

The Nomination Committee of Infant Bacterial Therapeutics AB (publ)

**In accordance with the principles adopted at the Annual General Meeting 2018, the Nomination Committee consists of four persons.**

In accordance with the AGM's decision, the Nomination Committee was formed and consists of four persons.

The three largest shareholders as of June 30, 2018 have all chosen representative for the Nomination Committee in Infant Bacterial Therapeutics AB. These are:  
Per-Erik Andersson (Nomination Committees Chairman) representative of Annwall & Rothschild Investments AB, the largest shareholder, Sebastian Jahreskog, who via direct and indirect ownership is the company's second largest shareholder, as well as Jannis Kitsakis, representative of the company's third largest shareholder, The Fourth Swedish National Pension Fund. In addition, Peter Rothschild is a member of the Nomination Committee in his capacity as Chairman of the Board of Infant Bacterial Therapeutics AB.

**The Nomination Committee's reasoned statement regarding proposals for the 2019 Annual General Meeting of Infant Bacterial Therapeutics AB (publ) and a motivated opinion regarding proposals to the Board of Directors and auditors.**

The Nomination Committee proposes the re-election of all current Board members Margareta Hagman, Lilian Henningson Wikström, Eva Idén, Anthon Jahreskog, Kristina Sjöblom Nygren and Peter Rothschild. Furthermore, it is proposed to re-elect Peter Rothschild as Chairman of the Board.

Anders Ekblom has provided notification that he will not stand for re-election.

The Nomination Committee's proposal thus means that the Board of Directors in the forthcoming term of office shall consist of six elected members without deputies. According to the Articles of Association, the Board, in addition to the employees' representatives, shall consist of at least three (3) and not more than ten (10) elected members, with no more than five (5) alternate members.

Since the election committee was constituted during the autumn of 2018, it has had two formal meetings, have performed interviews, and in addition, contact by telephone and email between the meetings. The Chairman of the Board stated at the Nomination Committee's first meeting, outlined the company's operations, goals and strategies and how the work was carried out in the Board during the past year. Furthermore, an evaluation has been made of the Board's work confirming the information provided by the Chairman of the Board, Peter Rothschild, regarding how well the Board's work was carried out during the year and that the individual members' different skills are valuable to the company and its activities. The Nomination Committee has made the determination that the Board does not need to replace Anders Ekblom, who has decided to not be available for re-election. This decision was based on the current phase that the company is in.

The Nomination Committee's overall assessment is that the Board duties were carried out very successfully during the year and that this work has been carried out with great commitment. The Board's work has been characterized by an open and constructive dialogue where cooperation between the chairman, the board and the CEO and other senior executives

functioned very well during the year and was carried out with great commitment. The Nomination Committee therefore does not consider that there would be a need to make any changes regarding the composition of the Board.

Through the nomination committee's proposal, the Board's size, breadth and diversity in terms of competence, age, gender, background and experience, will be appropriately formulated and meet the requirements placed on the Board considering the company's current and future situation. An assessment has also been made of the fact that each individual board member has the opportunity to devote sufficient time and commitment to the board work.

The Nomination Committee notes that two out of six proposed members of the Board of Directors are men, corresponding to approximately 33 percent. However, it does not correspond to the Swedish Corporate Governance Board's long-term goal of approximately 40 percent of the least-represented gender on company boards by 2020. The Nomination Committee will continue to strive for an appropriate composition of diversity and breadth regarding the members' skills, experience, background and gender.

With regard to the composition of the Board, as Diversity Policy, and regarding its objectives, the provisions of paragraph 4.1 of the Corporate Governance Code have been applied, which has resulted in the Nomination Committee's proposal for the Annual General Meeting regarding the election of the Board.

The Nomination Committee proposes unchanged fees to the Board members and the Chairman. This implies a fee of one hundred thousand (SEK 100,000) to board members and a fee to the chairman of two hundred thousand (SEK 200,000). Furthermore, the Nomination Committee proposes that an additional fee be paid to the chairman in his capacity as working chairman of SEK 400,000. This takes into account the work the chairman performs for the company, which is in addition to the work carried out as chairman of the board.

According to the requirements of the Swedish Code of Corporate Governance regarding the independence of the Board, the Nomination Committee notes that the proposal means that Jan Annwall and Peter Rothschild are dependent to Annwall & Rothschild Investments AB as the largest shareholder in the company and dependent on the company and company management. Anthon Jahreskog is dependent on the second largest shareholder Sebastian Jahreskog but independent in relation to the company and company management. Margareta Hagman is dependent on to Annwall & Rothschild Investments AB but independent in relation to the company and corporate management. Other Board members are independent both in relation to major shareholders and to the company and corporate management.

In addition to the proposals for the Board and Board fees, the Nomination Committee proposes the following:

- Attorney Erik Sjöman is elected Chairman of the Annual General Meeting;
- Deloitte AB is re-elected to the auditor for the period until the end of the Annual General Meeting in 2020. In Infant Bacterial Therapeutics AB, the Board fulfills the tasks that arrive at an audit committee. The Board's recommendation regarding the election of the auditor complies with the nomination committee's proposal. The Nomination Committee proposes that remuneration to the auditor be paid in accordance with the approved account; and

• that the following principles apply for convening the Nomination Committee for the 2020 Annual General Meeting. The Chairman of the Board shall convene the three (3) largest shareholders in the company, who shall appoint one representative to be a member of the Nomination Committee together with the Chairman of the Board. In the composition of the Nomination Committee, the ownership ratios as at 30 June 2018 shall determine who are the largest shareholders based on voting rights. The representative of the largest shareholder in the nomination committee at the time of the election shall be the chairman of the election committee. If any of the three largest shareholders waives their right to appoint a member of the Nomination Committee, the next largest shareholder shall be offered to appoint an alternate member of the Nomination Committee. The names of the three owner's representatives shall be published as soon as they have been appointed, but no later than six months before the 2020 Annual General Meeting. The nomination committee's term of office extends until the appointment of a new nomination committee.

In the event that the shareholder represented by the member whom no longer represents one of the three largest shareholders, if the nomination committee finds it appropriate, such a member may be vacated and a representative of the shareholder in the number of votes will be nominated to join. In the event that a nominated member of the Nomination Committee resigns from the Nomination Committee for another reason, the shareholder who appointed the member in question shall be entitled to appoint a new representative in the Nomination Committee. If this shareholder refuses to appoint a new representative, the Nomination Committee shall, if it considers it appropriate with regard to the remaining term of office, request the next largest shareholder in terms of the number of votes, to appoint a representative to the Nomination Committee.

The Nomination Committee shall prepare proposals in the following questions to be submitted to the Annual General Meeting 2020 for decision:

- a) proposal for the Chairman of the meeting
- b) Board of Directors
- c) proposal for the Chairman of the Board
- d) proposals for Board fees
- e) proposal for the auditor
- f) proposal for auditor's fees
- g) proposals regarding election committee prior to the 2021 Annual General Meeting.

The Nomination Committees decision has been made unanimously

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