

Documentation to the 2021 AGM

CONTENT

1. Proposed agenda – page 2
2. Proposals and reasoning by the Nomination Committee to the 2021 AGM – page 3
3. Allocation of the Company's earnings – page 7
4. Information regarding proposed Board of Directors – page 8
5. Auditor's report Chapter 8, Section 54 of the Swedish Companies Act – page 13
6. Remuneration report – page 14
7. The Board of Directors' proposal regarding resolution to amend the Articles of Association – page 20
8. Articles of association – new proposed wording – page 21
9. Resolution to authorize the Board of Directors to resolve to issue new shares - page 25
10. Resolution on instruction for the Nomination Committee – page 26

PROPOSED AGENDA

1. Election of a Chairman for the meeting
2. Election of one or more persons to certify the minutes
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Determination of whether the meeting was duly convened
6. Presentation of the annual report and auditor's report, the consolidated annual report and auditor's report for the group and auditor's statement for remuneration to senior management
7. Resolutions regarding
 - a) adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet
 - b) allocation of the company's profit or loss according to the adopted balance sheet
 - c) discharge from liability for the members of the board of directors and the CEO
8. Resolution regarding the number of directors of the board
9. Determination of the fees to be paid to the directors of the board and the company's auditor
10. Election of Directors of the Board, Chairman of the Board, Deputy Chairman of the Board and auditor
11. Presentation and resolution of the remuneration report
12. Resolution on amendment of the Articles of Association
13. Resolution to authorize the Board of Directors to resolve to issue new shares, warrants or convertible loans
14. Resolution regarding instructions for the Nomination Committee

PROPOSALS AND REASONING BY THE NOMINATION COMMITTEE FOR THE 2021 ANNUAL GENERAL MEETING OF BACTIGUARD HOLDING AB (PUBL)

1. The Nomination Committee and its work

Based on principles adopted by the 2018 Annual General Meeting, the Nomination Committee for the 2021 Annual General Meeting consists of:

- Helena Borglund (Chairman of the Nomination Committee), appointed by KK Invest AB (a company controlled by Christian Kinch)
- Thomas von Koch, appointed by Bactiguard B.V. (a company controlled by Thomas von Koch)
- Mats J Andersson, appointed by Nordea Fonder AB
- Per Colleen, appointed by the Fourth AP Fund
- Jan Ståhlberg, appointed by himself

The Nomination Committee has conducted its work in accordance with the Swedish Code of Corporate Governance and the instructions for the Nomination Committee of Bactiguard Holding AB (publ) (the “Company”) adopted at the Annual General Meeting held on April 28th, 2020. The Chairman of the Board has been co-opted to the Board's meetings but without the right to vote.

The Nomination Committee is charged with submitting proposals to the 2021 Annual General Meeting regarding the election of a chairman and other members of the Board of Directors as well as the election of auditors. The Nomination Committee is also charged with submitting proposals for a chairman at the shareholder meeting and proposals for fees to be paid to the members of the Board of Directors, members of board committees, and auditors. In addition, the Nomination Committee must take a position regarding any change in the currently applicable instructions to the Company's Nomination Committee.

According to the Company's articles of association, the Board of Directors shall consist of no less than three (3) and no more than seven (7) members. During the year the Board of Directors consisted of five (5) members elected at the Annual General Meeting.

According to the Company's articles of association, the Annual General Meeting shall elect one or two auditors.

During the Nomination Committee's work, the members of the Board of Directors have given notice that they are available for reelection.

The Nomination Committee has met on three occasions and, in addition, the members of the Nomination Committee have had a continuous dialogue. The work of the Nomination Committee has included an evaluation of the members of the Board of Directors as well as the Company's Executive management.

The evaluation concluded that the work conducted by the Board of Directors is well functioning and that the Board members consider the Board of Directors have had a satisfactory composition.

The Nomination Committee has also taken note of the Chairman's account of the work of the Board and of the company's strategies. The Nomination Committee makes the assessment that it would benefit the Company to appoint a new Chairman of the Board as well as a new Deputy Chairman of the Board.

2. Proposals by the Nomination Committee

The Nomination Committee submits the following proposals to the 2021 Annual General Meeting.

2.1 Chairman of the Annual General Meeting

The Nomination Committee proposes Attorney Magnus Lindstedt to be appointed as chairman of the Annual General Meeting or, to the extent he is prevented, the person that the Nominating Committee appoints instead.

2.2 Fees for the Board of Directors and auditor

The Nomination Committee proposes that the fee payable to non-executive members of the Board of Directors elected by the shareholder meeting shall be: SEK 750,000 each to the Chairman of the Board and the Deputy Chairman of the Board, SEK 400,000 to the board member Anna Martling and SEK 200,000 to each of the other members of the board. For the work as Chairman of the Audit Committee the Nomination Committee proposes that a remuneration of SEK 100,000 is paid. No additional remuneration is proposed for the Chairman of the remuneration committee or other committee members. The Nomination Committee's proposal means a reduction of the total Board fees compared to last year with SEK 300,000. The proposed higher remuneration to Anna Martling is justified by her medical expertise which is highly valued for the future development of Bactiguard.

The Nomination Committee assesses it highly valuable to the Company that Thomas von Koch takes the role as Chairman of the Board and that the previous Chairman of the Board and CEO, Christian Kinch, continues to be involved as Deputy Chairman of the Board. The Nomination Committee has analyzed the fees for the Chairman of the Board and the Deputy Chairman of the Board of comparable companies and found that the proposed fees to the Chairman and the Deputy Chairman are reasonable and justified.

The Nomination Committee has also reviewed the fees for board members in companies of similar size and orientation and has concluded that the proposed fees are at market terms. With respect to the auditor's fees, no changes are proposed, and the auditor's fees shall be payable in accordance with approved invoices.

2.3 Election of directors and chairman of the Board of Directors

It is proposed that the number of directors shall remain unchanged, i.e. five. No alternate directors shall be appointed.

The Nomination Committee proposes reelection of Thomas von Koch, Christian Kinch, Cecilia Edström, Anna Martling and Jan Ståhlberg as board members. The Nomination Committee proposes Thomas von Koch as new Chairman of the Board in the Company and Christian Kinch as Deputy Chairman of the Board.

All the proposed directors have agreed to serve on the Company's Board of Directors. It is the opinion of the Nomination Committee that the proposed directors' profiles continue to be well-suited for the expansion phase the Company is still in. The Nomination Committee has considered the Company's continued international expansion.

Thomas von Koch is one of the cofounders of the Company and one of the major shareholders. During the period 2005-2013 he was the Chairman of Board of the Company. Thomas von Koch was involved from the start, and has been working in different roles, within the venture capital company EQT Partners AB. During the period 2014-2018, he was working as CEO in EQT Partners AB. Since January 1st 2019, he is Deputy Managing Partner at EQT Partners AB. Thomas von Koch contributes with solid business and board expertise as well as extensive experience of investments, divestments, acquisitions and other structural business and strategic alliances in different industries, both nationally and internationally.

Christian Kinch is one of the cofounders of the Company and one of the major shareholders. For several periods, he has for a total period of 15 years been the CEO of the Company and in addition the Chairman of the Board for three years. Thus, he has deep knowledge of the Company and has extensive experience from the industry in which the Company operates. The Nomination Committee is of the opinion that the appointment of Christian Kinch to the Deputy Chairman of the Board, is for the benefit of the Company and provides continuity to the business.

Cecilia Edström has an extensive experience of operational work in senior management positions in several industries. She has been working in several roles in Bactiguard since 2014 and thus has extensive knowledge of the Company's business and the industry in which the Company operates. Her broad financial expertise is of significant value for the Company. On February 5th 2020, Cecilia Edström was appointed CEO of the Company. She has informed the Board that she wishes to leave the role as CEO and the Company has therefore initiated the process of recruiting a new CEO. Cecilia Edström will continue as CEO until her successor is appointed.

Anna Martling has a very solid medical expertise and knowledge of healthcare. She has extensive experience in leading and conducting research and large clinical studies and is part of the Karolinska Institutet's management.

Jan Ståhlberg has extensive experience in both operational work and board work and also possesses good industry knowledge from both a national and an international perspective.

It is the opinion of the Nomination Committee that the proposed Board has an appropriate composition, characterized by versatility and breadth of competence, experience and background and with a balanced gender distribution (two out of five members of the proposed Board are women). It is still an important task for future nomination committees to actively strive for a gender balance in the context of future inclusion of new members.

The Nomination Committee believes that the proposed Board members complement each other in terms of competence and that they will manage to function well as a team. The proposed board should have good conditions to lead the company and realize its long-term potential.

The Nomination Committee has also assessed each member's ability to devote sufficient time and commitment to the board work as well as the independence of the directors.

Thomas von Koch is independent in relation to the Company and management but is not considered independent in relation to the Company's major shareholders.

Christian Kinch, as a major shareholder and former CEO, is not to be regarded as independent in relation to the Company and management or the major shareholders of the Company.

Cecilia Edström, as the CEO of the Company and a member of the executive management, is not independent in relation to the Company and management, but is independent in relation to the Company's major owners.

The other members are independent in relation to the Company, corporate management, and the major shareholders of the Company.

It is the opinion of the Nomination Committee that the proposed board composition thus fulfills the requirement of independence imposed by the Swedish Corporate Governance Code.

2.4 Election of auditor

In accordance with the recommendation of the Audit Committee, the Nomination Committee proposes re-election of the registered auditing company Deloitte. Deloitte has announced that they will continue to appoint Authorized Public Accountant Therese Kjellberg as the principal responsible for the audit.

2.5 Instructions for the Nomination Committee

The Nomination Committee proposes linguistic clarifications in comparison to the Instruction for the Nomination Committee, which was adopted at the Annual General Meeting 2020, including an adjustment regarding the possibility for the Nomination Committee to incur costs for its work. The Nomination Committee is also proposed to continue to consist of five members and the instructions for the Nomination Committee's work shall apply until its AGM decides otherwise.

Information regarding the directors

Information regarding the proposed directors of Bactiguard's Board of Directors is available at the Company's website at: [Annual General Meeting 2021 - Bactiguard](#)

Stockholm, March 2021
The Nomination Committee for Bactiguard Holding AB (publ)

ALLOCATION OF THE COMPANY'S EARNINGS PROPOSED BY THE BOARD OF DIRECTORS


The following retained earnings (SEK) in the parent Company Bactiguard Holding AB (publ) are at the disposal of the Annual General Meeting:


Retained earnings	-5,975,888
Share premium reserve	505,131,764
Profit/Loss for the year	-18,899,495
	<hr/>
	480,256,381


The Board of Directors proposes that
the profits be carried forward as follows: 480,256,381
480,256,381

Stockholm, March 2021
Bactiguard Holding AB (publ)
The Board of Directors


INFORMATION REGARDING PROPOSED BOARD OF DIRECTORS

<p>Thomas von Koch</p> 	<p>Proposed for re-election as Director and proposed as new Chairman of the Board.</p>
<p>Year of birth</p>	<p>1966</p>
<p>Education/Experience</p>	<p>BSc Business and Economics, Stockholm School of Economics.</p> <p>CEO and Managing Partner at EQT Partners from 1 March 2014 – 31 December 2018.</p>
<p>Position in the Company</p>	<p>Director of the Board.</p> <p>Co-founder of Bactiguard and Chairman of the Board of Directors 2005-2013.</p>
<p>Other significant positions</p>	<p>Chairman of the Board of EQT Asia Pacific.</p> <p>Member of the Board of SWIB Holding AB (holding company for Smartwise Sweden AB and Procella Therapeutics AB).</p>
<p>Holdings of securities in the company</p>	<p>Class A shares: 2 000 000 (through legal entity).</p> <p>Class B shares: 4 125 878 (through legal entity and personal holdings).</p>
<p>Independence</p>	<p>Independent in relation to the Company and management. Not independent in relation to the Company's major shareholders.</p>
<p>Year elected to the Board of Directors</p>	<p>2019</p>

<p>Christian Kinch</p> 	<p>Proposed for re-election as Director and proposed as new deputy Chairman of the Board.</p>
<p>Year of birth</p>	<p>1966</p>
<p>Education/Experience</p>	<p>Studies at the Stockholm School of Economics.</p> <p>Founder and CEO at Kinchard AB and Netpharma AB.</p>
<p>Positions in the company</p>	<p>Director of the Board.</p> <p>CEO June 2015 – February 2020 and during 2005 – March 2014.</p> <p>Chairman of the Board of Directors March 2014 – June 2015 and from 2020.</p>
<p>Other significant positions</p>	<p>Board member of Swecare AB.</p> <p>Chairman of the Board of Directors of SWIB Holding AB (holding company for Smartwise Sweden AB and Procella Therapeutics AB).</p>
<p>Holdings of securities in the company</p>	<p>Class A shares: 2 000 000 (through legal entity). Class B shares: 4 125 977 (through legal entity and family).</p>
<p>Independence</p>	<p>Not independent in relation to the Company, the management or the Company's major shareholders.</p>
<p>Year elected to the Board of Directors</p>	<p>2005</p>

<p>Jan Ståhlberg</p> 	<p>Proposed for re-election as Director of the Board.</p>
<p>Year of birth</p>	<p>1962</p>
<p>Education/Experience</p>	<p>BSc Business and Economics, Stockholm School of Economics. Studies at the MBA program at New York University, Stern School of Business. Deputy CEO and deputy Chairman at EQT.</p>
<p>Positions in the company</p>	<p>-</p>
<p>Other significant positions</p>	<p>Founder and CEO of Trill Impact AB. Board member of ITB-Med AB. Board member of Trelleborg AB.</p>
<p>Holdings of securities in the company</p>	<p>Class B shares: 3 354 387 shares (personal holdings).</p>
<p>Independence</p>	<p>Independent in relation to the Company, management and the Company's major shareholders.</p>
<p>Year elected to the Board of Directors</p>	<p>2018</p>

<p>Anna Martling</p> 	<p>Proposed for re-election as Director of the Board</p>
<p>Year of birth</p>	<p>1969</p>
<p>Education/Experience</p>	<p>M.D, Karolinska Institutet. Board Certified Surgeon Ph.D, Karolinska Institutet Docent, Karolinska Institutet Professor of Surgery, Karolinska Institutet.</p> <p>Dean Campus North, Karolinska Institutet Senior Consultant Surgeon, theme Cancer, Karolinska University Hospital Research Group Leader, Karolinska Institutet.</p> <p>Member of the Board of Research at Karolinska Institutet (2015-2018). Member of Board of Research KI/SLL (2015-2018). Member of Faculty Board, Karolinska Institutet (2019-). Member of KI/Stockholm Region's management group (2019-).</p>
<p>Positions in the company</p>	<p>-</p>
<p>Other significant positions</p>	<p>Previous and current missions as Board member of KI Cancer, StratCan and CIMED (all within Karolinska Institutet), St Erik's Eye hospital.</p>
<p>Holdings of securities in the company</p>	<p>Class B shares: 3 423 shares (personal holdings).</p>
<p>Independence</p>	<p>Independent in relation to the Company, management and the Company's major shareholders.</p>
<p>Year elected to the Board of Directors</p>	<p>2019</p>

<p>Cecilia Edström</p> 	<p>Proposed for re-election as Director of the Board</p>
<p>Year of birth</p>	<p>1966</p>
<p>Education/Experience</p>	<p>BSc Business and Economics, Stockholm School of Economics.</p> <p>Various positions within SEB and in the Group Management of Scania AB and TeliaSonera AB.</p>
<p>Position in the company</p>	<p>Recruited to Bactiguard prior to the IPO in 2014 and has held several leading roles in the Company.</p> <p>Chief Financial Officer (CFO) with responsibility for business development September 2017-February 2020.</p> <p>From June 2019 Executive Vice President.</p> <p>From February 5, 2020, CEO of the Company.</p>
<p>Other significant positions</p>	
<p>Holdings of securities in the company</p>	<p>Class B shares: 243 264 (personal holding)</p>
<p>Independence</p>	<p>Not independent in relation to the Company and management. Independent to the Company's major shareholders.</p>
<p>Year elected to the Board of Directors</p>	<p>2020</p>

AUDITOR'S REPORT IN ACCORDANCE WITH CHAPTER 8, SECTION 54 OF THE SWEDISH COMPANIES ACT



Auditors' report in accordance with Chapter 8, Section 54 of the Swedish Companies Act (2005:551), regarding compliance with the guidelines for remuneration to senior executives approved by the Annual General Meeting

To the Annual General Meeting of Bactiguard Holding AB (publ), Corporate Identity Number 556822-1187

We have audited whether the Board of Directors and the managing director of Bactiguard Holding AB (publ) have complied with the guidelines for remuneration to senior executives during the financial year 2020 which were approved by the Annual General Meeting on April 28, 2020 and by the Annual General Meeting on May 15, 2019.

Responsibilities of the Board of Directors and the managing director

The Board of Directors and the managing director are responsible for compliance with these guidelines and for such internal control as the Board of Directors and the managing director determine is necessary to enable compliance with these guidelines.

Auditor's responsibility

Our responsibility is to express an opinion, based on our audit, to the Annual General Meeting as to whether the guidelines have been complied with. We conducted our audit in accordance with FAR's standard RevR 8 *Audit of Remuneration to Senior Executives in Listed Companies*. This standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the guidelines have, in all material aspects, been complied with. We apply the international standard on quality control, ISQC 1, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of Bactiguard Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements

Our audit has included a review of the organization for and the documentation supporting the remuneration to senior executives as well as new decisions related to compliance with the guidelines. Our procedures have also included testing a sample of payments during the year to senior executives. The procedures selected depend on the auditor's judgment, including the assessment of the risks of whether the guidelines have not, in all material aspects, been complied with. In making those risk assessments, the auditor considers internal control relevant to the compliance of the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our audit procedures provide a reasonable basis for our opinion, as set out below.

Opinion

In our opinion, the Board of Directors and the managing director of Bactiguard Holding AB (publ) have, during the financial year 2019 complied with the guidelines for remuneration to senior executives which were approved by the Annual General Meeting on April 28, 2020 and by the Annual General Meeting on May 15, 2019.

Stockholm, March 26, 2021

Deloitte AB

Therese Kjellberg
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

REMUNERATION REPORT

Remuneration report 2020

Introduction

This report provides information on remuneration to the Chief Executive Officer and the Company's two deputy Chief Executive Officers. The report also describes how the guidelines for executive remuneration of Bactiguard Holding AB, adopted by the Annual General Meeting 2020, were implemented in 2020. The report has been prepared in accordance with the Swedish Companies Act and "Rules on Remuneration of the Board and Executive Management and on Incentive Programs" issued by the Swedish Corporate Governance Board.

Number of employees, salaries, other remuneration and social security costs for the Board of Directors, CEO, other executives and other employees are available in note 9 in the annual report 2020.

Remuneration of directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting.

The company's development 2020 in summary

The pandemic had a negative effect on sales as regular health services were cut back and planned operations were postponed. At the same time Bactiguard made several strategic advances during the year. The company made its first acquisition through the purchase of the Malaysian company Vigilenz which expanded its product portfolio for infection prevention and increased the company's market presence. The acquisition also gave Bactiguard its own sales organisation, more resources in product development and a modern production facility in Malaysia, which will allow Bactiguard to continue to expand. Bactiguard also made great strides in the collaboration with the licensee Zimmer Biomet. In the beginning of 2021 Bactiguard received the CE marking for trauma implants, which paves the way for production and launch of Zimmer Biomet's orthopedic trauma implants in spring 2021. At the end of the year the company had a breakthrough in China when Bactiguard's Chinese partner Well Lead placed a first order for the company's coating concentrate.

In the autumn of 2020, the company took the strategic decision to sharpen its focus and speed up the pace in the sales organisation, creating its own sales force for the Nordic region, alongside the existing one in Malaysia. In making Bactiguard more visible and influential, also marketing activities were increased. The aim is to raise awareness of the importance of infection prevention and to make the company's products the natural choice by establishing them as the standard used in healthcare. This investment has included the recruitment of several very experienced leaders, marketers and sellers to Bactiguard.

Total revenues fell by 4.1% to MSEK 186.0 (193.9). Net of currency effects, this reduction was 2.1%. EBITDA amounted to MSEK 26.7 (61.6) with an EBITDA margin of 14% (32%). The figure for EBITDA in the previous year was mostly due to the license revenues of MSEK 29.4 from Zimmer Biomet. Profit for 2020 amounted to MSEK -38.4 (16.3) MSEK, where a forward effect related to the acquisition of Vigilenz comprised MSEK -10.9. Earnings per share amounted to SEK -1.14 (0.49).

On 4 February 2020 Christian Kinch announced to the Board that he was resigning as CEO after almost 16 years. The Board appointed Deputy CEO and CFO Cecilia Edström as the new CEO and Chief Medical Officer Stefan Grass as the Deputy CEO. Gabriella Björknert Caracciolo was appointed CFO and Deputy CEO in August 2020.

At the Annual General Meeting in April 2020 Christian Kinch was elected Chairman of the Board. The Annual General Meeting adopted the Board's proposal for guidelines for remuneration to senior executives. The guidelines match the principles previously applied.

More information on the company's development 2020 is available in the annual report for 2020 on the web site bactiguard.com.

Remuneration guidelines

At the 2020 Annual General Meeting the following guidelines for remuneration to the CEO and other senior management were adopted:

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 have been adopted by the 2020 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 guidelines' promotion of the company's business strategy, long-term interests and sustainability

In short, the company's business strategy is to increase patient safety and save lives by developing and supplying infection prevention solutions which reduce the risk of healthcare associated infections. Fewer infections reduce the number of complications, shorten hospital stays and reduce the use of antibiotics. This saves significant resources and costs for the healthcare system and society at large and contributes to decreased transmission of multi-resistant bacteria.

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 long-term 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 per cent 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 per cent 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 individualised, 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 variable salary shall, to the greatest part, 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.

Remuneration Committee

The Remuneration Committee shall support the Board of Directors with proposals, advice, and preparation in regard to issues of remuneration principles for the CEO and other senior management, and individual remuneration to the CEO in accordance with the guidelines for remuneration for senior management that is adopted by the Annual General Meeting. These principles include the relationship between fixed and any variable remuneration, and the relationship between performance and remuneration, the general terms for any bonus and incentive programs, and the general terms for other benefits, pensions, notice of termination and severance pay. The Board of Directors is also responsible as a whole for establishing remuneration levels and other employment terms for the CEO. Share-related incentive programs for Group management are adopted by the Annual General Meeting.

The committee shall also support the Board of Directors in monitoring the system through which the company complies with disclosure requirements stipulated by legislation, market regulations and the Code in regard to information related to remuneration of the CEO and other senior managers. The committee shall also monitor and assess any ongoing or concluded incentive programs for variable remunerations to the CEO and other senior managers; evaluate compliance with the guidelines for remuneration to the CEO and other senior managers adopted by the general meeting well as the current structure and levels of remuneration.

In 2020 the Remuneration Committee considered the salary of the CEO, evaluated to ensure that the terms and conditions of senior management comply with the guidelines for remuneration to senior management adopted by the Annual General Meeting, and that the template agreements for the employment of senior management are appropriate, and reflect the principles for remuneration and other employment terms and conditions for senior management.

Following the 2020 Annual General Meeting, the Remuneration Committee comprises Christian Kinch, Jan Ståhlberg and Thomas von Koch. Christian Kinch is the Chairman of the Remuneration Committee. Before the 2020 Annual General Meeting, the Remuneration Committee comprised Jan Ståhlberg and Thomas von Koch. In 2020 the committee held two minuted meetings and had informal contacts where necessary in between. All members have attended the committee meetings.

Compliance with the guidelines 2020

During 2020, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on bactiguard.com. No remuneration has been reclaimed. The company has no long-term share-related incentive plans. During 2020 remuneration has been paid to the former CEO Christian Kinch from the parent company Bactiguard Holding AB, while payments to the CEO and deputy CEOs have been paid from the subsidiary Bactiguard AB.

Total remuneration to CEO and deputy CEOs in 2020							
SEK thousand							
	Fixed remuneration		Variable remuneration	Extraordinary items	Pension expense ²	Total remuneration	Proportion fixed/variable remuneration, %
Name of executive (position)	Base salary ¹	Other benefits	One-year variable				
Christian Kinch, CEO until 3 February 2020	176				34	210	100/0
Cecilia Edström, CEO from 4 February 2020, deputy CEO until 3 February 2020	2,193	4			510	2,707	100/0
Gabriella Björknert Caracciolo, deputy CEO from 10 August 2020, CFO from 10 August 2020	713	2			166	881	100/0
Stefan Grass, deputy CEO from 4 February 2020, Chief Medical Officer	1,580	4			434	2,018	100/0

¹ Including holiday pay to Christian Kinch of SEK 1 thousand, Cecilia Edström of SEK 43 thousand, Gabriella Björknert Caracciolo of SEK - thousand and Stefan Grass of SEK 17 thousand.

² Pension expense which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behavior which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities for 2020 have been taken into account. The non-financial performance criteria further contribute to adaptation to sustainability and the company's values. No variable cash compensation was paid in 2020.

Comparative information on the change of remuneration and company performance

Change of remuneration and company performance over the last five reported financial years						
SEK thousand						
	Amount expensed 2020	Change 2020 - 2019	Change 2019 - 2018	Change 2018 - 2017	Change 2017 - 2016	Change 2016 - 2015
CEO remuneration ¹	2,918	+788 (+37%)	-338 (-14%)	-167 (-6%)	-46 (-2%)	-3,686 (-58%)
Group EBITDA	26,655	-34,985 (-57%)	39,486 (+178%)	-12,278 (-36%)	19,325 (+128%)	-5,077 (-25%)
Average remuneration on a full-time equivalent basis of employees of Swedish subsidiaries ²	531	-127	123	82	104	-105
¹ Remuneration to the CEO has been converted to full-year remuneration						
² Excluding members of the Group Executive Management. Only employees of Swedish subsidiaries are included as the acquisition of Vigilenz in 2020 makes Group numbers non comparable between years.						
The comparative information includes only the CEO since the company have not hade deputy CEOs the past five years.						

Stockholm in March 2021

The Board of Directors of Bactiguard Holding AB (publ)

THE BOARD OF DIRECTORS PROPOSAL REGARDING RESOLUTION TO AMEND THE ARTICLES OF ASSOCIATION

The Board of Directors' proposal regarding resolution to amend the Articles of Association

The Board proposes changes to the Articles of Association as follows.

In order to adapt § 1 of the Articles of Association to amended legislation, the Board proposes that the word "Company" to be replaced by "Company name" and § 1 then reads:

§ 1 Company name

The company's company name is Bactiguard Holding AB. The company is public (publ).

In order to be able to use the opportunity in the Swedish Companies Act to decide on postal voting and to decide on attendance at general meetings for those who are not shareholders for coming general meetings, the Board proposes that a new third and fourth paragraph, with the following wording, to be amended in § 10.

§ 10 new third paragraph

The Board has the right to decide that anyone who is not a shareholder in the company will, under the terms determined by the Board, have the right to attend or otherwise follow the negotiations at the general meeting.

§ 10 new fourth paragraph

Before a general meeting, the Board may decide that the shareholders shall be able to exercise their voting rights in advance (postal voting) in accordance to the procedure specified in Chapter 7. Section 4 a of the Swedish Companies Act (2005: 551).

In order to adapt the Articles of Association's so-called record date provision in § 16 according to current legislation, the Board of Directors proposes that § 16 of the Articles of Association be given the following new wording:

§ 16 Record date provision

A shareholder or nominee which is included in the Register of Shareholders on the record date and entered in a CSD Register in accordance with the Chapter 4 of the Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479) or, which is entered on a CSD account according to Chapter 4, section 18, first paragraph, 6- 8 of the said act, shall be deemed to be authorized to exercise the rights pertaining to Chapter 4, section 39 of the Swedish Companies Act (SFS 2005:551).

The Board, or the person appointed by the Board, shall have the right to make minor adjustments to the AGM's resolutions that may prove necessary in connection with the registration with the Swedish Companies Registration Office or due to other formal requirements.

ARTICLES OF ASSOCIATION - NEW PROPOSED WORDING

Articles of Association

Article 1 Company name

The company's company name is Bactiguard Holding AB. The company is public (publ).

Article 2 Registered seat

The Board of Directors shall have its registered seat in Stockholm.

Article 3 Objects

The objects of the company shall be to own and manage shares in subsidiaries and activities compatible therewith.

Article 4 Share capital

The share capital shall be not less than SEK 500,000 and not more than SEK 2 million.

Article 5 Number of shares

The company shall have not less than 20 million and not more than 80 million shares.

Article 6 Share classes

Shares may be issued in two classes, Class A and Class B. Class A shares and Class B shares may be issued in an amount corresponding to the highest number of shares which may be issued pursuant to these articles of association. In conjunction with voting at shareholder meetings, one Class A share shall entitle the holder to 10 votes and one Class B share shall entitle the holder to one vote.

Article 7 Preemption rights

In the event the company resolves to issue new Class A and Class B shares through a cash issue or set-off issue, holders of Class A and Class B shares shall have preemption rights to subscribe for new shares of the same share class in relation to the number of shares previously held by the shareholder (primary preemption rights). Shares which are not subscribed for upon exercise of primary preemption rights shall be offered to all shareholders for subscription (subsidiary preemption rights). In the event there are not a sufficient number of the shares so offered to cover subscription with subsidiary preemption rights, the shares shall be allotted between the subscribers in relation to the number of shares previously owned or, to the extent such cannot be effected, through a drawing of lots.

In the event the company resolves to issue only Class A shares or Class B shares through a cash issue or set-off issue, all shareholders, irrespective of whether they hold Class A or Class B shares, shall have preemption rights to subscribe for new shares in relation to the number of shares they previously owned.

In the event the company resolves to issue warrants or convertible notes through a cash issue or set-off issue, the shareholders shall have preemption rights to subscribe for warrants as if the issue applied to the shares which may be newly subscribed for on the basis of the warrants, or preemption rights to subscribe for convertible notes as if the issue applied to the shares into which the convertible notes may be converted.

The above-stated shall not constitute any limitation on the possibility to adopt resolutions regarding a cash issue or set-off issue disapplying shareholders' preemption rights.

Upon an increase in the share capital through a bonus issue, new shares shall be issued of each share class in relation to the number of shares of such class previously outstanding. In such context, old shares of a particular share class shall entitle the holder to new shares of the same share class. The above-stated shall not constitute any limitation on the possibility, through a bonus issue, to issue a new class of shares following the requisite amendment of the articles of association.

Article 8 Board of Directors

The Board of Directors shall consist of not less than three and not more than seven members.

The Board of Directors shall be elected annually at the annual general meeting to serve for the period until the close of the next annual general meeting.

Article 9 Auditors

Not less than one and not more than two auditors shall be appointed to review the company's annual accounts and the management of the company by the Board of Directors and CEO.

Article 10 Notice of shareholder meetings

Notice to attend shareholder meetings shall be given through an advertisement in the Official Gazette (*Post- och Inrikes Tidningar*) and on the company's website. Information announcing that notice has been published shall be advertised in *Dagens Industri* at the time of notice.

Notice to attend shareholder meetings shall be given not earlier than six and not later than four weeks prior to the meeting; however notice of any extraordinary shareholder meetings which will not address the question of an amendment of the articles of association shall be given not later than three weeks prior to the shareholder meeting.

The Board of Directors may decide that a person who is not a shareholder in the company shall, under the terms determined by the Board of Directors, have the right to be present or otherwise follow the proceedings at a general meeting.

Before a general meeting, the Board of Directors may decide that the shareholders shall be able to exercise their voting rights in advance (postal voting) in accordance to the procedure specified in Chapter 7. Section 4 a of the Swedish Companies Act (2005: 551).

Article 11 Shareholder meetings

In addition to the city where the Board of Directors maintains its registered seat, shareholder meetings may also be held in Huddinge or Botkyrka.

In order to participate at a shareholder meeting, shareholders must give notice to the company not later than the date stated in the notice of the meeting. Such date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve, and may not be earlier than five weekdays prior to the meeting.

Shareholders may be accompanied by assistants at the shareholder meetings only where the shareholder has given notice of the number of assistants to the company in accordance with the provisions set forth in the preceding paragraph.

Article 12 Business at the annual general meeting

The following matters shall be addressed at the annual general meeting:

1. Election of a chairman for the meeting
2. Preparation and approval of the voting list
3. Approval of the agenda
4. Election of one or more persons to attest the minutes
5. Determination of whether the meeting was duly convened
6. Presentation of the annual report and auditor's report and, where applicable, the consolidated annual report and auditor's report for the group
7. Resolutions regarding:
 - a) adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet
 - b) allocation of the company's profit or loss according to the adopted balance sheet; and
 - c) a discharge from liability for the members of the board of directors and CEO
8. Determination of the fees to be paid to the directors and, where applicable, the auditor
9. Election of the directors and, where applicable, the auditor
10. Other matters which are incumbent upon the shareholder meeting under the Swedish Companies Act or the articles of association.

Article 13 Financial year

The company's financial year shall be the calendar year.

Article 14 Conversion

At the request of a shareholder, Class A shares (one or more) held by the shareholder may be converted into Class B shares. A request for conversion, which must be given in writing stating the number of shares to be converted, shall be submitted to the Board of Directors. The company shall notify the conversion without delay to the Swedish Companies Registration Office for registration.

Article 15 Post-transfer purchase rights

In the event a Class A share has been transferred, other than through inheritance or testamentary disposition to a physical person, division of marital property or gift to a person who at the time of the gift is the most immediate heir after the donor, to a person who was not previously a shareholder of Class A shares in the company, the shares shall be immediately offered to the other holders of Class A shares for purchase through written notice to the company's Board of Directors. In conjunction with an offer of sale pursuant to post-transfer purchase rights, the transfer of the share shall be proven and, where the share was transferred through a purchase and sale, information shall be given regarding the purchase price.

Following the above-stated offer of sale pursuant to post-transfer purchase rights, the Board of Directors shall notify the company's Class A shareholders by letter encouraging any shareholder wishing to exercise post-transfer purchase rights to provide notice in writing to the Board of Directors within two months of the offer of sale pursuant to post-transfer purchase rights. Where several shareholders provide notice of intent to purchase, the shares offered for sale pursuant to post-transfer purchase rights shall be allocated amongst them in proportion to their previous shareholdings of Class A shares in the company. In the event the allocation of all shares cannot be effected in the manner set forth above, the remaining shares shall be allocated through a drawing of lots.

Post-transfer purchase rights may be exercised regarding all or some of the shares covered by the purchase.

The purchase price upon exercise of post-transfer purchase rights shall be reasonable and, in the event of disagreement, determined as provided in the applicable Arbitration Act. In the event the share was transferred through a purchase, subject to the above-stated limitation, the purchase price pursuant to post-transfer purchase rights shall consist of said purchase price.

Disputes other than disputes regarding the purchase price pursuant to post-transfer purchase rights shall also be adjudicated as provided by the applicable Arbitration Act.

In the event the acquiring shareholder and the party exercising post-transfer purchase rights are not in agreement regarding the purchase, the party requesting post-transfer purchase rights may request arbitration proceedings in writing within two months of the date on which the claim pursuant to post-transfer purchase rights was submitted to the company.

In the event no party gives notice of its intent to purchase shares offered for sale pursuant to post-transfer purchase rights within the specified time or, after the purchase price for such share has been duly established, the share is not paid for within 20 days thereafter, the party offering the shares for sale pursuant to post-transfer purchase rights shall be entitled to be registered as the owner of the share.

The above-stated provisions regarding Class A shares shall also apply to subscription rights and bonus share rights for Class A shares.

Article 16 Record date provision

A shareholder or nominee which is included in the Register of Shareholders on the record date and entered in a CSD register in accordance with the Chapter 4 of the Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479) or, which is entered on a CSD account according to Chapter 4, Section 18, first paragraph, 6-8 of said Act, shall be deemed to be authorised to exercise rights pertaining to Chapter 4, Section 39 of the Swedish Companies Act (SFS 2005:551).

RESOLUTION TO AUTHORIZE THE BOARD OF DIRECTORS TO RESOLVE TO ISSUE NEW SHARES, WARRANTS OR CONVERTIBLE LOANS

The Board of Directors' resolution to authorize the Board of Directors to resolve to issue new shares, warrants or convertible loans

The Board of Director proposes that the AGM resolves to authorize the Board of Director to, within the limits of the articles of association, until the next AGM, on one or more occasions, resolve to make an issue of shares, warrants and/or convertible loans.

The issue may take place with or without deviation from the shareholders' pre-emptive rights. By decision on the basis of the authorization, a total of no more than a number of shares, exercise of warrants and/or in the conversion of convertibles corresponding to 10% of the total number of outstanding shares in the company at the time of the AGM's decision on the authorization (which does not prevent convertibles from being combined with conversion terms which, if applied, may result in a different number of shares).

The authorization includes the right to resolve that shares will be issued against cash payment, payment in kind or payment by way of set-off and the issue may otherwise be subject to conditions as set out in Chapter 2, section 5, second paragraph, 1-3 and 5 of the Swedish Companies Act.

A cash issue or issue by way of set-off that takes place with deviation of shareholder pre-emption rights must take place on market terms.

The reason for the proposal and the right to deviate from the shareholders' pre-emption rights is to allow flexibility in conjunction with the raising of capital or potential acquisitions. The Board or its nominee, is entitled to decide on any minor changes in the authorization resolution that may be required when registering the resolution at the Swedish Companies Registration Office or due to other formal requirements.

RESOLUTION ON INSTRUCTION FOR THE NOMINATION COMMITTEE

The Nomination Committee proposes the following instructions for the Nomination Committee.

The Nomination Committee shall consist of five members. The chairman of the Board of Directors shall contact the five largest shareholders of the Company, in terms of voting power, pursuant to Euroclear Sweden AB's print out of the share register on 31 August. Each of these five largest shareholders shall be afforded the opportunity, within a reasonable time, to appoint a member who, together with the chairman of the Board of Directors shall constitute the Nomination Committee. In the event that any of them fail to exercise the right to appoint a member, such a right to appoint a member shall pass to the next largest shareholder in terms of voting power who has not already appointed a member to the Nomination Committee. The Chairman of the Board of Directors may not serve as both chairman and a shareholder-appointed member of the Nomination Committee. The chairman of the Nomination Committee shall be the member who represents the largest shareholder in terms of voting power, unless otherwise agreed by the members.

The names of the members of the Nomination Committee shall be published as soon as the Nomination Committee has been appointed, however no later than six months prior to the next annual general meeting. The Nomination Committee is appointed for a term commencing at the time its composition is published until a new Nomination Committee has been appointed.

In the event of any change in the ownership structure of the Company after 31 August but before 12 weeks prior to the next annual general meeting, and provided a shareholder after this change becomes one of the five largest shareholders of the Company in terms of voting power and, submits a request to the chairman of the Nomination Committee to be included in the Nomination Committee, such shareholder shall be entitled, in the discretion of the Nomination Committee, either to appoint an additional member to the Nomination Committee or replace the member appointed by the shareholder with less voting power after the change in ownership.

In the event a member appointed by a shareholder resigns from the Nomination Committee during his/her term of office, or where such a member is prevented from performing his/her duties, the Nomination Committee shall encourage the shareholder who appointed the member to appoint a new member within reasonable time. In the event the shareholder fails to exercise his/her right to appoint a new member, the right to appoint such member shall pass to the next largest shareholder in terms of voting power who has not already appointed a member to the Nomination Committee or who has waived his/her right to appoint a member to the Nomination Committee. Changes in the composition of the Nomination Committee shall be published immediately.

The Nomination Committee shall perform its duties in accordance with these instructions and applicable rules. The duties include, among other things, submitting proposals for:

- chairman of the annual meeting
- chairman and other members of the Board of Directors
- fees payable to the Board of Directors, with a breakdown between the chairman and other members of the Board of Directors, and any compensation for committee work
- where applicable, election of auditors
- fees payable to the auditors; and
- any changes in these instructions to the Nomination Committee to the extent deemed necessary.

The Nomination Committee has the right to incur costs to the Company for its work.

These instructions regarding the composition of the Nomination Committee and its work shall apply until otherwise resolved by a shareholder meeting.

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