

Remuneration Policy for the Board of Directors

Pharma Equity Group A/S

CVR no. 26 79 14 13

1. Scope and Purpose

This Remuneration Policy (the "Policy") applies exclusively to the members of the **Board of Directors** of Pharma Equity Group A/S (the "Company").

The remuneration of the Executive Management is governed by a separate policy (*Remuneration Policy for Executive Management*). This separation ensures clear governance and allows shareholders to vote distinctly on the strategic oversight (Board) versus operational execution (Executive Management).

The purpose of this Policy is to align the Board's interests with the long-term value creation of the Company, specifically focusing on the Company's "Lean Operator" strategy of acquiring, developing, and divesting life science assets.

2. Legal Framework

This Policy has been prepared in accordance with Sections 139 and 139a of the Danish Companies Act (*Selskabsloven*) and takes into account the Danish Recommendations on Corporate Governance. It is directly linked to the authorization granted in **Article 4.2** of the Company's Articles of Association (*Vedtægter*).

3. Component Overview

The remuneration of the Board of Directors consists of:

1. **Fixed Annual Fee:** To remunerate the time commitment and legal responsibility.
2. **Committee Fees:** To remunerate specialized tasks in the Audit, Nomination & Remuneration, and Investment committees.
3. **Warrants (Equity Incentive):** To align board members with shareholder value creation.

4. Fixed Remuneration

Members of the Board of Directors receive a fixed annual cash fee approved by the Annual General Meeting (AGM) for the current financial year.

2025 Fee Levels:

Based on the proposal for the 2025 AGM, the fee structure is as follows:

- **Chairman of the Board:** DKK 350,000
- **Ordinary Board Member:** DKK 150,000

The fee covers preparation and participation in standard board meetings.

4.1 Committee Fees

In addition to the base fee, members serving on permanent board committees may receive a separate fee to reflect the additional workload.

- **Audit Committee:** Chair DKK 100,000 / Member DKK 50,000.
- **Investment Committee:** Chair DKK 100,000 / Member DKK 50,000.
- **Remuneration & Nomination Committee:** Chair DKK 50,000 / Member DKK 25,000.

(Note: Committee fees are subject to annual approval and may be adjusted or capped by the AGM).

5. Share-Based Incentives (Warrants)

In deviation from the Corporate Governance Recommendations (Rec. 4.1.3), but in strict compliance with **Article 4.2 of the Articles of Association**, the Board of Directors is eligible to receive warrants.

5.1 Strategic Rationale (Comply or Explain)

The Company operates as an active holding company where the Board is deeply involved in M&A and strategic asset divestment. To attract international industry experts without draining the Company's working capital, warrants are used as a key remuneration component. This structure preserves cash for clinical trials while ensuring directors are only rewarded if the share price increases.

5.2 Warrant Terms (Alignment with General Terms)

The specific terms for Board warrants are designed to ensure consistency with the Company's "General

Warrant Terms":

- **Authorization:** Warrants are issued pursuant to **Article 4.2** of the Articles of Association.
 - *Limit:* The total nominal value of warrants issued shall not exceed the limit set forth in Article 4.2 (currently DKK 5,000,000 nominal value, corresponding to 50,000,000 shares).
 - *Favourable Price Cap:* If warrants are issued at a price lower than the market price at the time of grant ("favørkurs"), the total issuance under such terms is limited to nominal DKK 500,000 in accordance with Article 4.2.
- **Vesting (Standard Linear):** To align with the Company's standard incentive structure and the General Warrant Terms (Clause 3.1):
 - **One-third (1/3)** of the granted warrants vest immediately upon grant.
 - The **remainder** vests linearly over a period of **36 months** (1/36th per month).
- **Exercise Price:** The exercise price is determined by the Board of Directors at the time of grant. It may be set at:
 - The market price at the time of grant; OR
 - A fixed strike price (e.g., DKK 0.15) as determined by Board Resolution, subject to the "Favourable Price Cap" mentioned above if below market price.
- **Exercise Conditions (Optional):** The Board may, at its discretion, condition exercise upon an "Exit" event (e.g., Change of Control, IPO of a material subsidiary, or trade sale), achieved valuation milestones (e.g., Company market cap exceeding DKK 250 million), or other conditions determined by the Board at the time of grant. Where no such condition is imposed, warrants may be exercised upon vesting in accordance with the General Warrant Terms.

6. Duration, Termination, and Liability

- **Term:** Board members are elected for one year at a time.
- **Termination:** No notice period or severance pay applies to board members.
- **Indemnification:** The Company maintains a D&O (Directors & Officers) liability insurance. To the extent coverage is insufficient, the Company shall indemnify board members for claims incurred in the discharge of their duties, subject to Danish law.