

*The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.*

## **REPORT BY THE BOARD ON THE EVALUATION OF PROGRAMS FOR VARIABLE REMUNERATION AND THE APPLICATION OF THE ANNUAL GENERAL MEETINGS GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES**

### **1. BACKGROUND**

- 1.1. The board of Alligator Bioscience AB, Reg. No. 556597-8201 (the "**Company**"), has established a Remuneration Committee, which is comprised of Anders Ekblom (Chairman), Kirsten Drejer and Peter Benson.
- 1.2. The Remuneration Committee's role is primarily to prepare matters regarding remuneration and other terms of employment for the Chief Executive Officer ("**CEO**") and senior executives. The Remuneration Committee shall also monitor and evaluate ongoing and completed programs during the year for variable remuneration to the Company's management and to monitor and evaluate the implementation of the guidelines for remuneration to senior executives which the annual general meeting has adopted. For 2019, the maximum variable remuneration to the CEO and senior executives was calculated to be at the highest approximately SEK 2.2 million including social security contributions. During 2019 variable remuneration of approximately SEK 1.4 million including social security contributions has been paid to the CEO and senior executives.
- 1.3. The Remuneration Committee has since the annual general meeting on 9 May 2019 held three meetings and has had regular contacts as necessary.

### **2. REPORT**

- 2.1. In accordance with the Swedish Corporate Governance Code, the board hereby gives the following report on the results of the evaluation performed by the Remuneration Committee. The report covers the period after 9 May 2019 when the annual general meeting adopted the current guidelines for remuneration to the CEO and senior executives.
- 2.2. The Remuneration Committee has evaluated the guidelines from the previous annual general meeting and their application as well as the present remuneration structures and remuneration levels for the CEO and senior executives. The Remuneration Committee has found that the guidelines have enabled the Company to attract and retain competent senior executives. The guidelines have furthermore contributed to keep the remuneration for the CEO and senior executives well-balanced. The guidelines have been applied properly and without any deviations, and the Remuneration Committee is of the opinion that the guidelines effectively have fulfilled their purpose.
- 2.3. Since previously, there are three share-based incentive programs outstanding in the Company, of which the most recent was resolved upon at the annual general meeting on 26 April 2018. The board of directors has considered the need to propose additional share-based incentive programs to the annual general meeting, but has come to the conclusion that there is currently no such need. Therefore, the board of directors has resolved that no share-based incentive program will be proposed to the annual general meeting 2020.
- 2.4. The Remuneration Committee considers that the Company's remuneration structures and remuneration levels for the CEO and senior executives are reasonable and well-functioning.

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Lund in March 2020

The board of directors of Alligator Bioscience AB (publ) through the Remuneration Committee