

# Notice of Annual General Meeting of Episurf Medical AB (publ)

*This English translation of the notice is an unofficial translation of the Swedish original. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

The shareholders in Episurf Medical AB (publ), 556767-0541 (“**Episurf**” or the “**Company**”), are hereby summoned to the Annual General Meeting (the “**Meeting**”) on Tuesday, 9 April 2024, at 15:00 (CEST) at the Company’s office at Karlavägen 60, SE-114 49 Stockholm, Sweden. Entry and registration begin at 14:30 (CEST). The Board of Directors has, pursuant to Chapter 7, Section 4 a of the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Company’s Articles of Association, decided that shareholders shall be able to exercise their voting rights by post prior to the Meeting. Accordingly, shareholders may choose to participate in the Meeting in person, by proxy or through postal voting.

## **EXERCISE OF VOTING RIGHTS AT THE MEETING**

Shareholders who wish to exercise their voting rights at the Meeting must:

- be registered in the share register maintained by Euroclear Sweden AB on Thursday, 28 March 2024 or, if the shares are registered in the name of a nominee, request that the nominee registers the shares in the shareholder’s own name for voting purposes in such time that the registration is completed on Wednesday, 3 April 2024; and
- give notice of participation to the Company in accordance with the instructions set out under the heading “*Notice of attendance in person or by proxy*”, or submit a postal vote in accordance with the instructions set out under the heading “*Instructions for postal voting*”, not later than on Wednesday, 3 April 2024.

## **Notice of attendance in person or by proxy**

Shareholders who wish to attend the Meeting in person or by proxy shall give notice to the Company thereof either by e-mail to [ir@episurf.com](mailto:ir@episurf.com) or by post to Episurf Medical AB (publ), “Annual General Meeting 2024”, Karlavägen 60, SE-114 49 Stockholm, Sweden. The notice of attendance must state the shareholder’s name or company name, personal identification number or corporate registration number, address, telephone number and, where applicable, the number of accompanying advisors (not more than two).

Shareholders who do not wish to participate in the Meeting in person or exercise their voting rights by postal voting may exercise their voting rights at the Meeting through a proxy with a written, signed and dated power of attorney. If the power of attorney is issued by a legal entity, a copy of the certificate of registration or an equivalent authorisation document for the legal entity must be enclosed.

In order to facilitate the registration at the Meeting, powers of attorney, certificates of registration and other documents of authority should be received by the Company at the address Episurf Medical AB (publ), “Annual General Meeting 2024”, Karlavägen 60, SE-114 49 Stockholm, Sweden not later than on Wednesday, 3 April 2024. Please note that notice of attendance at the Meeting must be given even if a shareholder wishes to exercise its voting rights at the Meeting through a proxy. A submitted power of attorney is not considered as a notice of attendance at the Meeting. A template proxy form is available at the Company’s website ([www.episurf.com](http://www.episurf.com)).

## **Instructions for postal voting**

Shareholders who wish to exercise their voting rights by postal voting must use the postal voting form and follow the instructions that are available on the Company's website ([www.episurf.com](http://www.episurf.com)). The postal vote must be received by the Company not later than on Wednesday, 3 April 2024. The postal voting form must either be sent by e-mail to [ir@episurf.com](mailto:ir@episurf.com) or be sent by post to Episurf Medical AB (publ), "Annual General Meeting 2024", Karlavägen 60, SE-114 49 Stockholm, Sweden. If the shareholder is a legal entity, a copy of a registration certificate or other equivalent authorisation document for the legal entity must be enclosed with the form. The same applies if the shareholder is voting by post through a proxy.

Shareholders who wish to revoke a submitted postal vote and instead exercise their voting rights by attending the Meeting in person or by proxy must notify the secretariat of the Meeting before the Meeting opens.

## **Personal data**

Personal data obtained from the share register and postal voting forms as well as information on proxies will be used for registration, preparation of the voting list for the Meeting and, where applicable, the minutes of the Meeting. For information about how your personal data is processed, please refer to the Privacy Policy available on Euroclear's website (<http://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>).

## **PROPOSED AGENDA**

- 1) Opening of the Meeting
- 2) Election of Chairman of the Meeting
- 3) Preparation and approval of the voting list
- 4) Election of one or two persons to approve the minutes of the Meeting
- 5) Approval of the agenda
- 6) Determination of whether the Meeting has been duly convened
- 7) Presentation of the annual accounts and the auditor's report and the consolidated accounts and the auditor's report on the consolidated accounts
- 8) Resolution on:
  - a) adoption of the income statement and the balance sheet and the consolidated income statement and balance sheet,
  - b) allocation of the result of the Company in accordance with the adopted balance sheet, and
  - c) discharge of liability for the members of the Board of Directors and the CEO
- 9) Resolution on the number of members of the Board of Directors
- 10) Determination of fees for the members of the Board of Directors and the auditor
- 11) Election of members of the Board of Directors, Chairman of the Board of Directors and auditor
- 12) Resolution on Nomination Committee

- 13) Resolution on approval of remuneration report
- 14) Resolution regarding guidelines for remuneration to the senior management
- 15) Resolution on authorisation for the Board of Directors to resolve on new issues
- 16) Closing of the Meeting

## **PROPOSALS FOR RESOLUTIONS**

### **Proposals from the Nomination Committee under items 2 and 9–12**

The Nomination Committee, established in accordance with the principles adopted at the Annual General Meeting of 2023, makes the following proposals under items 2, 9, 10, 11 and 12.

- Ulf Grunander, or, if he is absent, the person appointed by a representative of the Nomination Committee, is proposed to be appointed as Chairman of the Meeting.
- The Board of Directors is proposed to consist of six members with no deputy members.
- Proposed re-election of Ulf Grunander, Christian Krüeger, Leif Ryd, Laura Shunk and Annette Brodin Rampe as members of the Board of Directors and election of Jess Lonner as a new member of the Board of Directors until the end of the next Annual General Meeting.
- Proposed re-election of Ulf Grunander as the Chairman of the Board of Directors until the end of the next Annual General Meeting.
- Total fees of SEK 1,425,000 (SEK 1,225,000) are proposed to be paid to the Board of Directors, of which SEK 400,000 (SEK 400,000) are proposed to be paid to the Chairman of the Board of Directors and SEK 200,000 (SEK 200,000) to each of the other board members. In addition, SEK 25,000 (SEK 25,000) are proposed to be paid to the Chairman of the Board of Directors' Audit Committee.
- In accordance with the Audit Committee's proposal, Öhrlings PricewaterhouseCoopers AB is proposed to be re-elected as auditor of the Company until the end of the next Annual General Meeting. Should the proposal be adopted, Öhrlings PricewaterhouseCoopers AB intends to appoint the authorised public accountant Tobias Strähle as auditor in charge.
- Auditor's fees are proposed to be payable in accordance with approved invoice.

### **The Nomination Committee proposes that the Meeting resolves on the following principles for appointing the Nomination Committee for the next Annual General Meeting.**

The Nomination Committee shall consist of four members. The three, in terms of votes, largest shareholders/owner groups (the "**Largest Shareholders**") in the Company as of 31 August the year preceding the Annual General Meeting, according to the list of shareholders in the share register maintained by Euroclear Sweden AB or that in another way are proved to be one of the Largest Shareholders, are entitled to appoint one member of the Nomination Committee each. In addition, the Chairman of the Board of Directors shall be appointed as member of the Nomination Committee. The Chairman of the Board of Directors shall summon the Largest Shareholders by 15 October the year preceding the Annual General Meeting, at the latest. If any of these shareholders waive their right to appoint a member of the Nomination Committee, the next shareholder/owner group in order of size shall be given the opportunity to appoint a member of the Nomination Committee.

The CEO or any other person from the senior management shall not be a member of the Nomination Committee. The Chairman of the Board of Directors shall summon the Nomination Committee's first meeting.

The Chairman of the Board of Directors shall not be appointed Chairman of the Nomination Committee. The Nomination Committee's term of office extends until a new Nomination

Committee is appointed. The composition of the Nomination Committee shall be made public no later than six months before the Annual General Meeting.

If it becomes known that a shareholder that has appointed a member of the Nomination Committee, as a result of changes in the said owner's shareholdings or due to changes in other owners' shareholdings, is no longer one of the Largest Shareholders, the committee member who was appointed by said shareholder shall, if the Nomination Committee so decides, resign and be replaced by a new member appointed by the shareholder who at the time is the largest registered shareholder that has not already appointed a member of the Nomination Committee.

If the registered ownership structure is otherwise significantly changed prior to the completion of the Nomination Committee's work, the composition of the Nomination Committee shall, if the Nomination Committee so decides, be changed in accordance with the above stated principles.

**The Nomination Committee proposes that the Meeting resolves on the following instruction for the Nomination Committee's work ahead of the next Annual General Meeting.**

### **Members of the Nomination Committee**

Members of the Nomination Committee are to promote the common interests of all shareholders. The members of the Nomination Committee shall not unduly reveal the content and details of the discussions of the Committee. Each member of the Nomination Committee is to consider carefully whether there is any conflict of interest or other circumstance that makes membership of the Nomination Committee inappropriate before accepting the assignment.

### **The tasks of the Nomination Committee**

The tasks of the Nomination Committee are, where applicable, to propose decisions to the shareholders' meeting on:

- election of Chairman for the shareholders' meeting
- number of members of the Board of Directors
- fees to members of the Board of Directors appointed by the shareholders' meeting, including remuneration for committee work
- auditor fees
- election of members of the Board of Directors and Chairman of the Board of Directors
- election of auditor
- principles for the appointment of the Nomination Committee
- instructions to the Nomination Committee

### **The composition of the Board of Directors**

The Board of Directors is to have a composition appropriate to the Company's operations, phase of development and other relevant circumstances. The board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The Company is to strive for gender balance on the board.

As part of the Nomination Committee's work on finding suitable candidates and assessing the need for complementary competence and to assess both the composition of the Board of Directors and the suitability of individual members, the Nomination Committee shall examine the internal board evaluation from the Chairman of the Board of Directors and each board member's own evaluation of the Board's overall competence, the work climate and the member's own competence.

Furthermore, the Board of Directors shall be ownership based and, at the same time, the need for independence from the Company, the Company's management and the Company's major shareholders shall be taken into account regarding the Board of Directors as a whole.

Members of the Board of Directors are to be appointed for a period extending no longer than to the end of the next Annual General Meeting. Deputies for directors elected by the shareholders' meeting are not to be appointed. Before the Nomination Committee nominates a candidate for the Annual General Meeting, the Nomination Committee shall conduct an assessment of the candidate's suitability, partly on the basis of an overall evaluation of the composition of the Board of Directors, and partly on the basis of an evaluation, among other things, of the candidate's character and theoretical and practical experience. Potential conflict of interest should also be taken into account. Furthermore, the candidate's ability to devote enough time on the board assignment shall be assessed.

### **Proposal for election of auditor**

The Nomination Committee's proposal to the shareholders' meeting on the election of the auditor is to include the Audit Committee's recommendation (or that of the Board of Directors if it does not have an audit committee). If the proposal differs from the recommendation, the reasons for not following such recommendation are to be stated in the proposal.

### **Work of the Nomination Committee**

The Company shall pay for reasonable costs that the Nomination Committee has considered to be necessary in order for the Nomination Committee to be able to complete its assignment.

The Nomination Committee is to issue a statement explaining its proposals with regard to the requirements concerning the composition of the Board of Directors contained in this instruction. The Committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance. The statement is also to include an account of how the Nomination Committee has conducted its work.

The Nomination Committee is to notify its proposals and statements to the Company in sufficient time for it to be presented in the notice of a shareholders' meeting where the election of board members or auditors is to be held as well as published on the Company's website when the notice of the shareholders' meeting is issued.

At a shareholders' meeting where the election of board members or auditors is to be held, the Chairman of the Nomination Committee, or whoever the Chairman appoints, is to present the Nomination Committee's proposals and statements.

Furthermore, the Nomination Committee shall carry out the tasks assigned to it pursuant to the Swedish Corporate Governance Code.

### **Proposal under item 4: Election of one or two persons to approve the minutes of the Meeting**

The Board of Directors proposes that the Meeting elects one or two persons that are proposed by the Chairman of the Meeting and who are not a board member of, or employed by, the Company to attest the minutes of the Meeting.

The assignment to attest the minutes shall also include verifying the voting list and that the received postal votes are correctly reflected in the minutes of the Meeting.

### **Proposal under item 8 (b): Resolution on allocation of the result of the Company in accordance with the adopted balance sheet**

The Board of Directors proposes that the Meeting resolves that Episurf shall not pay dividends for the financial year 2023.

### **Proposals under item 13: Resolution on approval of remuneration report**

The Board of Directors proposes that the Meeting resolves to approve the Board of Directors' remuneration report prepared in accordance with Chapter 8, Section 53 a of the Swedish Companies Act.

### **Proposal under item 14: Resolution regarding guidelines for remuneration to the senior management**

The Board of Directors of proposes that the Meeting resolves on the following guidelines for remuneration to senior executives.

The guidelines comprise the CEO and the other members of the senior management of the Company. Remuneration covered by the guidelines shall include salary and other remuneration to the senior executives. These guidelines shall not apply to any remuneration resolved upon or approved by the general meeting. Hence, these guidelines do not apply to share-based incentive programs or board fees to the Board members.

To the extent that a non-employed Board member elected by the general meeting performs work for the Company, besides the Board assignment, consultancy fees and other remuneration on market terms may be granted for such work. Decisions on consultancy fees and other remuneration to non-employed Board members elected by the general meeting are taken by the Remuneration Committee.

For employments governed by rules other than Swedish rules, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### **The guidelines' contribution to the Company's business strategy, long-term interests and sustainability**

The business strategy of the Company is to provide orthopaedists with individualised, top-quality treatment alternatives via the Company's self-developed technology for image analysis, implant design and manufacturing. For more information on the business strategy, please refer to the Company's website ([www.episurf.com](http://www.episurf.com)). A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. The Company shall therefore offer remuneration and other terms of employment that enables the Company to recruit and retain skilled executives with the experience and competence required. These guidelines enable the Company to offer the senior executives a competitive remuneration.

#### **Types of remuneration**

The remuneration shall be on market terms and be competitive, and may consist of the following components: fixed base salary, variable remuneration, pension benefits and other benefits such as company car. Additionally, the general meeting may resolve upon, *inter alia*, share-based remuneration.

#### **Fixed base salary**

Each senior executive shall receive a fixed base salary that enables the Company to attract and retain skilled employees. The fixed base salary shall be based on the senior executive's competence, responsibilities and performance.

#### **Variable remuneration**

The variable remuneration shall be linked to predetermined and measurable criteria which can be financial and non-financial. Financial criteria may relate to turnover, results, share price development and operational efficiency. Non-financial criteria may relate to clinical activities, personnel-related KPIs and quality-related KPIs. The variable remuneration is thereby linked to

the Company's business strategy, long-term interests and sustainability. The criteria shall be established, assessed and re-evaluated annually. For the total variable remuneration, shall the targets be based on financial criteria and non-financial criteria. The variable remuneration shall not amount to more than 50 per cent of the fixed base salary of the senior executive. Deviations from this principle can occur in exceptional cases, for example in connection with employment, and only for a limited period.

### **Pension benefits**

The pension benefits of the senior executives shall be defined premium pension benefits, unless the senior executive is subject to defined-benefit pension in accordance with the provisions of a collective agreement. The pension premiums for defined contribution may not exceed 4.5 per cent of the annual fixed base salary up to 7.5 Income Base Amounts (Sw. *inkomstbasbelopp*) and 30 per cent of the annual fixed base salary exceeding 7.5 Income Base Amounts. Variable remuneration shall only be pensionable to the extent it is required pursuant to applicable provisions of a collective bargaining agreements. Pension benefits may not amount to more than 50 per cent of the fixed base salary of the senior executive.

Further, salary exchange shall be possible, allowing, e.g., senior executives to exchange parts of the monthly fixed salary against pension payments.

### **Other benefits**

Remuneration to senior executive may consist of other benefits, for example company car and health insurance. These benefits may not amount to more than 30 per cent of the fixed salary of the senior executive.

### **Salary and employment conditions for employees**

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### **Notice period and severance pay**

The employment agreements between the Company and senior executives shall generally apply until further notice. If the Company terminates the employment of a senior executive, the notice period may not exceed 12 months. The fixed base salary during the notice period and severance pay may together not exceed an amount corresponding to the fixed base salary for a period of 24 months. When termination is made by the senior executive, the notice period may not exceed six months and may not include any right to severance pay.

### **Decision-making process**

The Board of Directors has established a Remuneration Committee. The tasks of the Remuneration Committee includes the preparation of the Board of Directors' proposal for these guidelines. The Board of Directors shall prepare, and submit to the Annual General Meeting, a proposal for new guidelines at least every four years. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall further monitor and re-evaluate the variable remuneration programs for the senior executives, the application of the guidelines for salary and other remuneration to the senior executives, as well as the current remuneration structures and remuneration levels in Episurf. Senior executives shall not participate insofar as they are affected by the Board of Directors consideration of and decisions on remuneration-related issues.

### **Derogation from the guidelines**

The Board of Directors may temporarily resolve to derogate from these guidelines, in whole or in part, if in a specific case there is special cause for such derogation and a derogation is necessary to serve the Company's long-term interests, including sustainability, or to ensure the Company's financial viability. As indicated above, the tasks of the Remuneration Committee includes the preparation of decisions of the Board of Directors on remuneration-related issues, which includes decisions on deviations from the guidelines.

### **Proposal under item 15: Resolution on authorisation for the Board of Directors to resolve on new issues**

The Board of Directors proposes that the Meeting authorises the Board of Directors to, during the period until the next Annual General Meeting, on one or more occasions, with or without deviation from the shareholders' preferential rights, resolve on new issues of shares, convertibles and/or warrants in the Company. The authorisation shall be limited whereby the Board of Directors may not resolve to issue shares, convertibles and/or warrants that, on a fully diluted basis, represent more than 20 per cent of the total number of shares in the Company.

Payment may, except for in cash, be made in kind, by right of set-off or otherwise against markets terms according to the Board of Directors' assessment on a case-by-case level.

The Board of Directors or a person appointed by the Board of Directors is authorised to make minor adjustments to the resolution that may be necessary in connection with the registration of the resolution with the Swedish Companies Registration Office or due to other formal requirements.

A valid resolution under this item must be supported by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the Meeting.

### **NUMBER OF SHARES AND VOTES**

On the date of this notice, the total number of shares in Episurf is 267,065,447, of which 473,357 are shares of series A with three votes each, and 266,592,090 are shares of series B with one vote each. Accordingly, the total number of votes amounts to 268,012,161. The Company does not hold any shares in treasury.

### **SHAREHOLDERS' RIGHTS TO REQUEST INFORMATION**

The Board of Directors and the CEO shall, if requested by a shareholder and the Board of Directors believes that it can be done without significant harm to the Company, provide information in respect of any circumstances which may affect the assessment of a matter on the agenda and any circumstances that may affect the assessment of the Company's financial position. The obligation to provide information shall also apply to the Company's relationship with another group company, the consolidated accounts and such circumstances regarding subsidiaries that are referred to in the preceding sentence.

### **DOCUMENTS**

The complete proposals and other documents that shall be made available prior to the Meeting pursuant to the Swedish Companies Act and the Swedish Corporate Governance Code will be made available at the Company and at the Company's website ([www.episurf.com](http://www.episurf.com)) not later than three weeks prior to the Meeting. The documents will also be sent to the shareholders who request it and state their postal address. Such a request may be sent to Episurf Medical AB (publ), Att. Veronica Wallin, Karlavägen 60, SE-114 49 Stockholm, Sweden or by e-mail to [ir@episurf.com](mailto:ir@episurf.com).

\* \* \*

Stockholm in March 2024



The Board of Directors

[www.episurf.com](http://www.episurf.com)

**For more information, please contact:**

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**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 individualised treatment alternatives. Episurf Medical's Episealer® individualised implants and Epiguide® surgical drill guides are developed for treating localised cartilage injury in joints. Episurf Medical's µFidelity® 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).*

*The information was submitted for publication, through the agency of the contact person set out above, at 11.00 CET on 5 mars 2024.*