

THE PROPOSAL AND STATEMENT BY THE NOMINATION COMMITTEE

The proposal and statement by Karolinska Development's Nomination Committee for the Annual General Meeting 2017.

The Nomination Committee's work

Within the context of its work for the Annual General Meeting 2017, the Nomination Committee (the "Committee") interviewed the current directors and took part of other relevant information to fully understand the company situation, the primary challenges and opportunities. The Committee also reviewed the Board of Directors' internal evaluation of its work. The Committee has held nine meetings, and minutes have been kept during the meetings.

The Nomination Committee's reasoned statement

The Nominations Committee is very excited about the proposed Directors taking the next steps and leading Karolinska Development forward

What is mentioned in the first section above have formed the basis for the Committee's considerations about the composition of the Board of Directors and main requirements that should be imposed on the members of the Board of Directors. The Committee also paid attention to independence issues, other assignments that the directors have in other companies and gender balance.

The company has built a strong foundation during the last year to implement its new strategy and transform the company into an investment company, fully leveraging its strong embeddedness into the Nordic life science innovation system and its strong linkages into Asian growth markets and Asian financial resources.

Four of the previously elected members of the Board of Directors have informed that they are not available for re-election and the Committee concluded that three new members of the Board of Directors with relevant expertise from building value inflection, successfully exiting and successfully leveraging Asian growth markets was the target, hence reducing the Board of Directors to seven seats. The Committee is excited to propose Hans-Olov Olsson with his unique experience of making the Geely acquisition of Volvo Cars successful, Anders Härfstrand with his unique experience from accelerating value inflection in several life science companies and Magnus Persson with his unique experience from successful life science VC transactions.

When determining the proposed members of the Board of Directors suitability as members of the Board of Directors in Karolinska Development, other engagements by the proposed directors as well as potential conflicts of interest have been considered and it is deemed that such issues, if arisen can be addressed and managed through the normal procedures in the Board of Directors' work.

The Committee believes that the proposed Board of Directors, with respect to the company's operations, stage of development and other circumstances, will have an appropriate composition characterized by diversity and breadth in terms of the expertise, experience and background. The Nomination Committee also believes that it is possible for all proposed directors to make available sufficient time for the performance of the assignment.

The formal independent requirements according to the Swedish Code of Corporate Governance are met. The Committee is well aware of the need for improvement of the

gender balance in its Board of Directors. The Nomination Committee realizes that gender balance has not been achieved especially facing the fact that one female member of the Board of Directors is leaving her assignments while both new members proposed for election is males, despite the efforts during the recruitment process.

Proposal

The Nomination Committee proposes:

Re-election of Tse Ping, Niclas Adler, Vlad Artamonov and Hans Wigzell.

New election of Hans-Olov Olsson, Anders Härfstrand and Magnus Persson.

Election of Niclas Adler as chairman of the Board of Directors.

That voting shall take place individually.

Nomination Committee, Solna in April, 2017