

The Nomination Committee's proposal and reasoned statement ahead of Probi's Annual General Meeting on 13 May 2020

Background

At the Annual General Meeting of Probi AB in 2019, a Nomination Committee was appointed comprising Heinz-Jürgen Bertram, CEO of Symrise AG, Marianne Flink, appointed by Swedbank Robur Fonder, Jannis Kitsakis, appointed by the Fourth Swedish National Pension Fund, and Bengt Jeppsson, appointed by the minor shareholders.

Heinz-Jürgen Bertram was appointed Chairman of the Nomination Committee.

The tasks of the Nomination Committee ahead of the Annual General Meeting 2020, have been to prepare for the election of auditors, election of a chairman and other members to the Board of Directors, election of a chairman at the Annual General Meeting, remuneration issues and items in relation to this. The Nomination Committee has held two minuted meetings, in addition to continuous consultations over the telephone. These meetings and consultations have mainly focused on the evaluation of the work of the current Board of Directors, discussions on the number of Board members, the need for new recruitments, discussions on prospective new Board members and discussions on Board fees.

The Nomination Committee's reasoned statement

The Nomination Committee has discussed the Board's composition, in terms of business experience and skills, for example, in order to evaluate the demands that will be placed on the Board of Directors as a result of the current situation of the company and its future direction. An important basis for the work has been that the composition of the Board of Directors should reflect and accommodate various skills and experiences that Probi requires. In its work, the Nomination Committee has, in particular, considered item 4.1 of the Swedish Code of Corporate Governance, which comprises the policy on diversity that the Nomination Committee has applied in preparing its proposal for Board of Directors. In that respect, the Nomination Committee has taken into account the versatility and breadth of the proposed Board members in terms of competency, business experience, background and an equal gender distribution when striving to achieve the appropriate composition of the Board.

The Nomination Committee has, as a basis for its proposal, studied the Chairman of the Board's report on the company's operations, targets and strategies and on the performance of the Board during the past year. Individual meetings with Board members have been conducted. The work of the Nomination Committee has been characterised by transparency and constructive dialogue in order to achieve a well-balanced Board. The Nomination Committee has devoted most of its time to discussing the Board's various expertise profiles and its composition. The Nomination Committee's assessment is that the work of the Board has been functioning well and that the members of the Board mainly hold the required skill and expertise.

During the autumn 2019, the Nomination Committee was informed that the Board member Jonny Olsson was not available for re-election. The Nomination Committee thereby started to work with identifying the requirement profile for a new Board member. The Nomination Committee's proposal is that Malin Ruijsenaars is elected as new Board member. Malin is expected to complement the Board with her substantial experience from senior positions in international companies, among others the fast-growing Axis Communications AB where she as HR Director was a part of the senior management and worked with growth related matters, the company's strategy, establishing in new markets and communications.

Malin Ruijsenaars holds a Bachelor of Arts in Human Resource Management/Business Administration from Lund University and she has also studied at University of California at Berkeley. Malin has previously been a member of the Board of Auranest AB and Arcam AB. Currently, Malin is a member of the Board of IDL Biotech AB and Lime Technologies AB.

Of the present Board members, it is proposed to re-elect Jean-Yves Parisot, Jörn Andreas, Charlotte Hansson and Irène Corthésy Malnoë, who have declared themselves available for re-election. Jonny Olsson has declined re-election.

It is proposed to re-elect Jean-Yves Parisot as the Chairman of the Board.

The Nomination Committee considers that the proposed Board of Directors, in view of the company's operations, development phase and other relevant considerations, has the appropriate composition to meet the requirements following from the company's operations. The Nomination Committee has considered the company's strategic development, its governance and control and also the demands that these factors place on the skills and composition of the Board of Directors.

Considering the requirements established by the Swedish Code of Corporate Governance in terms of the independence of members of the Board, the Nomination Committee considers Charlotte Hansson, Irène Corthésy Malnoë and Malin Ruijsenaars to be independent in relation to the company and its senior executives as well as the company's major shareholders. Jean-Yves Parisot is considered independent in relation to the company and its senior executives but dependent in relation to Symrise AG, which is the largest shareholder of the company. Jörn Andreas is considered to be dependent in relation to the company and its senior executives as well as Symrise AG.

The Nomination Committee proposes that the Board fees are to be unchanged. The fee for the Chairman of the Board shall amount to SEK 500,000 and shall amount to SEK 250,000 for other Board members. Remuneration for committee work is proposed to be unchanged and thereby be paid as follows: SEK 100,000 to the Chairman of the Audit Committee and SEK 50,000 to each of the other members of the Audit Committee, and SEK 30,000 to the Chairman of the Remuneration Committee and SEK 20,000 to each of the other members of the Remuneration Committee.

The Nomination Committee has received the Audit Committee's recommendation regarding election of auditor. The Audit Committee resolved to recommend re-election of Ernst & Young AB as the company's auditor at the Annual General Meeting 2020, for a mandate period of one year, with a wish that Peter Gunnarsson shall serve as the auditor-in-charge.

Probi's Nomination Committee makes the following proposals to the company's Annual General Meeting 2020:

The Nomination Committee's proposal regarding the election of a Chairman at the AGM

The Nomination Committee proposes Madeleine Rydberger, lawyer at Mannheimer Swartling Advokatbyrå.

The Nomination Committee's proposal regarding the number of Board members and deputy Board members on the Board of Directors

The Nomination Committee proposes five Board members and no deputy Board members.

The Nomination Committee's proposal regarding Board fees

The Nomination Committee proposes that Board fees, including remuneration for committee work, of a total of SEK 1,750,000 (SEK 1,750,000) are resolved for the period until the end of the Annual General Meeting 2021, to be distributed as follows: the Chairman of the Board accounts for

SEK 500,000 (SEK 500,000) and other members account for SEK 250,000 (SEK 250,000) each. Remuneration for committee work is proposed as follows: SEK 100,000 (SEK 100,000) to the Chairman of the Audit Committee and SEK 50,000 (SEK 50,000) to each of the other members of the Audit Committee, and SEK 30,000 (SEK 30,000) to the Chairman of the Remuneration Committee and SEK 20,000 (SEK 20,000) to each of the other members of the Remuneration Committee.

The Nomination Committee's proposal regarding auditors' fees

The Nomination Committee proposes that the auditors' fees, for the period up to the end of the Annual General Meeting 2021, shall remain unchanged and be paid subject to approval.

The Nomination Committee's proposal regarding the election of auditors

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, that the accounting firm Ernst & Young AB is re-elected as the company's auditor for a term of one year. Ernst & Young AB has stated that Peter Gunnarsson will serve as the auditor-in-charge in the case that Ernst & Young AB is elected.

The Nomination Committee's proposal regarding the election of Board members

The Nomination Committee proposes re-election of Jean-Yves Parisot, Jörn Andreas, Charlotte Hansson and Irène Corthésy Malnoë and new election of Malin Ruijsenaars.

Malin Ruijsenaars

Proposed Board member, born 1971

Education: Bachelor of Arts in Human Resource Management/Business Administration from Lund University. She has also studied at University of California.

History: Malin has been employed as Chief Personnel Officer of Axis Communications AB. Malin has previously been a member of the Board of Auranest AB and Arcam AB.

Other board assignments: Member of the Board of IDL Biotech AB and Lime Technologies AB.

Holdings in the company: -

Independent in relation to the company and executive management: Yes

Independent in relation to major shareholders: Yes

Information regarding the Board members proposed for re-election can be found in the company's Annual Report for 2019.