

The Board of Directors' proposal regarding guidelines for executive remuneration

The Board of Directors proposes that the Annual General Meeting resolves to adopt guidelines for executive remuneration in accordance with the following.

The senior executives, i.e. the CEO and members of the executive committee, fall within the provisions of this policy. To the extent a board member conducts work for the Company, in addition to the board work, consulting fees and other compensation for such work may be paid. The policy is forward-looking, i.e. applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the policy by the annual general meeting in May 2021.

A prerequisite for the 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, consequently, it is necessary that the company offers market competitive remuneration.

For information regarding Hansa Biopharma's strategic priorities, please visit <https://hansabiopharma.com/this-is-hansa/our-commitment/>

For information regarding Hansa Biopharma's equity story, please visit <https://investors.hansabiopharma.com/English/our-equity-story/default.aspx>

Long-term (share-based) incentive programs have been implemented in the company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines. The long-term incentive program proposed by the Board of Directors and submitted to the annual general meeting 2021 for approval is excluded for the same reason. The program include, among others, the CEO and other senior executives in the company. The performance criteria used to assess the outcome of the plans are distinctly linked to the business strategy and thereby to the company's long-term value creation, including its sustainability. For more information regarding these incentive programs, including the criteria which the outcome depends on, please see <https://hansabiopharma.com/this-is-hansa/corporate-governance/>.

This policy enables the company to offer senior executives a competitive remuneration. The remuneration shall be on market terms and may consist of the following components: fixed base salary, variable cash remuneration (including STI), pension benefits and other benefits. The components, their purpose and link to the company's business strategy are described below.

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

The Board of Directors has established a Committee within the Board (the Remuneration Committee), with the tasks of preparing, within the Board of Directors, the policy for remuneration for senior executives. The Board of Directors shall propose a revised policy at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs 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 Remuneration Committee are independent of the company and its executive management.

Unless otherwise stated herein, the Board of Directors shall resolve on matters regarding remuneration and employment provisions for all other senior executives. The CEO may decide upon Variable Cash Remuneration, including STI, for the other senior executives. The Remuneration Committee and the CEO, as applicable, shall continuously report to the Board of Directors. The CEO and the other senior executives shall not be present when their respective remuneration terms are decided.

Additionally, the general meeting may – irrespective of this policy – resolve on, among other things, share-related or share price-related remuneration.

Fixed Base Salary

Purpose and link to strategy	Supports the attraction and retention of the best talent. Ensures competitiveness while controlling fixed costs to maximise efficiency.
Operational Details	<ul style="list-style-type: none">• Normally reviewed annually and increases will usually be effective from 1 April or following a change in responsibilities.• The Remuneration Committee will consider, among other things, the following parameters when reviewing fixed base salary:<ul style="list-style-type: none">- Economic and salary conditions and trends- The individual’s performance and responsibilities- Base salaries and total remuneration at other companies that operate in the same markets, typically benchmarked against similar roles.

Variable Cash Remuneration

A portion of the total remuneration for the senior executives are linked to business performance so that total remuneration will increase or decrease in line with performance, thus promoting the company’s business strategy and long-term interests (see “Annual Short-Term Incentive (STI)” below).

For retention or recruitment purposes or extraordinary performance beyond the individual’s ordinary tasks the Remuneration Committee, based on proposal of CEO, may, on an individual basis, decide on an additional variable cash remuneration. Such remuneration may not exceed an annual amount corresponding to 30 percent of the total fixed annual cash salary and may not be paid more than once each year per individual.

Annual Short-Term Incentive (STI)

Purpose and link to strategy	To incentivise and create focus on the delivery of corporate objectives and strategic criteria.
Operational Details	<ul style="list-style-type: none">• The performance criteria, weighting and targets are to be proposed by the Remuneration Committee annually, evaluated and approved by the Board of Directors. Stretched targets shall be set by reference to the company’s operating plan and historical and projected performance.• The outcome of criteria for awarding STI is to be measured over a period of one year and depend on the degree of fulfilment of predetermined targets.• The Board of Directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to reclaim in whole or in part STI paid on incorrect grounds (claw-back).
Opportunity Levels	The maximum opportunity for STI can amount up to max 75 percent of fixed base salary. The Remuneration Committee shall have the possibility to review the opportunity levels in order to ensure market competitiveness.
Performance criteria	The STI plan awards shall be based on corporate objectives and be linked to predetermined and measurable criteria. The criteria shall be designed so as to contribute to the company’s business strategy and long-term interests. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

Pension Benefits

Purpose and link to strategy	Provide competitive and cost-effective pension benefits.
Operational Details	<p>Pension benefits shall be defined contribution (premium defined) unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions.</p> <ul style="list-style-type: none">• Variable cash remuneration shall not qualify for pension benefits unless the executive officer is part of mandatory collective agreed provisions where this is stipulated.• Early retirement may be offered selectively and only after a special decision by the Remuneration Committee, with a defined contribution early retirement scheme.• For executive officers governed by rules other than Swedish, pension benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.
Opportunity Levels	<ul style="list-style-type: none">• The pension premiums for defined contribution pension shall amount to not more than 30 percent of the fixed base salary.

Other Benefits

Purpose and link to strategy	Provide competitive and cost-effective benefits.
Operational Details	<ul style="list-style-type: none">• Other benefits may include but is not limited to life insurance, survivor benefit, accidental death and disability insurance, medical insurance/cover (Sw. <i>sjukvårdsförsäkring</i>), and a company car or car allowance.• For executive officers governed by rules other than Swedish, benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.• Executive officers who are international assignees (for example expatriates) to or from Sweden may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the international assignment arrangement, taking into account, to the extent possible, the overall purpose of this policy.
Opportunity Levels	<p>Other benefits may amount to not more than 10 percent of the fixed annual cash salary and shall be set at a level which the Remuneration Committee considers to:</p> <ul style="list-style-type: none">• provide the relevant level of benefit depending on role and the individual circumstances,• be in line with comparable roles in companies with similar size and complexity in the relevant market, and• be appropriate compared to the benefits offered to the wider workforce in the relevant market.

Termination of employment

Details	<ul style="list-style-type: none">• If notice of termination of employment is made by the company:<ul style="list-style-type: none">- The notice period may not exceed six months.- Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for 18 months for
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- the CEO, i.e. 6 + 12 months.
- Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for 6 months, and in exceptional cases, 12 months for the other senior executives.
- When termination is made by the senior executive the period of notice may not exceed six months. No severance pay will be paid.
- Repatriation – If the senior executive is an international assignee the company may reimburse reasonable cost for the repatriation of good leavers, taking into account, to the extent possible, the overall purpose of this policy.

For senior executives governed by rules other than Swedish, payments in connection with termination may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for this remuneration policy, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time.

Derogation from the policy

The Board of Directors may temporarily resolve to derogate from the policy, in whole or in part, if in a specific case there is special cause 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 policy.

Additional information regarding executive remuneration is available in the Hansa Biopharma Annual Report.

Description of material changes to the guidelines and how the views of shareholders' have been taken into consideration

The Remuneration Committee regularly reviews market benchmark data for senior executives to determine the right compensation level for the executive committee and CEO as it is necessary for the company to offer market competitive remuneration to be able to recruit and retain qualified personnel in accordance with the company's business strategy and long-term interests, including its sustainability. The Remuneration Committee has conducted a benchmark study to analyze senior executive compensation against peer companies. The study identified a preference to increase the opportunity for variable pay for the CEO and the executive committee, whereby the Remuneration Committee proposed to the Board of Directors that the maximum opportunity for STI should be increased from 50 percent of the fixed base salary to 75 percent of the fixed base salary. The proposed increase has been reflected in these guidelines (please see "*Opportunity Levels*" under "*Annual Short-Term Incentive (STI)*" above) which will be subject to the shareholders' approval at the annual general meeting 2021.

During 2020, neither the Remuneration Committee nor the Board of Directors received any comments or questions from the shareholders on the remuneration guidelines adopted at the annual general meeting on June 23, 2020.