

**REPORT BY THE BOARD OF DIRECTORS OF BACTIGUARD HOLDING AB (PUBL)
REGARDING THE ASSESSMENT BY THE REMUNERATION COMMITTEE OF
REMUNERATION FOR SENIOR MANAGEMENT**

The Board of Directors established a Remuneration Committee some time ago which prepares resolutions by the Board of Directors in respect of questions concerning remuneration principles, remuneration, and other employment terms and conditions for the company's senior management. The guidelines for remuneration paid to senior management are presented by the Remuneration Committee to the Board of Directors which submits proposals for such guidelines to the Annual General Meeting for approval.

The Remuneration Committee is also charged with following and evaluating during the course of the year programs for variable remuneration paid to the company's senior management, the application of the guidelines for remuneration adopted by the Annual General Meeting, and applicable remuneration structures and remuneration levels for the company. Pursuant to section 10.3 of the Swedish Corporate Governance Code, the Board of Directors hereby submits the following report of the results of the assessment carried out by the Remuneration Committee.

According to the current guidelines for remuneration to senior management which were adopted at the Annual General Meeting held on 24 April 2014, the company shall apply remuneration levels and terms and conditions which are necessary in order to recruit and retain senior management with the expertise and experience required in order to achieve the company's operating goals. The total remuneration paid to senior management must be competitive, reasonable and suited for its purpose. The Remuneration Committee believes that the guidelines are in compliance with their purpose of motivating senior management employees to do their utmost in order to safeguard the interests of the shareholders and to promote the company's long-term growth. The remuneration which is payable pursuant to the guidelines is linked to expertise, responsibility and performance, and related, with respect to variable remuneration, to the fulfillment of predetermined goals regarding earnings, cash flow or growth, all contributing to increased value for the company's shareholders.

The Remuneration Committee believes that the company's remuneration structures and remuneration levels are on market terms, and that the remuneration paid to the company's senior management has been in accordance with these guidelines and that the company has therefore correctly applied the guidelines.

Stockholm, April 2015
Bactiguard Holding AB (publ)
The Board of Directors