

# Corporate Governance Report

The Medivir Group comprises 6 companies. The Parent Company is the Swedish public limited company, Medivir AB, whose shares are quoted on the NASDAQ Stockholm stock exchange. Good corporate governance is an essential component of Medivir's efforts to create value for its shareholders and we endeavor at all times to:

- Generate optimum conditions for active and responsible corporate governance.
- Achieve a well-balanced division of responsibility between owners, the Board of Directors, and the company management.
- Maintain a high level of transparency in relationships with owners, the capital market, employees and society at large.

## Compliance with the Swedish Code of Corporate Governance ("the Code")

Medivir has applied the Code since 1 July 2008 and has undertaken to follow best practice, wherever possible, with regard to corporate governance. The company has not deviated from any of the provisions of the Code in 2018.

## Decision-making at shareholders' meetings

Medivir's shareholders exercise their right of decision at the AGM and any EGM. See pages 26–27 for information on Medivir's share and shareholders.

## Annual General Meeting

Shareholders exercise their control over the company at the AGM or at EGMs. Minutes from and information on Medivir's General Meetings can be found on the website.

## 2018 AGM

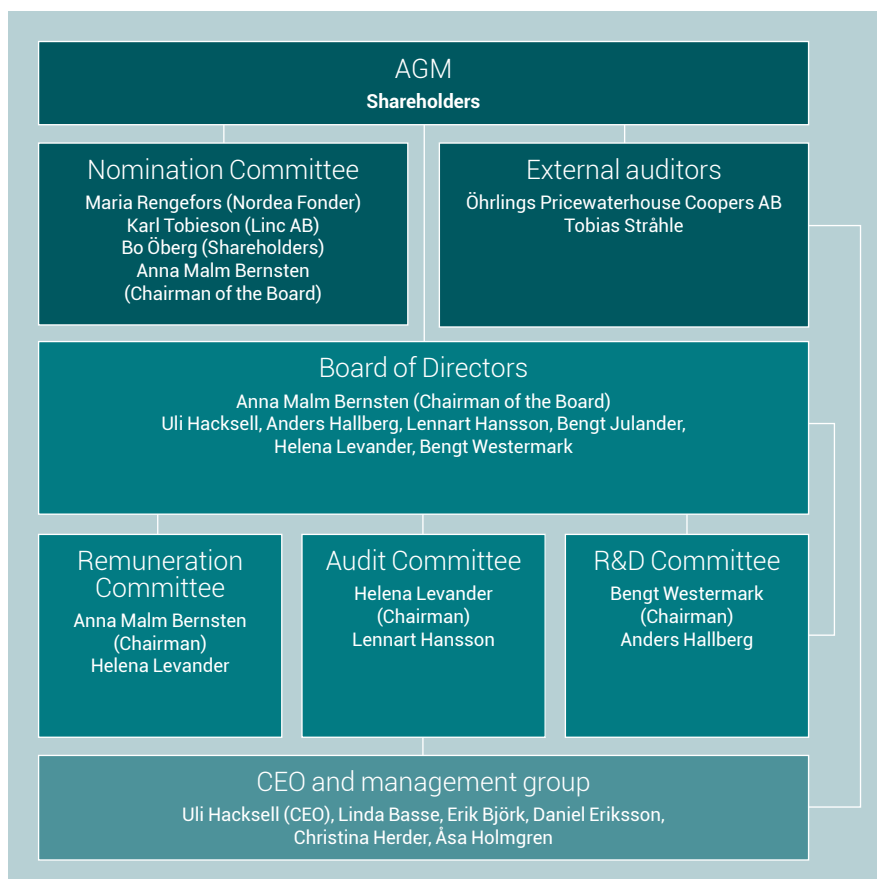
The AGM was held on 3 May 2018. 53 (85) shareholders attended, either in person or through proxies, representing 27.65% (36.31) of the votes. Attorney-at-Law, Erik Sjöman, was elected Chairman of the Meeting. Matters resolved by the AGM:

- The re-election of Board Members, Anders Hallberg, Bengt Julander, Helena Levander, Anna Malm Bernsten and Bengt Westermark. The new election of two members, Uli Hacksell and Lennart Hansson. Anna Malm Bernsten was re-elected Chairman of the Board.

- The Auditors' fees for the period until the next AGM shall be payable upon approval of their invoice within the framework of the amount quoted.
- Remuneration guidelines to senior executives.
- Procedures for the appointment of the Nomination Committee and its work.
- The Directors' fees for the period until the next AGM were maximized at SEK 2,590,000, divided as follows: the Chairman of the Board shall receive SEK 625,000, and the other Members who are not employed by the company shall each receive SEK 240,000. Remuneration for committee work shall be paid in a sum of SEK 525,000, to be divided into SEK 230,000 in respect of the Audit Committee (of which SEK 80,000 shall be paid to the convening officer and SEK 75,000 to each of the other 2 members), SEK 125,000 in respect of the Remuneration Committee (of which SEK 75,000 shall be paid to the convening officer and SEK 50,000 to one other member), and SEK 170,000 in respect of the R&D Committee (of which SEK 90,000 shall be paid to the convening officer and SEK 80,000 to one other member).
- Authorization of the Board on one or more occasions before the next AGM, with or without deviation from the shareholders' preferential rights, to approve the new issue of class B shares in a number that shall not, collectively exceed 20% of the total number of shares outstanding on the date of the General Meeting, of which no more than 10% may relate to any directed new share issue for cash payment.
- Authorization of the Board up to and including the date of the 2019 AGM, to approve a new issue of class B shares with preferential rights. The total number of shares that may be issued under this authorization shall comply with the framework limit set forth in the Articles of Association in force at that time and the shares shall be issued with preferential rights for the company's shareholders.
- Approval for the issue of warrants within the framework of incentive plans, as proposed by the Board.

## 2019 AGM

Medivir's 2019 AGM will be held at 14.00 (CET) on 9 May at the IVA conference center,



The model reflects the situation as of 31 December 2018.

Grev Turegatan 16, Stockholm. Shareholders wishing to raise a matter for consideration by the AGM must submit a written request to the Board of Directors in good time prior to the Meeting. The Board can be contacted by letters in the post to: Styrelsen, Medivir AB, Box 1086, 141 22 Huddinge, Sweden, or by email to: info@medivir.se. For further information, see also www.medivir.com.

### Nomination Committee

The Nomination Committee procedure adopted at the 2018 AGM means that the Chairman of the Board shall contact the three biggest shareholders in terms of the number of votes at the end of the 3rd quarter and offer them the opportunity to each appoint a representative to the Nomination Committee. If any of these shareholders waive their right to appoint a representative, the right shall pass to the shareholder with the next largest shareholding after these shareholders. The Chairman of the Board shall also be a member of the Nomination Committee. The Committee members shall jointly elect a Chairman to lead the work of the Committee. Shareholders wishing to contact the Nomination Committee can do so by letters in the post to: Valberedningen, Medivir AB, Box 1086, 141 22 Huddinge, Sweden or by email to: valberedning@medivir.se.

### Nomination Committee duties

The duties have changed over the years in order to comply with the requirements of the Code. The primary duty of the Committee continues, however, to be to propose candidates for election to the Board of Directors. The Committee must, in order to ensure its ability to evaluate the expertise and experience required of the Board Members, keep itself informed of the Group's strategy and the challenges it will face. The Committee must also take into consideration all applicable rules governing the independence of the Board Members. The Committee shall also draw up proposals for resolution by the

AGM regarding the remuneration and fees payable to:

- Board Members who are not employed by the company and who are elected by the AGM.
- The Auditor.
- The members of the Nomination Committee.

The Committee has not, to date, proposed the payment of any remuneration to its members. The Committee proposes candidate auditors in consultation with the Audit Committee. The Nomination Committee is tasked with proposing a candidate for election as Chairman of the AGM.

### The work of the Nomination Committee ahead of the 2019 AGM

The work begins with a review of a checklist detailing all of the duties of the Committee as prescribed by the Swedish Code of Corporate Governance and by the Nomination Committee's Rules of Procedure as adopted by the AGM. A timetable is also set for the work. A good understanding of Medivir's operations is vital in enabling the members of the Committee to carry out their duties. The Chairman of the Board is responsible for the annual appraisal of the work of the Board, including the efforts of the individual Members of the Board. The Nomination Committee has been informed of the results of these appraisals, including the appraisal of the Chairman of the Board. The Committee is thus able to adjudge the expertise and experience required on the part of the Members of the Board. The Nomination Committee has also studied the Group's and Audit Committee's appraisals of the quality and efficiency of the Auditor's work, including recommendations for auditors and audit fees. The Nomination Committee had held eleven meetings by 20 March 2019. The Committee's full proposals for the 2019 AGM were published in conjunction with the issue of the notice convening the AGM.

### The Nomination Committee's proposal for a new Board of Directors ahead of the 2019 AGM

The composition of the 2018–2019 Nomination Committee was as follows:

- Maria Rengefors, Chairman of the Nomination Committee, and representing Nordea Fonder
- Karl Tobieson, representing Linc AB
- Bo Öberg, representing the shareholders
- Anna Malm Bernsten, Chairman of the Board of Medivir AB

The Nomination Committee has agreed, ahead of the upcoming 2019 AGM, to propose that a new Board of Directors be appointed by means of the re-election of the Board's existing Members, namely Uli Hacksell, Lennart Hansson, Bengt Julander, Helena Levander and Bengt Westermark, and the new election of one Member, namely An van Es Johansson. The Nomination Committee proposes the election of Helena Levander as the Chairman of the Board. Anders Hallberg and Anna Malm Bernsten have declined re-election.

### Duties and work of the Board of Directors

The primary duty of the Board is to manage the Group's operations on behalf of the owners in such a way that the owners' interests, in terms of a long-term healthy return on capital invested, are optimally protected. The Board manages and decides on Group-wide issues such as:

- Strategic orientation and significant objectives.
- Significant issues in relation to the optimization of capital structure, investments, acquisitions, and divestments.
- Monitoring of operations, information provision and organizational issues, incl. appraisals of the Group's executive management.
- Appointment and, when required, dismissal of the CEO.
- Overall responsibility for setting up efficient systems for internal monitoring and risk management.
- Significant policies.

### The composition of the Board of Directors

The Members of the Board shall serve from the end of the AGM at which they were elected until the end of the next AGM. There is no limit on the number of consecutive periods during which a person may be a Board Member. The Board of Directors elected by

### Members of the Nomination Committee

The Nomination Committee, ahead of the 2019 AGM (appointed by the biggest shareholders in terms of the number of votes held on 29 Sept. 2018)

Name	Representing	Proportion of votes, % 30 Sept. 2018
Maria Rengefors	Nordea Fonder	8.2
Karl Tobieson	Linc AB	4.0
Bo Öberg	Shareholders	1.4
Anna Malm Bernsten	Medivir's Chairman of the Board (convenor)	0.0
<b>Total</b>		<b>13.6</b>

the shareholders at the 2018 AGM until the end of the 2019 AGM comprised seven Members of the Board and no Deputy Members, including the Chairman of the Board. The Board also includes two Members and two Deputy Members elected by the local trade union organizations. Women make up 30% of the Board. The CEO, CFO and Secretary to the Board attend Board Meetings, other than in conjunction with matters where disqualification may be an issue or where it is inappropriate for them to attend, e.g. in conjunction with the evaluation of the CEO's work. See pages 42–43 for a presentation of the Members of the Board.

**Rules of Procedure and Board Meetings**

The Board of Directors adopts written Rules of Procedure every year, clarifying the duties of the Board and regulating the division of labor of the Board and its Committees, including the role of the Chairman, the decision-making process within the Board, the Board's schedule of meetings, notices convening Board meetings, agendas and minutes.

The Rules of Procedure also regulate how the Board shall receive information and documentation in order to ensure its ability to take well-founded decisions. The Board adopts written instructions for the CEO each year, clarifying the CEO's responsibility for the ongoing administration, methods of reporting to the Board, the requirement for

internal control instruments, and other matters requiring a decision by the Board or which must be reported to the Board. The Rules of Procedure require an inaugural Board Meeting to be held immediately after the AGM. The Board normally also holds a minimum of six further Meetings each year. Four of these Meetings are held in conjunction with the publication of the Group's annual and interim reports. At least one of the Meetings deals with the research portfolio and at least one deals with specific strategic issues. The budget and economic outlook are addressed during the final Meeting of each calendar year. Additional Meetings, incl. telephone conferences, are held as required.

**The duties of the Chairman of the Board**

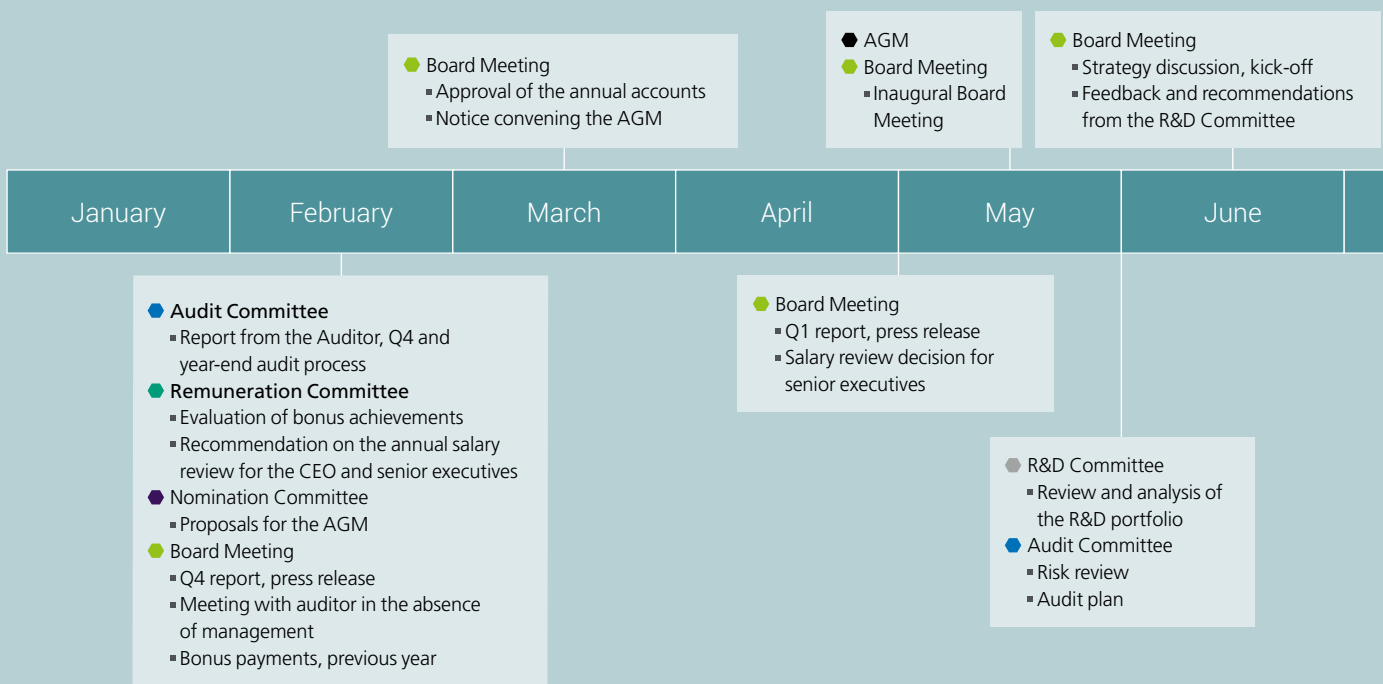
The Chairman is responsible for ensuring that the work of the Board is well-organized, conducted efficiently, and that the Board fulfills its obligations. The Chairman monitors company operations in dialogue with the CEO and is responsible for ensuring that other Board Members receive the information and documentation required to enable a high standard of discussion and decision-making, and for monitoring the implementation of the Board's decisions. The Chairman is responsible for conducting an annual appraisal of the Board's work and for ensuring that the Nomination Committee is provided with the results of the appraisals.

The Board has evaluated its work during the year by means of an online questionnaire comprising ca. 50 questions in seven areas. The area receiving the highest rating was the role and competence of the Chairman, whilst scope exists for reviewing the quality of the Board material. The results of the evaluation have been submitted to the Nomination Committee. The Chairman represents Medivir on ownership issues.

**The work of the Board of Directors in 2018**

The Board has held 18 minuted Meetings in 2018. The attendance of the individual Members at these Meetings is shown in the table on page 37. All of the Meetings have followed an approved agenda which, together with the documentation for every item, was supplied to the Members before the relevant Meeting. An ordinary Board Meeting usually lasts for just over half a day in order to ensure sufficient time for presentations and discussions. An appointed Attorney-at-Law has acted as Secretary at the majority of Board Meetings. The CEO and CFO participate in the majority of Board Meetings. Reviews of the current business position, the Group's results and financial position, and the outlook for the rest of the year are conducted at every ordinary Board Meeting. A member of the Group's management group will usually review a relevant strategic issue.

The Board's annual work



## The Board of Directors' attendance and fees<sup>1</sup>

	Elected	Born	Independent	PRESENT (TOTAL NUMBER OF MEETINGS)				TOTAL
				Board Meetings	Remuneration Committee	Audit Committee	R&D Committee	REMUNERATION
<b>Members elected by the AGM</b>								
Anders Ekblom <sup>2</sup>	2014	1954	Yes	5/6		1/2		-
Uli Hacksell <sup>3</sup>	2018	1950	Yes	11/12				240,000
Anders Hallberg <sup>4</sup>	2012	1945	No <sup>5)</sup>	18/18			2/2	320,000
Lennart Hansson <sup>3</sup>	2018	1956	Yes	9/12		2/3		315,000
Bengt Julander	2017	1953	Yes	18/18				240,000
Helena Levander	2015	1957	Yes	18/18	5/5	5/5		370,000
Anna Malm Bernsten, Chairman	2006	1961	Yes	18/18	5/5	1/2		700,000
Bengt Westermark	2017	1945	Yes	18/18			2/2	330,000
<b>Members elected by the local trade union organizations</b>								
Oscar Belda	2017	1976		17/18				
Björn Klasson	2017	1952		16/18				
Stina Lundgren	2013	1979		15/18				
Mikaela Rapp	2017	1974		16/18				

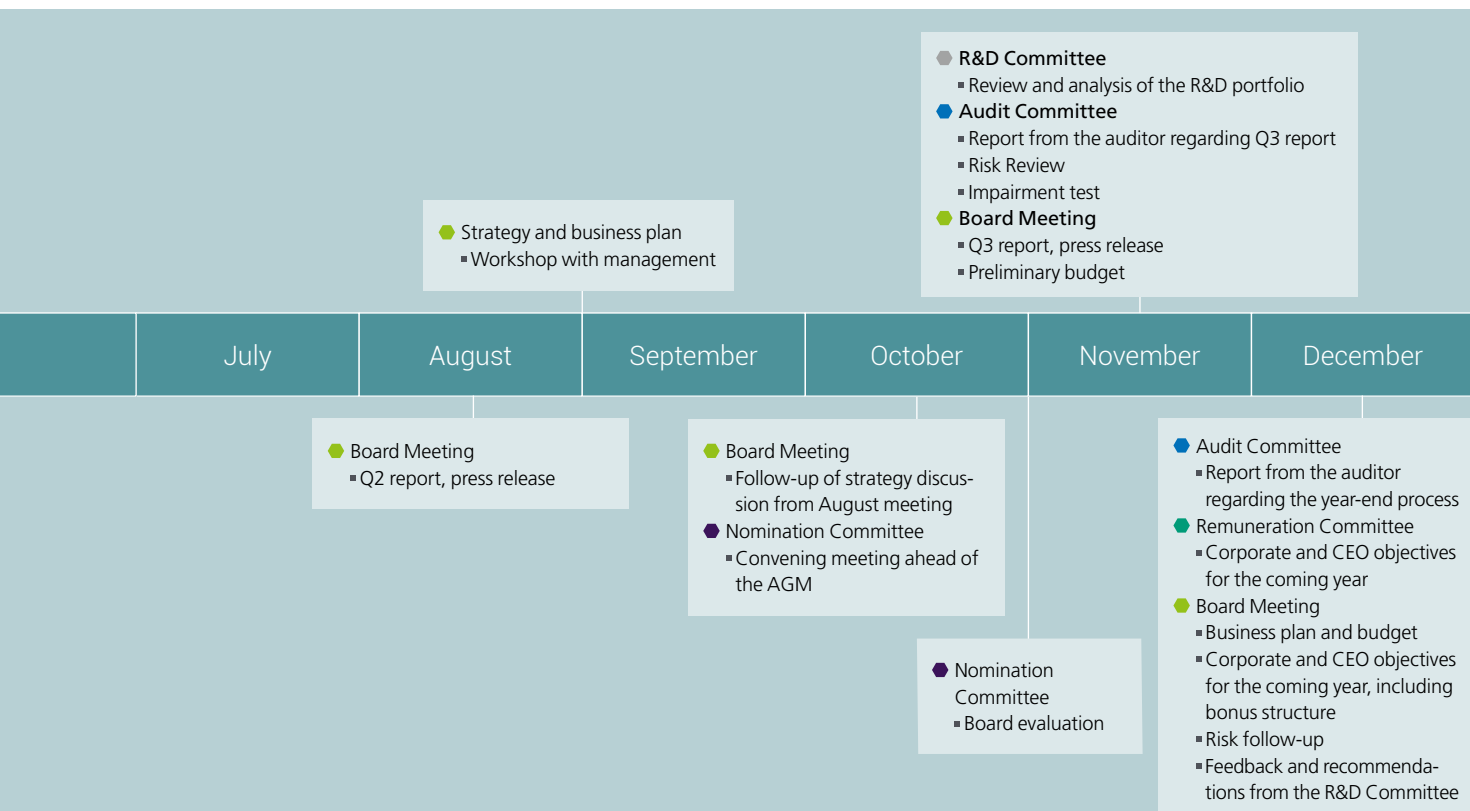
1) The table refers to fees paid to the Board of Directors during the period from May 2018 – April 2019. The fee payable to Members of the Board elected by the Annual General Meeting is determined by the Annual General Meeting in line with a proposal by the Nomination Committee. Fees for 2018 have been paid in the amounts shown in the above table, which excludes travel expenses. Differences arise between the maximum fee approved by the Annual General Meeting and the actual amount disbursed, as the actual amount disbursed during the calendar year is a combination of the fees paid between the two most recent General Meetings. See Note 4 on pages 61-62 for the actual amounts disbursed.

2) Resigned at the 2018 AGM.

3) Appointed at the 2018 AGM.

4) Royalties in accordance with preexisting agreements have, in addition to Directors' fees, been paid to Uppsala Hallbechem AB in the sum of SEK 63 k (215) for 2018.

5) Independent in relation to the company's major shareholders, but not independent in relation to the company and the company management.



Reports on the work of the Committees are also usually presented at each Board Meeting by the Chairmen of the respective Committees. The work of the Board during the year has largely focused on:

- Development of the project and research portfolio.
- Financial development and capital acquisition.
- Interim Reports, the Financial Statement, and the Annual Report.
- Collaborations and partnerships.
- CEO replacement.
- Focus on the clinical portfolio and the reorganization of the company.

### Board Committees

There are three consultative committees within the Board of Directors: the Remuneration Committee, the Audit Committee, and the R&D Committee.

### The Remuneration Committee

The Committee advises the Board of Directors and has no independent right of decision. The primary duty of the Committee is to represent the Board on issues relating to remuneration and employment terms for the CEO and senior executives who report directly to the CEO, based on remuneration and employment terms for the CEO and other senior executives adopted by the AGM. The Committee reports continuously on its work to the Board. The Committee held five minuted meetings in 2018. The attendance of individual members is shown in the table on page 37. The Committee has also held a number of consultations by telephone and email and has largely focused on:

- Reviews of proposals regarding salaries and remuneration for the CEO and other senior executives
- Reviews of proposals for a program for short-term performance-related pay.
- Review of the results of existing long-term incentive plans.
- Evaluation of the talent pool management, contracts, and remuneration.

### The Audit Committee

The members are independent and have audit competence. The Committee advises the Board of Directors and has no independent right of decision.

The primary duty of the Committee is to support the Board in its work with Medivir's risk management, governance and internal control, and to quality assure the financial reporting. The Committee considers significant auditing issues that affect the Group and meets on an ongoing basis with Medivir's auditors and evaluates the audit process. The Committee assists the Nomination Committee in the production of proposals for auditors and the fees payable to auditors, and approves the supplementary services that the company may purchase from its external auditors. The Chairman of the Audit Committee is responsible for ensuring that the entire Board of Directors is kept continuously informed of the work of the Committee and, when necessary, submits matters to the Board for decision. The Committee has held five minuted meetings in 2018. The attendance of the respective members is shown in the table on page 37. The CFO has attended all meetings. The Committee has largely focused on:

- The scope and accuracy of the Year-End Financial Statement.

- Reviews of the company's risk management, governance, and internal controls.
- Significant audit issues.
- Reviews of reports from the company's Auditor elected by the AGM, including the Auditor's audit plan.

### The R&D Committee

The Committee is an advisory one and has no independent right of decision. The primary duties of the R&D Committee are to review and evaluate the R&D portfolio and to provide the Board with supporting data ahead of decisions on strategic assessments and resource allocation within R&D. The Committee has an advisory role in relation to the company management with regard to specific scientific matters. The Committee has held two two-day minuted meetings in 2018. The attendance of the respective members is shown in the table on page 37.

### The Group management

The Board appoints the CEO and, where necessary, the Deputy CEO. The CEO leads the work of the Group management and is, together with the Group management, responsible for ensuring that the operating activities are conducted in accordance with the provisions of the Swedish Companies Act, other legislation and regulations, applicable regulations for listed companies, the Articles of Association, and the CEO's Instructions. The Group management has a broad composition of individuals with in-depth and extensive experience of R&D, the registration and approval of pharmaceuticals, and the requisite expertise in commercial development, accounting, finance and communication. For a presentation of the

### Remuneration to senior executives (SEK k)

Function	Year	Fixed salary	Performance related pay	Benefits	Severance pay	Total	Pension	Total
CEO, Uli Hacksell <sup>1</sup>	2018	486	0	0	0	486	0	486
	2017	0	0	0	0	0	0	0
CEO, Christine Lind <sup>2</sup>	2018	2,186	771	0	3,931	6,888	414	7,302
	2017	2,120	699	0	0	2,819	441	3,261
Former CEO, Niklas Prager <sup>3</sup>	2018	0	0	0	0	0	0	0
	2017	906	911	93	5,499	7,410	497	7,907
Other senior executives <sup>4</sup>	2018	8,776	1,530	101	1,123	11,529	1,550	13,079
	2017	7,504	1,781	155	1,402	10,842	1,330	12,172
Total	2018	11,448	2,301	101	5,054	18,903	1,964	20,867
	2017	10,531	3,390	248	6,902	21,071	2,269	23,340

1) Uli Hacksell took over as CEO on 15 October 2018.

2) Christine Lind took over as CEO on 1 April 2017 and resigned from the position on 15 October 2018.

3) Niklas Prager resigned from the position as CEO on 31 March 2017.

4) Erik Björk and Linda Basse joined the management group on 3 January and 1 October 2018, respectively.

Group management, see page 44. The role of the Group management is to:

- Set goals, allocate resources, and follow up on the operating units' results.
- Produce information and documentation that enables the Board to take well-founded decisions.
- Implement the strategy adopted by the Board for the entire organization on the basis of the annual strategic work.
- Following up on established goals is a key tool in the management of our operational work.

### Guidelines for remuneration to senior executives

Remuneration principles for senior executives are determined by the AGM. The guidelines for remuneration to senior executives conform to the principles applied in the past.

Senior executives, in this context, refers to the CEO and other members of the Group management. The guidelines apply to contracts of employment entered into after the adoption of the guidelines by the AGM or AGM-approved amendments to existing terms. Medivir shall offer a competitive total compensation package that enables the recruitment and retention of qualified senior executives. Remuneration payable to the senior executives may comprise a fixed salary, performance-based pay, AGM-approved incentive plans, pensions and other benefits.

The fixed salary shall take into account the individual's areas of responsibility and experience.

Performance-based pay, as a cash bonus, may comprise a maximum of 50% of the annual fixed salary. Performance-based pay shall be linked to predetermined and quanti-

fiable criteria formulated in order to promote the company's long-term value creation.

### Evaluation of principles for remuneration to senior executives

Medivir has complied, in 2018, with the remuneration principles for senior executives approved by the AGM.

### Long-term incentive plans

The purpose of long-term incentive plans is to generate the conditions for retaining and recruiting competent personnel and to offer employees an attractive opportunity to acquire a stake in the company, so as to encourage continued company loyalty by combining the interests of the shareholders and the employees.

In 2017, the Board of Directors proposed a long-term incentive plan that was approved by the 2017 Annual General Meeting. The right to subscribe was vested in all of the company's senior executives as well as other permanent employees of Medivir. The market value was determined using the Black & Scholes valuation model, based on term, strike price, weighted share price during the subscription period (VWAP), risk-free interest rate, and volatility. The subscription price (strike price) per share for all outstanding warrants shall correspond to 133% of the volume-weighted average rate of the class B share during the subscription period.

Medivir's employees purchased 48,515 warrants in the second quarter of 2017 as part of this incentive plan. The warrants were issued at a market value of SEK 9.41 with a strike price of SEK 89.36 per share. Medivir's employees purchased a further 9,320 warrants in the fourth quarter of 2017. These warrants were issued at a market value of SEK 3.98 with a strike price of

SEK 89.36 per share. The combined total of 57,835 warrants can be exercised to subscribe for new class B shares during the period from 16 December 2020 to 15 January 2021, inclusive. The valuation calculation for 2017 was based on the following figures: term, 3.66 years; strike price, SEK 89.36; VWAP, SEK 67.19; risk-free interest rate, -0.35%; volatility, 32%.

In May 2018, the Board of Directors and the Annual General Meeting approved a new long-term incentive plan with the same structure. In the second quarter of 2018, Medivir's employees purchased 51,864 warrants with a market value of SEK 5.63 each and a strike price of SEK 52.75 per share. The warrants can be exercised to subscribe for new class B shares during the period from 16 December 2021 to 15 January 2022, inclusive. The valuation calculation for 2018 was based on the following figures: term, 3.66 years; strike price, SEK 52.75; VWAP, SEK 39.66; risk-free interest rate, -0.16%; volatility, 32%.

### Election of auditors

The duties of the Nomination Committee include proposing an auditor to the AGM.

Öhrlings PricewaterhouseCoopers AB (PwC) was appointed as the company's external auditors for a one-year period up to and including the 2019 AGM. Authorized Public Accountant, Tobias Strähle, is the Auditor-in-Charge for Medivir.

- The auditors work to an audit plan and report their observations on a rolling basis to the Audit Committee and the Board, both during the course of the audit and in conjunction with the preparation of the annual accounts.
- The auditors review one interim report and the annual financial statement in order to assess their accuracy, completeness and the correspondence of the accounts with generally accepted accounting practice and relevant accounting principles.
- The Auditor-in-Charge attends the AGM at which he or she presents details of the audit work and observations made.

When additional services are requested from PwC, over and above the audit engagement, such services are provided, subject to the approval of the Audit Committee.

### Auditors' fees

Fees for auditing Medivir's accounts are determined by the AGM in line with proposals by the Nomination Committee. Auditors' fees in 2018 and 2017 are shown in the table to the left.

### Audit and audit consulting costs (SEK k)

	THE GROUP	
	2018	2017
<b>PwC</b>		
Audit engagement	648	833
Auditing activities over and above audit engagement	263	198
Tax advice	–	250
Valuation services	–	–
Other services	46	52
<b>Total, PwC</b>	<b>956</b>	<b>1,333</b>
<b>Other auditors</b>		
Audit engagement	–	–
<b>Total, other auditors</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>956</b>	<b>1,333</b>



# The Board of Directors' internal controls report

## Internal control

The following presentation comprises the Board of Directors' report on Internal Controls. The purpose of internal controls is to shed light on Medivir's systems for monitoring and controlling operational risks in relation both to strategy and operational practice and to compliance with legislative and regulatory requirements. It shall also provide reasonable assurance of the reliability of the external financial reporting. The internal controls include, amongst other things, a control environment, risk assessment, control activities, information and communication, and monitoring.

## Control environment

Medivir's internal control structure is based on the division of labor between the Board of Directors and its Committees, the CEO and other members of the management team. Medivir is also subject to the guidelines and regulations issued by the Swedish Medical Products Agency with regard to research and trials of potential new pharmaceutical products and to the commercial management and distribution of approved pharmaceuticals in the Nordic markets.

## Medivir's control environment is based on:

- Steering documents, such as the Board's Rules of Procedure and the CEO's Instructions, quality systems, policies and guidelines.
- Medivir's core values and Code of Conduct.
- The company's organization and the way in which it conducts its operations, with clearly defined roles and areas of responsibility, and delegation of authority.
- The company's quality process and its guidelines, which ensure compliance with the permits issued by the Swedish Medical Products Agency.
- Group-wide planning processes, such as the process for appraisal of the R&D portfolio, the budget process, and performance reviews.

The internal control environment comprises, in addition to external laws and regulations, policies and guidelines. These internal steering documents are updated regularly in line with changes in both internal and external requirements. The internal steering documents include:

- The Articles of Association
- The Board of Directors' Rules of Procedure and the written instructions for the CEO

- Guidelines for remuneration to senior executives
- The Quality Manual
- The Finance Policy
- The Information Policy
- The IT policy
- The Accounting and HR Manuals
- The Code of Conduct
- The Environmental Policy

Operational and financial reports are drawn up on a monthly and quarterly basis for the Group, the Parent company, the subsidiary companies, operating units and projects. The process includes specific controls that shall be carried out in order to ensure that the reports are of a high quality.

## Risk assessment

An effective risk assessment reconciles Medivir's business opportunities and results with the requirements of shareholders and other stakeholders for stable, long-term value growth and control. Medivir continuously updates its risk analysis with regard to the assessment of risks. The risk work is reported annually to the management group, the Audit Committee and the Board of Directors. Medivir is exposed to the following main risk categories:

- Strategic risks and external risks – such as regulatory approval, competition, price changes and patent protection.
- Operating risks – such as partnerships, uncertainty in the context of research projects, disruptions to production, data security and reliance on key persons and partnerships.
- Financial risks – such as liquidity, interest, currency and credit risks.

Medivir's risk assessment is designed to identify and evaluate the most significant risks and to ensure that there are sufficient control points in place during the processes to manage these risks. Policies and guidelines are important steering tools. For a more detailed presentation of risk exposure and the way in which Medivir handles it, see pages 63–65.

#### Control activities

Routines and activities have been structured to handle and action significant risks. The activities include half-yearly reviews of the research portfolio, internal audits of the quality manual and of compliance with documented routines for handling pharmaceuticals, reviews of significant suppliers,

and monitoring and following up of financial analyses and key ratios.

#### Information and communication

Medivir has information and communication pathways that are designed to promote the completeness and accuracy of the external communication. The Board of Directors approves the consolidated annual accounts and the year-end financial statement, and tasks the CEO with presenting quarterly reports in accordance with the Board's Rules of Procedure. All financial reports are published in accordance with applicable regulations. External information is communicated by means of, amongst other things, Medivir's website ([www.medivir.se](http://www.medivir.se)), where quarterly reports, year-end financial statements, annual reports, press releases and news are published. The Board of Directors and management receive ongoing reports on the Group's position, profit performance, and operational development in terms of the status both of research projects and other business-critical areas. The most important communication channels within the company include the intranet, where quality systems, policies, guidelines and information are published, and regular information meetings for all members of staff.

#### Monitoring

The Board of Directors reviews all operating areas and all financial reporting on an ongoing basis.

The Board's monitoring of the internal controls is primarily conducted through the Audit Committee, the R&D Committee and the Remuneration Committee. Medivir's auditors carry out reviews of the operations in accordance with a set audit plan and follow up on selected aspects of the internal controls annually within the framework of the statutory audit. Once an audit is completed, observations are reported back to the Audit Committee on a rolling basis. The Auditor-in-Charge also attends at least one Board meeting per year and reports the observations made during the audit for the year and the operational routines. The practice on these occasions is to set time aside for specific discussions not attended by the CEO or other employees.





# The Board of Directors



## Anna Malm Bernsten

**Born:** 1961.

**Title:** Chairman of the Board. Member of the Board since 2006. Chairman of the Remuneration Committee.

**Education:** M.Sc. in Engineering.

**Background:** M.Sc. in Engineering with an extensive knowledge of the life sciences sector. Runs own consultancy firm operating in the fields of leadership strategy and business development. Experience of senior positions with, amongst others, GE Healthcare Life Sciences, Pharmacia, Assa Abloy, Medivir and Baxter Medical. Former President & CEO of Carmeda AB

**Other directorships:** Chairman of the Board of Björn Axén. Member of the Boards of BioLamina, Cellavision, Moberg Pharma, Probi and Pägengruppen.

**Shares in Medivir:** 3,724 class B shares.



## Uli Hacksell

**Born:** 1950.

**Title:** Member of the Board since 2018.

**Education:** Pharmacist and Pharm. D.

**Background:** Senior positions at major pharmaceutical and biotech companies for over 25 years and more than 10 years' experience as CEO of publicly held companies. As CEO of ACADIA Pharmaceuticals between 2000 and 2015, he led its development from a private start-up company to a public, multibillion dollar company. In the 1990s, he held senior positions at Astra AB, prior to which he was a Professor of Organic Chemistry at Uppsala University.

**Other directorships:** Chairman of the Boards of Cerecor Inc. and Adhera Therapeutics, and Member of the Boards of InDex Pharmaceuticals AB, Beactica AB and Uppsala University.

**Shares in Medivir:** 9,000 class B shares.



## Anders Hallberg

**Born:** 1945.

**Title:** Member of the Board since 2012. Member of the R&D Committee.

**Education:** Professor of Medicinal Chemistry at Uppsala University's Faculty of Pharmacy.

**Background:** Held a number of positions as a scientific advisor at Astra Zeneca and smaller pharmaceutical companies between 1990 and 2006. Prior to this, he was the Head of the Medicinal Chemistry Department at Astra in Lund. Vice Chancellor of Uppsala University between 2006 and 2011. He has published over 280 scientific articles, and is a co-author of a large number of granted patents. Co-founder of pharmaceutical development companies. Member of the Royal Swedish Academy of Sciences, and the Royal Swedish Academy of Engineering Sciences. Awarded honorary doctorates in Sweden and other countries.

**Other directorships:** Member of the Boards of foundations and universities.

**Shares in Medivir:** 2,500 class B shares.



## Lennart Hansson

**Born:** 1956.

**Title:** Member of the Board since 2018. Member of the Audit Committee.

**Education:** Ph.D. in Genetics from Umeå University.

**Background:** Extensive experience in senior positions in the fields of pharmaceutical and commercial development in both biotech and pharmaceutical companies, such as KabiGen AB, Symbicom AB, Astra-Zeneca, and Biovitrum AB, and as CEO of Arexis AB. Responsible for Industrifonden's life sciences operations between 2008 and 2016, and currently working as a senior advisor to the fund on a consultancy basis. He has held seats on the Boards of over 30 companies and is also a co-founder of two pharmaceutical development companies.

**Other directorships:** Member of the Boards of InDex Pharmaceuticals AB, Calliditas Therapeutics AB and Cinclus Pharma Holding AB. Chairman of the Boards of Ignitus AB and Sixera Pharma AB.

**Shares in Medivir:** 10,000 class B shares.



## Bengt Julander

**Born:** 1953.

**Title:** Member of the Board since 2017.

**Education:** M. Sc. Pharmacy. Has worked in the pharmaceutical industry since 1978.

**Background:** CEO of Linc AB, which invests in life sciences. Since 1990, primarily active as an investor in and a Member of the Boards of pharmaceutical development companies. Experience of developing and commercializing products.

**Other directorships:** Member of the Boards of Linc AB, Livland Skog AB, Calliditas Therapeutics AB, Proequo AB, Sedana Medical AB, Stille AB and Swevet AB, and a number of smaller companies.

**Shares in Medivir:** 958,283 class B shares (through company).



## Helena Levander

**Born:** 1957.

**Title:** Member of the Board since 2015. Member of the Remuneration Committee and Chairman of the Audit Committee.

**Education:** B.Sc. in Economics and Business Administration from the Stockholm School of Economics.

**Background:** Extensive experience of the financial and equity markets and of corporate governance issues. Previously employed by Neonet, Odin Förvaltning, Nordea Asset Management and SEB Asset Management, amongst others.

**Other directorships:** Founder and now Chairman of the Board of Nordic Investor Services AB. Member of the Boards of Concordia Maritime AB, Lannebo Fonder, Recipharm AB, Rejlers and Stendörren Fastigheter. Chairman of the Board of Ativo Finans.

**Shares in Medivir:** 30,250 class B shares.



## Bengt Westermark

**Born:** 1945.

**Title:** Member of the Board since 2017. Chairman of the R&D Committee.

**Education:** Professor of Tumor Biology at Uppsala University, the Faculty of Medicine, since 1986.

**Background:** Dean of the Faculty of Medicine at Uppsala University, 1996–2002, and Vice-Rector of Medicine and Pharmacy, 1999–2002. Chairman of the research board of the Swedish Cancer Society, 2003–2013. He has published over 300 papers in scientific journals, primarily on the mechanisms governing the uncontrolled growth of cancer cells. Member of the Royal Swedish Academy of Sciences, the European Molecular Biology Organisation, and the European Academy of Cancer Sciences. He has received a number of prizes and awards for his research and has been cited over 25,000 times by other researchers.

**Other directorships:** Member of the Board of Hamlet Pharma AB and member of several advisory groups for medical research financing.

**Shares in Medivir:** 6,000 class B shares.

Refers to the shareholding on 1 April 2019. See website for current holdings.

# Management



## Linda Basse

**Born:** 1956.

**Title:** Chief Medical Officer.

**Education:** Ph.D. in medicine and MD, Copenhagen University.

**Employed:** 2018.

**Background:** Former Medical Director at the Danish companies, Genmab, TopoTarget and Zealand Pharma, specialising in research and development. Medical Manager, specialising in medical marketing at Abbott Denmark. Advisor to Novo Nordisk and Nycomed Denmark.

**Shares in Medivir:** 0.

**Warrants in Medivir:** 0.



## Lotta Ferm

**Born:** 1966.

**Title:** Interim Chief Financial Officer.

**Education:** MBA from Växjö University.

**Employed:** 2019.

**Background:** Since 2009 working with interim assignments. Most recently, three assignments in a row, as CFO for Private Equity owned companies facing transition or transformation. Prior to these roles, a broad experience in finance and business administration most notably gained as Head of Accounting & Reporting at Skanska Nya Hem, Finance Director at Lantmännen Agroetanol and BA Controller at Ikea Industries Russia.

**Shares in Medivir:** 0.

**Warrants in Medivir:** 0.



## Uli Hacksell

**Born:** 1950.

**Title:** President & CEO.

**Education:** Pharmacist and Pharm. D.

**Employed:** 2018.

**Background:** Senior positions at major pharmaceutical and biotech companies for over 25 years and more than 10 years' experience as CEO of publicly held companies. As CEO of ACADIA Pharmaceuticals between 2000 and 2015, he led its development from a private start-up company to a public, multibillion dollar company. In the 1990s, he held senior positions at Astra AB, prior to which he was a Professor of Organic Chemistry at Uppsala University. Also Chairman of the Boards of Cerecor Inc. and Adhera Therapeutics. Member of the Boards of InDex Pharmaceuticals AB, Beactica AB and Uppsala University.

**Shares in Medivir:** 9,000 class B shares.

**Warrants in Medivir:** 0.



## Christina Herder

**Born:** 1961.

**Title:** Executive Vice President Strategic Business Development.

**Education:** Ph. D. in Physical Chemistry from Royal Institute of Technology and Executive MBA from Stockholm University.

**Employed:** 2017.

**Background:** Former CEO of Modus Therapeutics. Prior to that, Director, Corporate Development at Sobi. Responsible for building and leading the Project & Portfolio Management function at Biovitrum. Also Member of the Boards of PCI Biotech and Idogen.

**Shares in Medivir:** 5,000 class B shares.

**Warrants in Medivir:** 4,630.

Refers to the shareholding on 1 April 2019. See website for current holdings.