

# The Nomination Committee's proposal and reasoned statement ahead of Probi's Annual General Meeting on 7 May 2019

## Background

At the Annual General Meeting of Probi AB in 2018, a Nomination Committee was appointed comprising Heinz-Jürgen Bertram, CEO of Symrise AG, Marianne Flink, representing Robur Fonder, Jannis Kitsakis, representing the Fourth Swedish National Pension Fund, and Bengt Jeppsson, representing 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 2019, 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 four 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 the 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.

The Nomination Committee sees an opportunity to improve the Board of Directors' competence within finance by electing Jörn Andreas. Jörn Andreas has experience both from a previous assignment as Board member (2014-2016) of Probi and the position as CFO with the company. Therefore, he is also expected to contribute with experience and knowledge regarding the company and its operations. In light hereof, the Nomination Committee proposes that Jörn Andreas is elected as Board member.

**Jörn Andreas** has, in addition to the abovementioned assignments as CFO and Board member of the company, experience from positions as Divisional CFO and Head of Corporate Development/M&A at

Symrise AG. Furthermore, Jörn has worked with The Boston Consulting Group and Bayer AG. Jörn holds a PhD in economics from Karlsruhe Institute of Technology in Germany.

Of the present Board members, it is proposed to re-elect Jean-Yves Parisot, Charlotte Hansson, Jonny Olsson and Irène Corthésy Malnoë, who have declared themselves available for re-election. Anna Bernsten, Jan Nilsson and Scott Bush have 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, Jonny Olsson and Irène Corthésy Malnoë 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 fee for the Chairman of the Board shall amount to SEK 500,000 (SEK 400,000) and to SEK 250,000 for other Board members (SEK 200,000). Remuneration for committee work is proposed as follows: SEK 100,000 (SEK 70,000) to the Chairman of the Audit Committee and SEK 50,000 (SEK 40,000) 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 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 2019, for a mandate period 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.

Probi's Nomination Committee makes the following proposals to the company's Annual General Meeting 2019:

***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 1,800,000) are resolved for the period until the end of the Annual General Meeting 2020, to be distributed as follows: the Chairman of the Board accounts for SEK 500,000 (SEK 400,000) and other members account for SEK 250,000 (SEK 200,000) each.

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***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 2020, 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, Charlotte Hansson, Jonny Olsson and Irène Corthésy Malnoë and new election of Jörn Andreas.

**Jörn Andreas**

*Proposed Board member, born 1980*

Education: PhD in economics from Karlsruhe Institute of Technology (KIT) in Germany.

History: Jörn has been employed as CFO of Probi. Prior to that he held the positions as Divisional CFO and Head of Corporate Development/M&A at Symrise AG. Previously Jörn has worked with The Boston Consulting Group and Bayer AG. Board member of Probi 2014-2016.

Other board assignments: -

Holdings in the company: -

Independent in relation to the company and executive management: No

Independent in relation to major shareholders: No