

# SUMMARY FROM ANNUAL GENERAL MEETING OF EPISURF MEDICAL AB (PUBL)

The shareholders of Episurf Medical AB (publ) ("Episurf" or the "Company") gathered in Stockholm, Sweden, on Monday 22 May 2017 for the Annual General Meeting.

The income statements and the balance sheets for the Company and the group were approved and the Board of Directors and the Managing Director were discharged from liability for the financial year 2016.

The Meeting resolved to allocate the result in accordance with the proposal of the Board of Directors in the Annual Report.

In accordance with the proposal by the Nomination Committee (i) Dennis Stripe, Saeid Esmaeilzadeh, Wilder Fulford, Christian Krüeger and Leif Ryd were re-elected as members of the Board of Directors, (ii) Laura Shunk was elected as new member of the Board of Directors, and (iii) Dennis Stripe was re-elected as Chairman of the Board of Directors.

In accordance with the proposal by Nomination Committee, the Meeting resolved that total fees of SEK 1,100,000 are to be paid to the Board of Directors, of which SEK 400,000 to the Chairman of the Board of Directors, SEK 200,000 to each of Wilder Fulford and Laura Shunk and SEK 100,000 to each of Saeid Esmaeilzadeh, Leif Ryd and Christian Krüeger. No fees are to be paid for committee work.

The registered accounting firm KPMG AB was re-elected as the auditor of the Company, with the authorised public accountant Duane Swanson as the auditor in charge. The auditors' fee shall be paid upon approval of their invoice.

The Meeting approved the Nomination Committee's proposal for Nomination Committee and nomination procedure for the Annual General Meeting 2018.

The Meeting approved the Board of Directors' proposal regarding guidelines for remuneration to senior executives.

In accordance with the proposal by the Board of Directors, the Meeting resolved on (i) adoption of an employee stock option and warrant programme, (ii) an issue of warrants of series 2017/2020(A), and (iii) an issue of warrants of series 2017/2020(B) and approval of transfers of warrants of series 2017/2020(B). The rationale for the employee stock option and warrant programme is to achieve optimum alignment of interests between the employees and the shareholders in the Company, to create conditions for retaining and recruiting competent personnel to the Episurf group and to drive performance among the employees.

The employee stock option and warrant programme includes all employees in the group and comprises no more than 117,400 warrants of series 2017/2020(A) and no more than 513,700 employee stock options (which are hedged by an issue of the same number of warrants of series 2017/2020(B) to the subsidiary Episurf Operations AB). The warrants of series 2017/2020(A) shall be allocated to the participants in the programme for a price of SEK 0,95 (corresponding to the market value) in accordance with the following: (i) the acting CEO is entitled to subscribe for up to 15,000 warrants; (ii) the other four members of the senior management are entitled to subscribe for 8,000 warrants each; and (iii) the other 22 participants are entitled to subscribe for 3,200 warrants each. The employee stock options shall be allocated in accordance with the following: Each participant is proposed to be allotted, free of charge: (i) 6,000 employee stock options (except the acting CEO, who is allotted 10,000 employee stock options), plus (ii) 350 employee stock options per month he or she has been employed by the group, plus (iii) one employee stock options for each warrant subscribed for. Provided that the holder is still employed by the group at the exercise of the options, each employee stock option entitles the employee to purchase one share of series B in the Company during the period 1 June 2020 – 31 May 2021 for a price of SEK 8,55, corresponding to 130 per cent of the average volume weighted share price for the Company's share of series B on Nasdaq Stockholm during the period from and including 15 May 2017 until and including 19 May 2017. Each warrants of series 2017/2020(A) entitles its holder to subscribe for one share of series B in the Company during the period 1 June 2020 – 31 May 2021 for a price of SEK 8,55. The programme implies that a maximum of 631,100 shares of series B may be issued, corresponding to a maximum dilution of 2.0 per cent of the share capital and 1.4 per cent of the votes in the Company. The employee stock options will be recorded as a personnel expense in the income statement during the vesting period. The total costs for the employee stock options are expected to amount to SEK 0.7 million during the term of the programme.

Finally, the Meeting resolved to authorise the Board of Directors to, at one or several occasions until the next Annual General Meeting, resolve on new issues of shares.

## Episurf Medical AB (publ)

### The Board of Directors

#### For more information, please contact:

Pål Ryfors, acting CEO, Episurf Medical

Tel: +46 (0) 709 62 36 69

Email: [pal.ryfors@episurf.com](mailto:pal.ryfors@episurf.com)

### About Episurf Medical

*Episurf Medical is endeavoring to bring people with painful joint injuries a more active, healthier life through the availability of minimally invasive and personalized treatment alternatives. Episurf Medical's Episealer® personalized implants and Epiguide® surgical drill guides are developed for treating localized cartilage injury in joints. Episurf Medical's uiFidelity® system enables implants to be cost-efficiently tailored to each individual's unique injury for the optimal fit and minimal intervention. Episurf Medical's head office is in Stockholm, Sweden. Its share (EPIS B) is listed on Nasdaq Stockholm. For more information, go to the company's website: [www.episurf.com](http://www.episurf.com).*

*This information is information that Episurf Medical AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 19.30 CET on 22 May 2017.*

SUMMARY FROM ANNUAL GENERAL MEETING OF EPISURF MEDICAL AB (PUBL)