



PHARMA EQUITY GROUP

Remuneration Policy for Executive Management

Pharma Equity Group A/S

CVR no. 26 79 14 13

1. SCOPE AND PURPOSE

This Remuneration Policy (the "Policy") applies to the **Executive Management** of Pharma Equity Group A/S, defined as the executives registered with the Danish Business Authority (e.g., the CEO).

Exclusion of Board Remuneration:

Remuneration for the Board of Directors is governed by a separate policy (*Remuneration Policy for the Board of Directors*). Consequently, this document focuses strictly on the operational management team.

The purpose of this Policy is to attract, retain, and motivate a competent Executive Management team to execute the Company's strategy. The remuneration structure is designed to promote a balance between short-term operational targets (e.g., clinical data readouts) and long-term value creation.

2. GENERAL PRINCIPLES

The remuneration package for the Executive Management consists of:

1. **Fixed Base Salary:** To provide financial stability.
2. **Pension and Benefits:** Standard non-monetary benefits.
3. **Short-Term Incentive Program (STIP):** Cash bonus based on annual KPIs.
4. **Long-Term Incentive Program (LTIP):** Warrants/Options to ensure retention and long-term alignment.

3. REMUNERATION COMPONENTS

3.1 Fixed Base Salary

The fixed base salary is negotiated individually and is set at a competitive level relative to comparable Danish life science companies. It is reviewed annually by the Remuneration Committee.

- **Pension:** The Company may contribute to a pension scheme, typically defined as a percentage of the base salary (e.g., 10-15%).
- **Benefits:** Includes customary benefits such as company car, phone, internet, and health insurance.



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3.2 Short-Term Incentive Program (STIP)

The Executive Management may participate in an annual cash bonus scheme.

- **Cap:** The STIP is capped at a maximum of **50%** of the annual fixed base salary.
- **KPIs:** Payout is dependent on the achievement of specific, pre-defined Key Performance Indicators (KPIs) set by the Board. Examples include:
 - Successful capital raises.
 - Reaching clinical milestones (e.g., Phase 2 data).
 - Submission of regulatory filings (e.g., CTA/IND).
 - Adherence to budget (Cash Burn management).

3.3 Long-Term Incentive Program (LTIP)

To ensure retention and alignment with shareholder interests, the Executive Management is eligible for share-based incentives (warrants) under the authorization in the Articles of Association.

- **Authorization:** Warrants are issued pursuant to **Article 4.2** of the Articles of Association (*Vedtægter*).
- **Instrument:** Warrants or Options.
- **Vesting (Standard Linear):** In accordance with the Company's General Warrant Terms:
 - **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:** Determined at market price or a fixed strike price (e.g. DKK 0.15) as defined by the Board, subject to the limitations in Article 4.2 regarding favourable pricing ("favørkurs").
- **Clawback:** The Company has the option to reclaim variable remuneration (STIP or LTIP) in whole or in part if the grant was based on data that subsequently proved to be manifestly misstated ("Clawback").

4. TERMINATION AND SEVERANCE

- **Notice Period:** The employment of Executive Management may be terminated by the Company with up to **12 months'** notice and by the Executive with up to 6 months' notice.
- **Severance Pay:** Total termination benefits, including notice period salary and any severance pay, shall generally not exceed 18 months' total remuneration.

5. DEVIATIONS

In exceptional circumstances, the Board of Directors may temporarily deviate from this Policy if deemed necessary to secure the long-term interest of the Company (e.g., recruitment of a new CEO or in takeover situations). Any deviation must be explained in the subsequent Remuneration Report.



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6. APPROVAL

This Policy is approved by the General Meeting on 16 April 2025 and replaces all previous remuneration policies regarding Executive Management.

Conceived and updated by
Finansmanagement ApS