



## PRESS RELEASE

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# Notice to Annual General Meeting in Probi AB (publ)

The shareholders of **Probi AB (publ)** are hereby officially convened to the Annual General Meeting (AGM) which will be held on Wednesday 2 May 2018 at 3:00 p.m. at Elite Hotel, Ideon Gateway, Scheelevägen 27, Lund, Sweden.

### Right to participate

To be entitled to participate in the AGM shareholders must be registered in the shareholders' register maintained by Euroclear Sweden AB as of Wednesday 25 April 2018 and have notified the company of their intention to participate no later than Wednesday 25 April 2018, preferably before 4:00 p.m.

Shareholders whose shares are registered with a trustee must temporarily re-register their shares in their own name with Euroclear Sweden AB to be able to participate in the meeting. Such registration must be completed no later than Wednesday 25 April 2018. This means that shareholders must notify the trustee of their intention to temporarily re-register these shares in ample time before this date.

### Notification of participation

Notification of participation in the AGM is to be made by letter to the address Probi AB (publ), Ideon, Gamma 1, SE-223 70 Lund, Sweden, by e-mail to [bolagsstamma@probi.com](mailto:bolagsstamma@probi.com) or by telephone to +46 46 286 89 20. The application must include the shareholder's name, personal identification number or corporate registration number and, where applicable, the number of advisors (maximum two) intending to participate in the meeting. If shareholders intend to be represented by proxy, a power of attorney and other authorisation documents must be included with the application and must be presented in original at the latest at the AGM. A power of attorney form is available from the company's website [www.probi.com](http://www.probi.com).

### Proposed agenda

1. Opening of the meeting.
2. Election of Chairman of the meeting.
3. Preparation and approval of the list of shareholders entitled to vote at the meeting.
4. Approval of the agenda.
5. Election of person to approve the minutes.
6. Determination of whether the meeting has been duly convened.
7. Presentation of the annual report and the auditors' report, and the consolidated financial report and auditors' report on the consolidated financial report.
8. Address by the Chief Executive Officer.
9. Resolution concerning the adoption of the income statement and balance sheet, and of the consolidated income statement and consolidated balance sheet.
10. Resolution concerning the appropriation of the company's profit or loss in accordance with the adopted balance sheet.
11. Resolution concerning the discharge from liability for the Board of Directors and the Chief Executive Officer.
12. Determination of the number of Board members.
13. Determination of fees to the Board member and the auditor.
14. Election of members of the Board and Chairman of the Board.
15. Election of auditor.

16. The Board's proposal for guidelines for remuneration to senior executives.
17. The Board of Directors' proposal for authorisation of the Board to resolve on repurchase and transfer of the company's own shares
18. The Board of Directors' proposal for authorisation of the Board to resolve on new share issues
19. Appointment of Nomination Committee
20. Closing of the meeting

#### **Appropriation of the company's result (item 10)**

The Board of Directors has proposed that no dividend is to be distributed for the financial year 2017 and that the funds available for distribution of SEK 836,751,357 in total, including this year's profit of SEK 70,578,617, should be carried forward.

#### **Board of Directors, etc. (items 2, 12 - 15)**

The company's Nomination Committee, which has comprised of Heinz-Jürgen Bertram (representing Symrise), Jannis Kitsakis (representing the Fourth Swedish National Pension Fund), Marianne Flink (representing Swedbank Robur funds) and Bengt Jeppsson (representing minor shareholders), has submitted the following proposals:

**Chairman of the meeting:** Attorney Madeleine Rydberger, Mannheimer Swartling Advokatbyrå.

**Number of Board members:** Seven Board members and no deputies.

**Director fees:** Amount to a total of SEK 1,600,000 (SEK 1,400,000) (remuneration for committee work not included), whereof unchanged SEK 400,000 (SEK 400,000) to the Chairman of the Board and unchanged SEK 200,000 (SEK 200,000) to each of the other members elected at a general meeting. In case the Board of Directors resolves to implement an Audit Committee and a Remuneration Committee, remuneration for committee work is proposed as follows: SEK 70,000 to the Chairman of the Audit Committee and SEK 40,000 to each of the other members of the Audit Committee, and SEK 30,000 to the Chairman of the Remuneration Committee and SEK 20,000 to each of the other members of the Remuneration Committee. The Board of Directors did not implement an Audit Committee or a Remuneration Committee during 2017 and, therefore, no remuneration for committee work has been paid.

**Audit fee:** According to approved account under submitted quotation.

**Board of Directors:** Re-election of Jean-Yves Parisot, Scott Bush, Charlotte Hansson, Anna Malm Bernsten, Jan Nilsson and Jonny Olsson, and new election of Irène Corthésy Malnoë.

**Chairman of the Board:** Re-election of Jean-Yves Parisot.

Information regarding Board members who are proposed for re-election is available on the company's website [www.probi.com](http://www.probi.com). Information regarding the Board member who is proposed for new election can be found in the Nomination Committee's motivated statement.

**Auditor:** In accordance with the Board of Directors' recommendation, new election of the registered public accountant firm Ernst & Young AB for a term of one year, with authorised public accountant Peter Gunnarsson as the auditor in charge.

#### **The Board's proposal for guidelines for remuneration to senior executives (item 16)**

Probi shall offer a market-based total remuneration package that enables the recruitment and retention of senior executives. The remuneration paid to company management shall comprise a fixed salary, variable cash salary, the possibility to participate in long-term share or share-price related incentive



plans, pension and other remuneration. Collectively, these components make up the individual's total remuneration package.

The fixed salary shall take into account the individual's areas of responsibility and experience. The variable cash salary portion shall be based on the individual's fulfilment of quantitative and qualitative goals and shall amount to a maximum of 60% of the fixed salary for the CEO and a maximum of 50% of the fixed salary for other senior executives. Variable remuneration shall be linked to pre-determined performance criteria and shall ensure a long-term commitment to the development of the company. Remuneration and benefits shall be market-based and shall help promote the executive's ability to carry out his or her duties. In case of termination by the employee, the notice period normally amounts to three to six months. In case of termination by the company, compensation during notice period and under severance agreements shall not exceed an amount corresponding to fixed salary during twelve months.

The above guidelines do not comprise such share related incentive programs that may be adopted by the general meeting.

The Board of Directors shall be entitled to deviate from the guidelines if, in the opinion of the Board and on a case-by-case basis, there are specific reasons for doing so.

**The Board of Directors' proposal for authorisation of the Board to resolve on repurchase and transfer of the company's own shares (item 17)**

The Board proposes that the AGM authorises the Board to resolve, during the period until the next AGM, on one or more occasions, on the repurchase of the company's shares as follows.

1. The repurchase shall maximum comprise so many shares that the company after each repurchase holds a maximum of 10 per cent of the total number of shares in the company.
2. The repurchase of shares shall take place on Nasdaq Stockholm, at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and the lowest selling price.
3. Payment of the shares shall be made in cash.

The Board further proposes that the AGM authorises the Board to resolve, during the period until the next AGM, on one or more occasions, on the transfer of the company's own shares as follows.

1. The Board of Directors is entitled to resolve on the transfer of the company's own shares on Nasdaq Stockholm at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and the lowest selling price. The transfers may not exceed the number of shares held by the company at the time of transfer.
2. The Board of Directors is further entitled to resolve, with or without preferential right for the company's shareholder, on the transfer of the company's own shares in other manners than as set forth in item 1 above. The transfer may in such case be made for payment in cash, payment in kind or through the offsetting of debt. The Board's resolution regarding transfers is to be executed within the time determined by the Board. The transfers may not exceed the number of shares held by the company at the time of transfer.

The purpose of the proposed authorisations is to provide the Board with increased latitude in its efforts to optimise the company's capital structure, and to enable the company to finance, in whole or in part, company acquisitions with the company's own shares.



In order to be valid, a resolution in accordance with the Board's proposal under item 17 must be supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the AGM.

**The Board of Directors' proposal for authorisation of the Board to resolve on new share issues (item 18)**

The Board proposes that the AGM authorises the Board to resolve, during the period until the next AGM, on one or more occasions, on the issue of not more than 1,164,412 new shares. In this context, the Board shall be entitled to resolve on deviation from the shareholders' preferential right, and that payment shall be made in cash, by set-off or in kind. At deviation from the shareholders' preferential right, the issue price shall be determined in accordance with market practise.

The purpose of the authorization is to provide the Board with increased latitude in its efforts to optimise the company's capital structure, to enable the company to finance, in whole or in part, company acquisitions with the company's own shares, and to facilitate efforts to broaden and strengthen the company's ownership structure over the long term.

If the authorisation is exercised in full, it will entail approximately 9% dilution of the share capital and voting rights.

In order to be valid, a resolution in accordance with the Board's proposal under item 18 must be supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the AGM.

**Appointment of Nomination Committee (item 19)**

The shareholders Symrise, the Fourth Swedish National Pension Fund, Swedbank Robur funds and Bengt Jeppsson have proposed that the AGM appoints a Nomination Committee, comprising four members, to perform the duties pursuant to the Swedish Code of Corporate Governance. Heinz-Jürgen Bertram (representing Symrise), Marianne Flink (representing Swedbank Robur funds), Jannis Kitsakis (representing the Fourth Swedish National Pension Fund) and Bengt Jeppsson (representing minor shareholders) are proposed as members of the Nomination Committee. If any of the shareholders who have appointed a member of the Nomination Committee divests a significant portion of its shares in the company before the Nomination Committee has completed its assignment, the member that the shareholder has appointed, should the Nomination Committee so decide, must step down and, should the Nomination Committee see fit, this member will be replaced by a new member appointed by the shareholder who at that point in time is the registered shareholder with the largest number of voting rights who is not already represented on the Nomination Committee. If, before the Nomination Committee has completed its assignment, any of the members of the Nomination Committee ceases to represent the shareholder who has appointed such a member, that member, should the Nomination Committee so decide, is to be replaced by a new member appointed by that shareholder. If the registered ownership conditions should change significantly in other respects before the Nomination Committee has completed its assignment and the Nomination Committee so decides, the composition of the Nomination Committee is to be changed in accordance with principles described above, or the Nomination Committee is to complete its work without appointing a new member.

**Provision of documents**

The Annual Report, Auditor's Report, the auditors statement in accordance with Chapter 8, Section 54 of the Swedish Companies Act and other applicable documentation will be available at the company and on its website, [www.probi.com](http://www.probi.com), no later than three weeks prior to the AGM and will be sent to those shareholders who so request and who state their postal address.



### **Shareholders' right to request information**

The shareholders are reminded of their right to request information from the Board of Directors and the CEO at the AGM in respect of circumstances which may affect the assessment of a matter on the agenda or circumstances which may affect the company's financial position.

### **Shares and votes**

The total number of shares in Probi AB amounts to 11,644,125, corresponding to an equal number of votes. Of these shares, 250,000 are held in treasury, which may not be represented at the AGM.

Lund, March 2018

**Board of Directors of Probi AB (publ)**

### **FOR FURTHER INFORMATION, CONTACT:**

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### **ABOUT PROBI**

*Probi AB is a Swedish publicly traded bioengineering company. The vision of Probi is to help people live healthier lives by delivering effective and well-documented probiotics, with proven health benefits based on scientific research. Founded by scientists in Sweden in 1991, Probi is a multinational company with four centers of excellence, active in more than 40 markets around the world and holding over 400 patents worldwide. In 2017, Probi had net sales of MSEK 612. The Probi share is listed on Nasdaq Stockholm, Mid Cap. Probi has about 5,000 shareholders. Read more at [www.probi.com](http://www.probi.com).*