

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 for resolution on implementation of a long-term incentive program for certain members of the board of directors by way of (A) implementation of a performance-based share saving program; (B) authorization on directed issues of series C shares; (C) authorization on repurchase of series C shares; and (D) resolution on transfer of own ordinary shares; alternatively (E) authorization to enter into a share swap agreement with a third party

The Nomination Committee of BONESUPPORT HOLDING AB (publ), Reg. No. 556802-2171 (the "**Company**"), proposes that the annual general meeting ("**AGM**") on 20 May 2021 resolves to implement a long-term incentive program in the form of a performance-based share saving program (the "**Board LTI 2021**") for certain members of the board of directors in accordance with A below.

The resolution, pursuant to section A, shall be conditioned upon the AGM also resolves on hedging measures in accordance with either sections B – D, or, if the majority requirement for sections B - D is not achieved, according to section E. If sections B - D are adopted section E will lapse. In the event that section A is not adopted, paragraphs B - E will lapse.

A. Implementation of a performance-based share saving program

Background and motives

Board LTI 2021 has been initiated and prepared by the Nomination Committee, considering that the Company competes for qualified board members in an internationally competitive market.

The overall purpose with Board LTI 2021 is to align the interests of the members of the board of directors with those of the shareholders and thus ensure a maximum long-term value adding commitment. Board LTI 2021 is also considered to create a long-term focus on increase in earnings and growth among the participants.

In light of the above, the terms set out below, the allotment size and other circumstances, the Nomination Committee considers that the proposed Board LTI 2021 is well-balanced and beneficial for the Company and its shareholders.

Terms and conditions for Board LTI 2021

1. Board LTI 2021 shall comprise of the members of the board of directors, Lennart Johansson and Tone Kvåle. The board members Håkan Björklund and Björn Odlander, who are linked to the Company's shareholders, and Lars Lidgren, who is the founder of the Company, shall not be comprised of Board LTI 2021.

2. Board LTI 2021 entails that the participants will invest in ordinary shares in the Company ("**Saving Shares**"). In order to be entitled to participate in Board LTI 2021, each participant must at least acquire or allocate the number of Saving Shares which have been specified for each participant below (which also corresponds to the maximum number of Saving Shares that each participant may acquire or allocate within the framework of Board LTI 2021). The investment in Saving Shares shall be made through acquisition of ordinary shares on the stock market or by allocating shares already held by the participant and which have not been used as saving shares in an already existing incentive program. Investment or allocation shall have taken place during period: from the time the AGM resolves to introduce Board LTI 2021 up to and including 31 December 2021 (the "**Investment Period**").
3. If the Saving Shares are retained as from the expiration of the Investment Period to and including the day of the AGM 2024 (expected to be held in May 2024) (the "**Incentive Period**"), the participant is entitled to allotment of additional ordinary shares in the Company free of charge (the "**Performance Shares**"), provided that, firstly the performance target (the "**Performance Target**") mentioned below is achieved or exceeded, secondly the participant, with the exceptions set out in paragraph 8 below has continued to be a member of the board of directors during the Incentive Period. Consequently, the Incentive Period is less than three years. The reason why the Incentive Period is less than three years is that the Company in the near future is facing a period with important milestones, which are crucial for the Company's long-term development. By implementing Board LTI 2021 the shareholder interest among members of the board of directors is expected to increase, which is deemed to benefit the Company's long-term development.
4. Participants shall acquire or allocate the following number of Saving Shares and shall have the opportunity to be allotted up to the following number of vested Performance Shares per Saving Share:

Participant	Number of Saving Shares (per participant)	Maximum number of Performance Shares per Saving Share	Total and maximum number of Performance Shares
Lennart Johansson and Tone Kvåle	20,000	3	120,000

5. The final number of Performance Shares vested by each participant shall be rounded downwards to the nearest whole number.
6. The total number of Performance Shares, pursuant to Board LTI 2021 shall not exceed 120,000.
7. The Performance Target that has to be achieved or exceeded relates to the development of the Company's share price over the period from the date of the

AGM 2021 to and including the date of the AGM 2024. The share price development will be measured based on the volume weighted average share price 30 trading days immediately following the AGM 2021 and 30 trading days immediately preceding the AGM 2024. An increase in the share price with less than 37.5 percent does not entitle to any vesting of Performance Shares and an increase in the share price with 75 percent or more does entitle a vesting of all Performance Shares. In the event of an increase in the share price of between 37.5 and 75 percent, vesting of Performance Shares will occur linearly.

8. If a participant ceases to be a board member before the end of the Incentive Period the participant in question shall continue to be entitled to receive Performance Shares pro rata their completed period of service as a board member, even if he or she sells his or her Saving Shares at the point in time of the above stated cessation but before the end of the Incentive Period, provided that (i) the cessation is not as a result of the participant's resignation from the Board or that the participant declined re-election, and (ii) the participant has not been denied discharge from liability by a general meeting.
9. The number of Performance Shares that may be allotted by virtue of Saving Shares shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar company actions.
10. Allotment of Performance Shares shall be made after the AGM 2024 (i.e. likely in May 2024), with the aim to allot Performance Shares approximately 30 days after the date of the AGM 2024.
11. Participation in Board LTI 2021 presupposes that the participation is legally possible and that the participation in the Company's sole opinion can be made with reasonable administrative costs for the Company.
12. The Remuneration Committee, excluding the board members participating in Board LTI 2021, (as applicable) shall be responsible for the management of Board LTI 2021 within the framework of the conditions as set out above, and the board of directors shall be authorized to make minor adjustments to these conditions as required by law or for administrative reasons. The Remuneration Committee shall also be responsible for any recalculations in accordance with item 9 above.
13. In the event of a public take-over offer, a sale of the Company's business, liquidation, merger or any other such transaction, all Performance Shares shall be deemed to be immediately vested and shall be allotted on completion of such transaction provided that the participant at the relevant point of time of such transaction (i) still is a member of the board of directors; and (ii) still holds all Saving Shares. Furthermore, if a board member is no longer a Board member of the Company when an event mentioned in this section occurs but is, in accordance with paragraph 8 above, entitled to receive Performance Shares pro rata in relation to the completed period of service, the Performance Shares to which the participant is entitled are considered immediately vested and shall be allotted in connection with completion of the transaction.

B. Authorization on directed issues of series C shares

The Nomination Committee proposes that the AGM resolves to authorize the board of directors, for the period up until the next AGM, on one or several occasions, to issue a maximum of 148,000 series C shares. The new shares may, with deviation from the

shareholders' preferential rights, only be subscribed for by a bank or a securities company at a subscription price which corresponds to the quota value of the shares. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights in connection with an issue of shares is to hedge delivery of Performance Shares and to hedge associated costs, under Board LTI 2021, such as social charges, which shall be effected through the Company repurchasing the series C shares issued pursuant to the authorization in section C below and thereafter, when the series C shares have been converted to ordinary shares, by transferring ordinary shares to participants in Board LTI 2021 as set out in section D below.

C. Authorization on repurchase of series C shares

The Nomination Committee proposes that the AGM resolves to authorize the board of directors, for the period up until the next AGM, on one or several occasions, to repurchase its own series C shares. Repurchase may only be effected through a public offer directed to all holders of series C shares and shall comprise all outstanding series C shares. Repurchase may also be made of so-called interim shares, by Euroclear Sweden AB designated as a Paid Subscribed Share (*Sw.*

Betalad Tecknad Aktie (BTA)), regarding a series C share. Repurchase shall be made at a purchase price per share which corresponds to the quota value of the share. The purpose of the proposed repurchase authorization is to secure delivery of Performance Shares and to hedge associated costs, such as social charges under Board LTI 2021.

The board of directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (*Sw.* aktiebolagslagen) is presented in a separate document provided with this proposal.

D. Resolution on transfer of own ordinary shares

In order to fulfil the Company's obligations towards participants in Board LTI 2021 and to hedge associated costs, such as social charges, the Nomination Committee proposes that the AGM resolves that the Company shall be entitled to transfer the Company's own ordinary shares as follows:

1. The Company shall have the right to transfer the number of ordinary shares that the Company has a maximum obligation to allocate as Performance Shares to participants in Board LTI 2021, at most 120,000 shares.
2. The shares that can be transferred in accordance with paragraph 1 above may consist of either shares newly issued and repurchased in accordance with paragraphs B - C above or, after conversion into ordinary shares, C shares issued in connection with corresponding previous LTI programs, but which are no longer required for the performance of the Company's commitments under such programs.
3. Whereby it is noted that the number of shares that may be transferred pursuant to Board LTI 2021 shall be subject to recalculation in consequence of a bonus issue, split, rights issue, and/or other similar corporate action which affects the number of shares in the Company, which consequently, to the corresponding degree affects the highest number of shares that can be transferred.
4. The right to acquire ordinary shares shall, with deviation from the shareholders' preferential rights, vest in participants in Board LTI 2021 who are entitled to be allotted Performance Shares in accordance with the terms and conditions of the program.
5. Transfer of shares to participants in Board LTI 2021 shall be made free of charge and be executed at the relevant time pursuant to the terms of Board LTI 2021.

Since Board LTI 2021 initially, in principle, is not expected to give rise to any social charges for the Company, the Nomination Committee has decided not to propose to the 2021 AGM to decide on authorization regarding the transfer of own ordinary shares on a regulated market to hedge costs associated to Board LTI 2021, such as social charges. However, before the transfer of the Company's shares to the participants in Board LTI 2021, the board of directors intends to propose to a later AGM to decide on a transfer of ordinary shares which may take place on a regulated market to hedge such payments.

The reason for the deviation from the shareholders' preferential rights in connection with the transfers of own ordinary shares is to enable the Company's delivery of Performance Shares to participants in Board LTI 2021.

E. Share swap agreement with a third party

Should the majority requirement for paragraphs B - D above not be met, the Nomination Committee proposes that the AGM, for the purpose of hedging the delivery of Performance Shares and to cover therewith associated costs, such as social charges, instead resolves to authorize the board to enter into a share swap agreement with a third party. The share swap agreement entails that the third party in its own name shall acquire and transfer ordinary shares in the Company to the participants in Board LTI 2021 and sell ordinary shares in the market.

Board LTI 2021 costs

Board LTI 2021 will be accounted for in accordance with IFRS 2 which stipulates that the right to receive Performance Shares shall be expensed as a personnel cost over the vesting period.

The Nomination Committee has made a preliminary cost calculation for Board LTI 2021, which is based on a price per share of SEK 106.4 at the final allocation, that each participant makes an investment in Saving Shares which qualifies for participation in Board LTI 2021 and that the maximum number of Performance Shares is allotted. The value of the Performance Shares has been calculated based on a share price of SEK 60.80 per share in connection with the implementation of Board LTI 2021. Based on the above assumptions, the value of each Performance Share has been calculated to SEK 21.90.

Overall, this results in a maximum cost for Board LTI 2021 of approximately SEK 2.6 million, excluding the costs for social charges. The total costs for social charges, based on the assumption of a 75 percent share price increase at the time of allocation of Performance Shares and an average rate for social charges of 23.3 percent, is estimated to amount to a maximum of approximately SEK 3.0 million.

Should the AGM resolve on section E, the cost of entering into a share swap agreement is expected to amount to approximately SEK 300,000.

Existing incentive programs and dilution

As per the date of the notice, the number of shares in the Company amounts to 65,064,222 shares, of which 63,774,222 are ordinary shares and 1,290,000 are series C shares which were issued in connection with the share saving programs resolved at the AGM 2018, 2019 and 2020, and which will be converted into ordinary shares prior to delivery to the participants.

The Company currently has outstanding incentive programs in the form of, three (3) employee stock option programs, one (1) warrant program and four (4) performance-based share saving programs.

Considering the possibility of using existing C shares according to paragraph D 2. above, the maximum number of shares issued to fulfil the transfer of Performance Shares and to hedge costs associated with Board LTI 2021, amount to 148,000, which corresponds to a maximum dilution of approximately 0.2 percent of the Company's ordinary shares after full dilution, calculated on the number of ordinary shares added at full utilization of the now proposed incentive program.

The Nomination Committee has been informed that the Company's board of directors, in parallel with Board LTI 2021 which is aimed at some board members of the Company, intends to submit a proposal to the AGM regarding an incentive program with similar conditions as for Board LTI 2021 intended senior executives and key employees of the Company (“**LTI 2021**”). LTI 2021 and Board LTI 2021 will in total, including the shares issued to hedge costs associated with programs, entail that a maximum of 876,000 shares will be issued.

In case all outstanding incentive programs as well as LTI 2021 including Board LTI 2021 are exercised in full, a total of 2,823,132 new ordinary shares will be issued, which corresponds to a dilution of approximately 4.2 percent of the Company's ordinary shares after full dilution, calculated on the number of ordinary shares that will be added upon full exercise of all outstanding and now proposed incentive programs.

The above calculations regarding dilution and impact on key ratios are subject to recalculation of the warrants in accordance with the customary recalculation terms included in the complete applicable warrant terms.

Should the AGM resolve on section E, the share swap agreement will not affect the dilution or earnings per share set aside for the costs incurred by Board LTI 2021.

Preparation of the proposal

The proposal for Board LTI 2021 has been prepared by the Nomination Committee together with external consultants. However, the chairman of the board of directors, Lennart Johansson, has not participated in the Nomination Committee's preparation of the proposal.

Majority requirement

For a valid resolution regarding the proposal in section A, it is required that shareholders representing at least half of the votes cast at the AGM supports the proposal. Regarding sections B - D above these constitute a joint proposal and shall be resolved upon as one resolution and for the resolution to be valid it is required that the resolution is supported by at least nine tenths of the shares represented at the AGM and the votes cast. For a valid resolution regarding the proposal in section E, it is required that shareholders representing at least half of the votes cast at the AGM supports the proposal.

Authorization

The chairman of the Company's Remuneration Committee, or anyone appointed by him, shall be authorized to make minor formal adjustments of the resolution which may be required for registration with the Swedish Companies Registration Office (*Sw. Bolagsverket*) or Euroclear Sweden AB.

BONESUPPORT HOLDING AB (publ)
The Nomination Committee