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The Board of Directors' of Biotage AB (publ) proposal for a resolution on guidelines for executive remuneration

The Board of Directors proposes that the Annual General Meeting resolves on the following guidelines for executive remuneration. The CEO and other members of the group management are referred to as executives. A board member who performs work, for Biotage, in addition to ordinary board duties may be entitled to consulting fees or other remuneration for such work. The guidelines shall apply to employment agreements already entered into, and to any amendments of existing remuneration, after a resolution by the Annual General Meeting 2020 on the guidelines. These guidelines do not apply to any remuneration decided or approved by the general meeting.

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

In short, the company's business strategy is to develop innovative and effective solutions for chemical separation and synthesis solutions. The strategy for running a successful business and reaching the company's financial targets comprise seven focus areas; (i) investment in research and development, (ii) to reach new market segments and customer groups, (iii) increase the share of aftermarket sales, (iv) enhance market presence, (v) continuous lean manufacturing improvements, (vi) improvements to reduce environmental footprint, and (vii) acquisitions. For more information regarding the company's business strategy, please see www.biotage.com.

A prerequisite for a successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration.

The Board of Directors has proposed a long-term share-related incentive plan to the Annual General Meeting 2020 but given that it will be resolved by the general meeting such plans are excluded from these guidelines. The plan includes, among other things, the CEO and other members of the executive management in the company. The performance criteria used to assess the outcome of the plan are distinctly linked to the business strategy and thereby to the company's long-term value creation, including its sustainability. At present, these performance criteria include development targets regarding organic growth, share price and EBIT, all measured during the plan period. The plans are further conditional upon a recommendation of a certain holding period.

Variable cash remuneration covered by these guidelines shall aim to promote the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits, other benefits and severance pay. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

Whether the criteria for awarding variable cash remuneration has been fulfilled shall be measured over a period of one year. Further, the variable cash remuneration may not amount to more than a certain per cent, see below, of the fixed annual cash salary.

CEO

The company's CEO has, according to his employment agreement, a fixed and a variable cash salary. For the CEO, pension benefits, including health insurance (Sw. *sjukförsäkring*), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. According to his employment agreement, the company pays pension provisions amounting to 30 per cent of the fixed yearly cash salary. In addition to the fixed yearly income, the CEO may receive a variable income that may correspond to a maximum of 100 per cent of the fixed yearly cash salary. The variable element of the income is based on the company's achievement of certain predetermined and measurable criteria which can be financial or non-financial. The variable part may also be individualized quantitative or qualitative objectives. The criteria shall be designed to promote the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or in order to promote the CEO's long-term development.

Other members of the group management

This group of people currently consists of two persons who report directly to the CEO.

All members of the executive management shall have a market adjusted fixed yearly cash salary and a variable cash remuneration not exceeding 40 per cent of the fixed yearly income. 75 per cent of the variable cash remuneration is dependent on the company achieving certain predetermined and measurable criteria which can be financial or non-financial. The remaining 25 per cent of the variable cash remuneration is dependent on predetermined objectives, related to personal achievement and shall be constituted of predetermined and measurable quantitative or qualitative objectives. The criteria shall be designed to promote the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's management and their long-term development.

Pension benefits, including health insurance, shall be premium defined unless the executive concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions. The pension premiums for a premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary.

Conditions for variable income and performance criteria

The variable cash remuneration is linked to certain predetermined and measurable criteria in accordance with the above. The extent to which the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation, as far as it concerns variable remuneration for the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special reason for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Other benefits

The executive management may be entitled to other customary benefits that, amongst other things, may include a company car, occupational health service and life insurance. Such benefits may correspond to a maximum of seven per cent of the fixed annual cash salary.

Severance pay

Upon termination of employment made by the company, the period of notice may not exceed six months. For the CEO and other executives, the fixed cash salary during the period of notice and severance pay may not cumulatively exceed an amount corresponding to the fixed cash salary of eighteen months. Upon an executive's own resignation, the period of notice may not exceed six months without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall be paid to the same extent as the former executive has no right to severance pay. The remuneration shall be based on the fixed cash salary at the time of the termination of employment, unless otherwise prescribed by mandatory collective agreement provisions. Furthermore, such remuneration shall be paid during the period for the non-compete undertaking. However, such period may not be longer than twelve months following the termination of employment.

Salary and employment conditions for employees

During the preparation of the Board of Directors' proposal for these remuneration guidelines, the employees' salary and employment conditions have been taken into account. Information on the employees' total income, the components of the remuneration, increase and growth rate over time have constituted the basis for the remuneration committee's and the Board of Directors' decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

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

The Board of Directors has established a remuneration committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted at the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for remuneration to executives as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are, apart from Torben Jørgensen, independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing and resolutions of remuneration-related matters when they are affected by such matters.

Previously resolved remuneration

There are no previously resolved remunerations that has not been due for payment. A description of existing remunerations may be found in note 1 of the 2019 annual report.

Remuneration paid during 2019

Please see note 1 in the 2019 annual report for information regarding remuneration paid to the executive management during 2019.

Uppsala, April 2020

Biotage AB (publ)

The Board of Directors