general meeting 2019 and has, in addition thereto, on several occasions had informal contacts ahead of and in connection with interviews. Particular attention has been given to the composition of the board and how the board of directors operates as a group, and the nomination committee has also discussed the evaluation of the board's work. The nomination committee has also evaluated the level of remuneration to the board.

### **Motivated opinion**

The nomination committee has, as basis for its work, executed an evaluation of the board of directors and held interviews with all members of the board of directors regarding the board and its work. The size of the board as well as its composition with regard to, inter alia, experience of the industry and qualifications has also been discussed.

The nomination committee has, in its work ahead of the annual general meeting, had an objective to ensure that the board, as a group, has the necessary competence and experience with regard to Xspray Pharma's operations and developing stage and to be able to continue to lead the whole company in a successful manner. The nomination committee has, in particular, taken into account the need for diversity and variety in terms of competence, experience and background, in consideration of, inter alia, the company's strategic development, governance and control. The nomination committee has considered the stipulated requirements on the board composition in light of the company's intended listing on Nasdaq Stockholm.

The nomination committee is of the opinion that the proposed board of directors consists of a wide and diversified group of qualified individuals who are motivated and who fit for the work required by the board of Xspray Pharma. The nomination committee is also of the opinion that the board members complement each other in terms of competence and experience.

The nomination committee complies with the Swedish Corporate Governance Code (the "Code"). When assessing the independence of the proposed board members, the nomination committee has found that the proposed composition of the board of the company fulfils the requirements regarding independence set forth in the Code.

The nomination committee has also discussed perspectives of diversity, taking the view that such perspectives are material with regard to the composition of the board and that gender balance is pursued. The nomination committee notes that the board, in the event the nomination committee's proposal is adopted by the annual general meeting, will consist of one woman and six men. As regards the composition of the board, what is set forth in section 4.1 of the Code has been applied as a diversity policy.

---

April 2019  
The Nomination Committee  
Xspray Pharma AB (publ)