

To the shareholders of Nordic Nanovector ASA

Oslo, 20 September 2016

## **RECOMMENDATION OF THE NOMINATION COMMITTEE**

### **1. INTRODUCTION**

The Nomination Committee of Nordic Nanovector ASA comprises Johan Christenson (chairman), Olav Steinnes and Ole Peter Nordby.

The Nomination Committee has held one meeting and several phone meetings since the Annual General Meeting which was held on 19 May 2016.

In accordance with the Articles of Association and the Instructions for the Nomination Committee adopted by the General Meeting on 12 November 2014 (the "Instructions"), the Nomination Committee will in this recommendation present its proposals for a new board member.

The Nomination Committee has, when preparing its proposals, taken into consideration the matters that are to be taken into consideration by the committee pursuant to the Instructions and such other matters which the committee has deemed appropriate. The proposals have been unanimously resolved by the committee.

### **2. NOMINATION OF BOARD OF DIRECTORS**

Renee Tannenbaum has informed the Committee that she wants to resign as board member for personal reasons. The Board of Directors (the "Board") has following such resignation the following 5 shareholder-elected members:

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Ludvik Sandnes, Chairman

Gisela Margarete Schwab

Per Anders Göte Samuelsson

Hilde Hermansen Steineger

Jean Pierre Bizzari

The Committee proposes that Joanna Horobin is elected as a new Board member to replace Renee Tannenbaum.

The Nomination Committee has emphasized that the Board should be diverse in terms of background, competence and experience and it is the committee's view that the proposed Board composition ensures these qualities and the Committee also considers Ms. Horobin to satisfy these requirements, see qualifications below:

***Joanna Caroline Horobin, M.B., Ch.B.***

*Joanna Horobin has comprehensive experience within the biopharmaceutical industry. Ms. Horobin is currently Senior Vice President, Chief Medical Officer and a Member of the Leadership Team at Idera Pharmaceuticals, Inc. in Cambridge, Massachusetts. Here she is responsible for development and regulatory strategy and the execution of the clinical trial program for the company's pipeline assets of novel oligonucleotides for the treatment of rare oncology and other indications. Prior to this position she was most recently the Chief Medical Officer of Verastem, Inc. and previously served as Chief Executive Officer of Syndax Pharmaceuticals. Additionally, Ms. Horobin has held several roles of increasing responsibility at global pharmaceutical corporations such as Rhône-Poulenc Rorer (now Sanofi) where she spearheaded the global Oncology business unit's launch which included the launches of Taxotere® (docetaxel) in breast cancer and Campto/Camptosar® (CPT11) for colorectal cancer. Ms. Horobin also led a successful joint venture with Chugai to launch Granocyte® (lenograstim). Prior, Ms. Horobin played significant leadership roles in the approvals of Lovenox®, Celectol®, Augmentin®, Timentin®, temocillin, Bactroban® and Relafen®/Reliflex®. Ms. Horobin received her medical degree from the University of Manchester, England.*

Ms. Horobin is independent of the Company's significant business relations and large shareholders (shareholders holding more than 10% of the shares in the Company). The proposed Board composition is compliant with the requirements for independence as set out in the Norwegian Code of Practice for Corporate Governance (NUES).

### **3. RESTRICTED STOCK UNITS TO THE BOARD OF DIRECTORS**

The Annual General Meeting on 19 May 2016 approved a RSU program for board members and the Nomination Committee proposes that the extraordinary general meeting to be held on 12 October 2016 approves the issuance of RSU's to the new board member Joanna Horobin under this program if she is elected.

For a description of the RSU program see below:

The RSU program is established for the members of the Board pursuant to which the members of the Board may choose to receive their remuneration, or parts thereof, in the form of restricted stock units ("RSUs"). The RSUs are non-transferrable and each RSU will give the right and obligation to acquire shares in the Company (at nominal value of NOK 0.20) subject to satisfaction of the applicable vesting conditions.

Each member of the Board has three alternatives when the remuneration to the members of the Board is resolved by the General Meeting:

- a) Receive 100 % of the Board remuneration in the form of RSUs;
- b) Receive 1/3 of the Board remuneration in cash and 2/3 in the form of RSUs; or
- c) Receive 2/3 of the Board remuneration in cash and 1/3 in the form of RSUs;

The number of RSUs to be granted is calculated as the NOK amount of the RSU selected portion of total remuneration to the Board member, divided by the market price for the Nordic Nanovector ASA share. The market price shall be calculated as the volume weighted average share price for the 10 trading days prior to the grant date (i.e. the date of the General Meeting which the corresponding Board remuneration was resolved, the "GM Date"). In the event that a board member is elected at an extraordinary general meeting ("EGM") after the GM Date the market price shall be calculated as the volume weighted average share price for the 10 trading days prior to the grant date (i.e. the date of the EGM).

As a main rule, the vesting of the RSUs will be subject to (i) the grantee being a member of the Board at the vesting date, and (ii) the grantee not having notified the Company

prior to the vesting date of the grantee's intension to step down from the Board. If any of the above events occur prior to vesting, then the number of RSUs that vest shall be equal to the total number of RSUs granted, multiplied by a fraction in which the numerator is equal to the number of calendar days in the period from grant and until the date of which the event occurs, and the denominator is equal to 365. The remaining RSUs will lapse without compensation.

The RSUs will vest on the first anniversary of the GM Date unless otherwise determined by the Nomination Committee. When the RSUs have vested, the participant must in the following three-year period select when to take delivery of the shares. The participants will on a quarterly basis have the opportunity to:

- a) Receive all shares
- b) Receive all shares and sell a proportion of the shares immediately (shares may be sold to cover tax)

The RSUs will be honoured by the issue of new Nordic Nanovector shares or by the delivery of shares held in treasury. The Board member must for each share pay the nominal value of a Nordic Nanovector share of NOK 0.20.

The Nomination Committee of Nordic Nanovector ASA

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Johan Christenson,  
Chairman

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Olav Steinnes

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Ole Peter Nordby