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## **GUIDELINES FOR REMUNERATION FOR SENIOR EXECUTIVES IN ENZYMATICA AB (PUBL)**

### **1 Introduction**

- 1.1 These guidelines for remuneration include salaries and other benefits for the senior executives in Enzymatica AB (publ) ("Enzymatica" or the "Company"). Senior executives include members of the Board of Directors, the CEO and other individuals in the Company management. The guidelines shall be applied in relation to every commitment on remuneration to senior executives, and every change made to already agreed commitments, which is resolved after the guidelines are adopted at the Company's 2020 annual general meeting. These guidelines shall be applicable until the annual general meeting 2024 at the latest. The guidelines do not apply to remuneration approved by the general meeting.
- 1.2 The proposed guidelines are more detailed than before to conform with new legal requirements. The changes will not have any major effects on the remuneration structure.

### **2 Purpose and fundamental principles**

- 2.1 Enzymatica's long-term goal and business strategy is to continue to grow by increasing the market share and strengthen the position in existing markets, to expand into new geographic markets and to develop more unique health care products by the use of the Company's enzyme technology. More information regarding Enzymatica's business strategy and sustainability work is available in the Company's annual report.
- 2.2 Enzymatica's principle is that the Company shall offer remuneration levels and employment conditions needed to enable recruitment and retention of senior executives with the required competence, experience and expertise in order to achieve the business objective, implement the Company's business strategy and to safeguard the Company's long-term interests, including its sustainability. The remuneration shall be decided on market-based terms.
- 2.3 The remuneration is not to be discriminating on grounds of gender, ethnic background, national origin, age, disability or other such factors.

### **3 The decision-making process to determine, review and implement the guidelines**

- 3.1 The Remuneration Committee shall prepare the Board of Director's proposal on guidelines. Based upon the Remuneration Committee's recommendation, the Board of Directors shall at least every fourth year or upon material changes to the guidelines make a proposal on guidelines to be resolved by the annual general meeting. The Remuneration Committee shall also monitor and evaluate plans for variable remuneration for senior executives, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the Board of Directors, the CEO and other members of the Company management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.
- 3.2 In the preparation of the Board of Directors' proposal for the guidelines, remuneration and employment conditions for employees of the Company have been taken into account when evaluating whether the guidelines and limitations set out herein are reasonable.

### **4 Fixed salary and benefits**

- 4.1 The fixed salary for the senior executives shall be market-based and based on the individual's work duties, responsibilities, experience, competence and performance.

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4.2 Enzymatica offers other customary benefits to senior executives, such as company car, and occupational health services, equivalent to what is considered as reasonable in reference to market practice and the benefit for the Company. Such benefits shall not exceed 10 per cent of the fixed annual cash salary.

4.3 To the extent a member of the Board of Directors performs work for the Company alongside the work as a member of the Board of Directors, a market-based consultancy fee should be payable. Such fees are to be compliant with these guidelines.

## **5 Variable remuneration**

5.1 In addition to fixed salary, variable remuneration may be offered for rewarding target-related performance, depending on to what extent certain pre-established objectives have been met within the framework of the Company's business operations. The goals may include financial as well as non-financial criteria, which are to be predetermined and measurable. The criteria shall be structured in such a way that they promote the Company's business strategy and long-term interests, including its sustainability, for example by being clearly linked to the business strategy or promoting the executive's long-term development.

5.2 The variable remuneration shall be relevant and reasonable in relation to total remuneration and shall not exceed 30 per cent of the fixed annual salary.

5.3 When the measurement period for attainment of the criteria for payment of variable cash remuneration has ended, the Remuneration Committee shall determine the extent to which the criteria have been attained. As far as financial goals are concerned, the judgement shall be based on the latest financial information published by the Company.

## **6 Pension**

6.1 Pension benefits shall be contribution based occupational pension insurances, which shall be marked-based in relation to what generally applies for equivalent senior executives on the market. The pension benefits shall not exceed 30 per cent of the fixed annual cash salary.

6.2 Pension benefits shall generally be granted in accordance with rules, collective agreements (which may include a right to early retirement pension) and practice in the country where each respective senior executive is permanently resident.

## **7 Notice period and severance payment**

7.1 Employment agreements between the Company and senior executives generally apply until further notice.

7.2 Notice period and possible severance payment shall not exceed fixed salary and other benefits of 18 months. When termination is made by the senior executive, the notice period may not exceed 12 months and may not include any right to severance pay.

## **8 Deviation from the guidelines**

The Board of Directors shall be entitled to deviate from these guidelines in individual cases if there are special reasons for doing so and if such a deviation is necessary to meet the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee's tasks include preparing the Board's decisions on remuneration matters, which include decisions on any deviation from the

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guidelines. If such deviation occurs, the Board of Directors shall report the reasons for the deviation at the closest following annual general meeting.

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Lund in March 2020  
Enzymatica AB (publ)  
The Board of Directors