

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.

REMUNERATION POLICY FOR SENIOR EXECUTIVES

in Alligator Bioscience AB

1. INTRODUCTION

This remuneration policy includes salaries and other conditions for the Chief Executive Officer ("CEO") and other employed senior executives in Alligator Bioscience AB (the "Company"). Senior executives include the employees that together with the CEO constitute the group management (currently the CFO, CMO, VP BD, VP Discovery and the Senior VP Research). The purpose of this remuneration policy is to provide guidelines for salary and other benefits for the CEO and other senior executives in the group management of the Company in accordance with applicable law and requirements of the Swedish Corporate Governance Code (the "Code"), as well as, when applicable, listing agreements with the relevant stock market.

2. FUNDAMENTAL PRINCIPLES

- 2.1. The Company's principle is that remuneration shall be paid on market oriented and competitive terms in order for the Company to be able to recruit and retain senior executives. The remuneration for senior executives may consist of fixed salary, variable remuneration, pension, other benefits and share-based incentive programs. The CEO and other senior executives are in general entitled to other customary benefits, such as health insurance, company car and other benefits that can be considered as reasonable in reference to market practice and the benefit for the Company.
- 2.2. The remuneration for the CEO and other senior executives shall be based on factors such as work tasks, expertise, experience, position and performance. Furthermore, the distribution between fixed salary and variable remuneration shall be related to the employee's position and work tasks. Variable remuneration is to be linked to predetermined and measurable performance criteria, formulated with the objective to promote the Company's long-term value creation. The remuneration is not to be discriminating on grounds of gender, ethnic background, national origin, age, disability or other irrelevant factors.

3. FIXED SALARY

- 3.1. The CEO and other senior executives shall be offered a fixed salary that is market oriented and based on the individual's responsibility, experience and performance. Salary shall be determined per calendar year.

4. VARIABLE REMUNERATION

- 4.1. In addition to fixed salary, the CEO and other senior executives are generally entitled to an annual bonus of a maximum of 25 per cent of the annual fixed salary.
- 4.2. The Company's commitments in reference to variable remuneration for the CEO and other senior executives who can be subject to variable remuneration targets are for 2018 calculated to amount to – if all targets are met in full – at the highest approximately SEK 2.1 million (including social security contributions).

5. PENSION

- 5.1. In addition to what is agreed in collective agreements or other agreements, the CEO and other senior executives may be entitled to arrange individual pension schemes, provided that the total cost for the Company is unchanged.

6. TERMINATION AND SEVERANCE PAYMENT

- 6.1. A mutual notice period of six months is applied for the CEO and for other senior executives a notice period not exceeding six months shall be applied. Severance payment, apart from salary and other remuneration during the notice period, only exists for the CEO who is entitled to a severance payment of six monthly salaries provided that the Company has terminated the CEO's employment.

7. CONSULTING ASSIGNMENTS FOR BOARD MEMBERS

- 7.1. To the extent that a board member performs consultancy work on behalf of the Company, in addition to the assignment as board member, consultancy fees and other remuneration for such consultancy work should be payable. Such remuneration shall be paid on market terms and the remuneration as well as other terms shall be resolved upon by the board.

8. DEVIATIONS FROM THE GUIDELINES

- 8.1. The board of directors shall be entitled to deviate from these guidelines in individual cases if there are special reasons for doing so.

9. SHARE-BASED INCENTIVE PROGRAMS

- 9.1. The board of directors shall every year consider whether or not a share-based incentive program shall be proposed to the annual shareholders' meeting. Issues and transfers of securities which have been resolved by the shareholders' meeting in accordance with the provisions in chapter 16 of the Swedish Companies Act shall not be comprised by these guidelines to the extent a shareholders' meeting has resolved, or will resolve, on such resolution.

Lund in March 2018

The board of directors for Alligator Bioscience AB (publ)