

The Board of Director's Proposal for Guidelines for Remuneration to Executive Management (Item 14 on the Agenda)

Executive Management refers to the CEO and other members of the executive management of Bactiguard. The guidelines shall apply to remuneration that is agreed upon, and changes made to already agreed remuneration, after the guidelines are adopted by the 2024 Annual General Meeting. The guidelines do not include remuneration decided by the General Meeting, such as Board fees and other remuneration to the Board.

The proposed new guidelines are in principle unchanged compared to the guidelines adopted at the Annual General Meeting 2020. Bactiguard has not received any comments from shareholders regarding the previous guidelines.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Bactiguard's strategy in brief is to develop safe and biocompatible technology to prevent medical device related infections. The company's unique technology is based on an ultra-thin noble metal coating that prevents bacterial adhesion and biofilm formation on medical devices. Bactiguard's infection prevention solutions decrease patient suffering, save lives, and unburden healthcare resources. They also fight against antimicrobial resistance. Bactiguard operates through license partnerships with leading global MedTech- companies that apply the technology on their medical devices. The company also has a portfolio of wound management products.

A prerequisite for the successful implementation of Bactiguard's business strategy and the safeguarding of its long-term interests, including its sustainability, is for the company to recruit and retain qualified employees. This requires the company to offer competitive remuneration. These guidelines enable the company to offer executive management a competitive total remuneration.

Variable cash remuneration covered by these guidelines shall aim to promote Bactiguard's business strategy and longterm interests, including its sustainability.

Types of remuneration, etc

The total remuneration from Bactiguard to executive management shall be at market terms, reasonable and appropriate, and may consist of the following components: fixed salary, variable salary, pension and other benefits.

Executive Management shall be offered a fixed salary at market terms, which shall be determined based on the individual's area of responsibility and experience and shall be reviewed on an annual basis. Executive Management may, from time to time, be offered a variable salary at market terms. Such a variable salary must be designed with the purpose of promoting Bactiguard's business strategy, long-term interests, including its sustainability, and linked to predetermined and measurable criteria. Such a variable salary may not exceed 50 percent of the annual fixed salary.

Executive Management shall be entitled to pension benefits at market terms, typically fee-based (defined contribution) pension schemes. The pension premiums for defined contribution pension schemes may not exceed 30 percent of the fixed annual salary.

Other benefits for executive management may include access to a company car, wellness contributions, medical insurance, interest compensation linked to financing the acquisition of shares in Bactiguard, and other conventional benefits. Other benefits shall not constitute a substantial part of total remuneration. Premiums and other costs arising from such benefits may amount to a maximum of five percent of the annual fixed salary.

Employment conditions that are governed by rules other than Swedish rules, may be appropriately adjusted to comply with mandatory local rules and practice, and the general purpose of these guidelines should be met as far as possible.

Criteria for awarding variable cash remuneration

Any variable remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualized, function-based, quantitative or qualitative objectives. The criteria and objectives shall be designed to contribute to Bactiguard's business strategy and long-term interests, including its sustainability.

The majority of the variable salary shall be linked to Bactiguard's sales, EBITDA and/or cash-flow, and thereby aligned with the company's long-term financial targets. The remaining part of the variable salary may be based on individual and function-based objectives.

To which extent the criteria for awarding variable cash salary have been satisfied shall be established/evaluated when the measurement period, one or several years, has ended. The Remuneration Committee is accountable for the assessment of variable cash salary to the CEO. The CEO is accountable for the assessment of variable cash salary to the other members of executive management. As regards financial targets, the assessment shall be based on the latest financial information disclosed by the company.

To the extent permitted under applicable laws and agreements, the Board of Directors is entitled to reclaim, fully or in part, any variable salary paid on incorrect grounds.

Termination of employment

The notice period for executive management may not exceed six months, if notice of termination of employment is made by the company. Any severance pay may not exceed the fixed annual salary for one year.

In addition, compensation for non-competition may be paid. Such remuneration shall only compensate for any loss of income resulting from the non-competition obligation and shall be based on the remuneration that the executive had at the time of termination of employment.

Share and share-related incentive plans

Resolutions regarding share-related incentive programs shall be adopted by the General Meeting. On an annual basis, the Board of Directors shall assess whether a long-term incentive program should be proposed to the General Meeting or not, and if so, whether amendments to these guidelines are required for this reason.

The decision-making process to review and implement the guidelines

The tasks of the Remuneration Committee include preparing the Board of Directors' proposed guidelines for remuneration and, where applicable, the Board of Directors' decision to deviate from these guidelines.

In preparing these remuneration guidelines, the total compensation for the company's employees has been taken into account. The components of the total compensation, the increase and development of the compensation over time have formed part of the decision criteria for the Remuneration Committee and the Board of Directors when evaluating the fairness of the guidelines and the limitations that follow.

The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall remain in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall – where applicable – also follow and evaluate programs for variable remuneration to Executive Management, the application of the guidelines for remuneration to Executive Management as well as current remuneration structures and levels of remuneration in the company.

These guidelines apply to agreements concluded after the General Meeting, and in the event that changes are made to existing agreements after this date. The Board of Directors shall be entitled to, temporarily, resolve to deviate from the guidelines, in whole or in part, if, in a specific case, there is special cause for the deviation and it is necessary to serve Bactiguard's long-term interests, including its sustainability, or to ensure the company's financial viability.

This is a translation of the Swedish version. In the event of deviations, the Swedish version available on the company's website applies, www.bactiguard.com.

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