

## **Guidelines for remuneration to senior executives in Ascelia Pharma AB**

The board of directors of Ascelia Pharma AB, Reg. No. 556571-8797 (the “**Company**”), proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to senior executives.

### **1. Introduction**

- 1.1 The Company shall offer remuneration levels and employment terms at market terms, aimed at facilitating the recruitment and retention of senior executives with high competence and capacity, in order to achieve established targets. The guidelines shall apply to employment agreements entered into after the adoption of these guidelines by the shareholders’ meeting or amendments to existing agreements made after the adoption of the guidelines.
- 1.2 The remuneration to the CEO and other senior executives can be comprised of fixed salary, variable remuneration, pension benefits, share-based incentive programs resolved by the shareholders’ meeting and other benefits. Senior executives refer to the CEO and the other persons forming part of the Company’s management team.
- 1.3 Remuneration and other employment terms for the CEO and other senior executives are prepared by the Remuneration Committee and resolved by the board of directors.

### **2. Fixed salary**

The fixed salary shall take into consideration the individual’s competence, area of responsibility and performance. A review should generally be made annually.

### **3. Variable remuneration**

- 3.1 The variable remuneration is to be based on the outcome of predetermined well defined objectives. The variable consideration is to be limited and may not exceed 40 per cent of the fixed annual salary for the CEO and 20 per cent of the fixed annual salary for other senior executives, whereby the individual highest level should be based on factors such as the position held by the specific individual.
- 3.2 The Company’s commitments in reference to variable remuneration for the CEO and other senior executives who can be entitled to variable remuneration targets are for the financial year 2019 calculated to amount to, if all targets are met in full, at the highest approximately SEK 1.5 million (excluding social charges). The

calculation is based on the persons currently being senior executives and who can be entitled to variable remuneration. Furthermore, the calculation has been made on the assumption that the annual general meeting resolves to change the Company's financial year from broken financial year (1 July–30 June) to calendar year (1 January–31 December) in accordance with the proposal from the board of directors, meaning that the current financial year ends on 31 December 2019 and will hence only comprise 6 months.

**4. Pensions**

In addition to what follows from law or collective bargain agreements or other agreements, the CEO and other senior executives may be entitled to arrange individual pension schemes. Refrained salaries and variable remuneration can be used for increased pension contributions, provided that the total cost for the Company is unchanged over time.

**5. Share-based incentive programs**

Share-based incentive programs shall, where applicable, be resolved by the shareholders' meeting.

**6. Other benefits**

The senior executives may be awarded other customary benefits, such as a company car, occupational health services, etc.

**7. Severance pay etc.**

In case of termination of the CEO's employment by the Company, the notice period should not exceed 6 months. In case the Company terminates the CEO's employment, the CEO shall, in addition to salary during the notice period, be entitled to severance payment corresponding to 6 months' base salary. The notice period for other senior executives shall not exceed 6 months. The employment agreements with senior executives may also include provisions regarding right for the senior executive to receive customary compensation for non-compete undertakings following the termination of the employment.

**8. Outstanding remuneration commitments**

At the time of the annual general meeting, the Company has no outstanding remuneration commitments towards senior executives except for running commitments.

**9. Consultancy assignment for board members**

To the extent that a board member performs work for the Company, besides the board membership, consultancy fees and other remuneration may be granted for such work. The remuneration shall correspond to relevant market conditions and shall, as well as other conditions, be determined by the board of directors.

**10. Deviations from the guidelines**

The board of directors shall be entitled to deviate from these guidelines in individual cases if there are special reasons for doing so.

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Malmö in October 2019

The Board of Directors of Ascelia Pharma AB (publ)