

Report by the Board of Directors on the Remuneration Committee's evaluation of remuneration to senior executives

The Board of Probi AB (publ) ("Probi") has established a Remuneration Committee, which since the Annual General Meeting (AGM) 2019 consists of Jean-Yves Parisot, also Chairman of the Committee, and Jonny Olsson.

In accordance with the Swedish Corporate Governance Code, it is the Remuneration Committee's tasks, among other things, to monitor and evaluate programmes for variable remuneration for executive management that are either ongoing or that were completed during the year, and to monitor and evaluate the application of the guidelines for remuneration to senior executives resolved by the AGM, as well as applicable remuneration structures and remuneration levels in the company. In order to adjust the guidelines to the new rules that follows from the implementation of the EU Shareholders Rights Directive, the Remuneration Committee, ahead of the Annual General Meeting 2020, has prepared the Board of Directors' proposal for revised guidelines for remuneration to senior executives.

For the financial year 2019, Probi paid variable remuneration to senior executives within the framework of the guidelines for remuneration of senior executives resolved by the AGM.

Probi has no share or share-price-based incentive plans.

When conducting its work, the Remuneration Committee has considered the fact that Probi shall have remuneration levels and employment conditions necessary for the recruitment and retention of executives with the competency and capacity needed to achieve established targets, as well as the over-riding principle requiring market alignment of salary and other remuneration of senior executives in Probi.

In its evaluation, the Remuneration Committee has found that the remuneration structures and remuneration levels in Probi are appropriate and market aligned. This also applies to the other terms and conditions of employment for senior executives. The Remuneration Committee does, however, consider that the remuneration to senior executives and other key employees should be complemented with a long-term incentive program with the purpose of aligning the participants interests with the interests of the shareholders by enabling the participants to participate in Probi's value creation. The Remuneration Committee has also concluded that the remuneration paid to the senior executives has been in accordance with the guidelines adopted by the AGM. The application of the guidelines for remuneration of senior executives has thus been correct.

Lund in April 2020

Probi AB (publ)
The Board of Directors