

The Board of Directors' proposals for remuneration guidelines for senior executives

The Board of Director's proposes that the 2024 Annual General Meeting adopt the following guidelines for remuneration to senior executives in BioGaia. The guidelines shall be applied to remuneration agreed and changes to previously agreed remuneration, after the guidelines is adopted by the 2024 Annual General Meeting. The guidelines do not apply to remuneration resolved by the Annual General Meeting.

The guidelines' promotion of BioGaia's business strategy, long-term interests and sustainability

BioGaia performs research and development to provide consumers with clinically-proven, health-promoting, patented and user-friendly probiotic products. For more information on BioGaia's business strategy, see the annual report. Successful implementation of the business strategy and safeguarding BioGaia's long-term interests, including its sustainability, require BioGaia to be able to recruit, motivate and retain competent employees who work to achieve maximum shareholder and customer value. This requires BioGaia to be able to offer competitive remuneration. These guidelines enable senior executives to be offered competitive total remuneration.

Forms of remuneration, etc.

Remuneration shall be market-based and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The Annual General Meeting may in addition, and independent of these guidelines, resolve on for example share-related and share-price based remuneration. The total remuneration package to senior executives should include a well-balanced mix of the above-named components as well as terms of notice and severance pay. The Board should annually evaluate the extent to which share-based or share-price based long-term incentive programmes should be proposed to the Annual General Meeting.

The fixed cash salary shall be individual and based on the senior executive's responsibilities and role as well as the individual's competence and experience in the relevant position.

The variable cash remuneration may amount to a maximum of 50 per cent of fixed annual cash salary.

Senior executives who are entitled to pensions shall have pension benefits that are defined contribution. Variable cash remuneration shall not qualify for pension benefits. Pension premiums for defined contribution pensions shall amount to a maximum of 30 per cent of fixed annual cash salary.

Other benefits may include life insurance, health insurance (*Sw: sjukvårdsförsäkring*) and a company car benefit. Such benefits shall be of limited value in relation to other compensation and be consistent with what is customary in the respective geographical market. Other benefits may amount to a maximum of 5 per cent of fixed annual cash salary.

Termination of employment

In the event termination of employment the maximum notice period is eighteen months. Fixed cash salary during the notice period plus any severance pay may not together exceed an amount equivalent to the individual's fixed cash salary for a two-year period. In case of termination by the senior executive, the notice period may not be less than three months and no severance pay will be paid.

Criteria for distribution of variable cash remuneration, etc.

Variable cash remuneration shall be linked to pre-determined and measurable criteria which may be financial or non-financial. It can also comprise individually adapted quantitative or qualitative targets. The criteria shall be designed so that they promote the Group's business strategy and long-term interests, including its sustainability, through for example having a clear link to BioGaia's business strategy or promoting the senior executive's long-term development.

Fulfilment of the criteria for payment of variable cash remuneration shall be measured during a period of one year. When the measurement period for fulfilment of the criteria for payment of variable cash remuneration has ended, the extent to which the criteria have been met shall be determined. The Remuneration Committee is responsible for assessment with regard to variable cash remuneration to the CEO. As regards variable cash remuneration to other senior executives, the CEO is responsible for the assessment.

Salary and terms of employment for employees

In preparation of the Board's proposal for these remuneration guidelines, salaries and terms of employment for the company's employees have been taken into account through information on employees' total remuneration, remuneration components as well as remuneration increases and rate of increase over time comprising a part of the Remuneration Committee's and the Board's basis for decision when evaluating the reasonableness of these guidelines and the limitations that are a consequence of them.

Decision-making process to establish, review and implement the guidelines

The Board has established a Remuneration Committee. The tasks of the committee include preparation of the Board's proposal for decision on guidelines for remuneration to senior executives. The Board shall prepare proposals for new guidelines at least every fourth year and present the proposal for decision to the Annual General Meeting. The guidelines shall apply until new guidelines are adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration to Executive Management, application of the guidelines for remuneration to senior executives as well as applicable remuneration structures and remuneration levels in the Group. The members of the Remuneration Committee are independent in relation to BioGaia and Executive Management. When the Board considers and makes decisions on remuneration-related matters, the CEO or other senior executives are not present insofar as they are affected by the issues.

Departure from the guidelines

The Board may decide temporarily to depart from the guidelines wholly or partly if in an individual case there is reason for this and such departure is necessary in order to meet BioGaia's long-term interests, including its sustainability, or in order to ensure BioGaia's financial viability. As stated above, the tasks of the Remuneration Committee include preparing the Board's decision on remuneration matters, which includes decisions to depart from the guidelines.

Description of significant changes to the guidelines

The proposed guidelines are in all material respects equivalent to the guidelines adopted by the 2020 Annual General Meeting with the only change being that the cap on variable cash

remuneration has been adjusted so that variable cash remuneration may amount to a maximum of 50 per cent of the fixed annual cash salary.