

Annual General Meeting, Probi AB 4 May 2017

## Item 16

### **Follow-up and evaluation by the Board of Directors of remuneration of senior executives**

Probi AB (publ) ("Probi") has not formed a Remuneration Committee, since the Board has found it more appropriate for the entire Board to fulfil the duties of the Remuneration Committee.

In accordance with Swedish Code of Corporate Governance, the Board is therefore required to monitor and evaluate programmes of variable remuneration for executive management that are either ongoing or that were completed during the year, and to evaluate the application of the variable guidelines for remuneration of executive management about which the Annual General Meeting (AGM) is required to pass resolutions according to law, as well as applicable remuneration structures and remuneration levels in the company.

For the financial year 2016, Probi paid variable remuneration to senior executives within the framework of the guidelines for remuneration of senior executives resolved by the AGM, with following exception. In December 2016 the Board of Directors resolved, under the right for the Board of Directors to deviate from the guidelines when in a case-by case basis there are specific reasons for doing so and in the light of the exceptionally positive development for the company in 2016, that the variable cash salary of the CEO shall amount to 80% of the fixed salary.

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

When conducting its work, the Board has considered the fact that Probi is required to have the 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 Board 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 Board has also concluded that the remuneration paid to the senior executives with the above exception 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.

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Lund, March 2017

Board of Directors of Probi AB (publ)