



**REMUNERATION POLICY FOR THE BOARD OF
DIRECTORS AND THE EXECUTIVE MANAGEMENT**

GUBRA A/S

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REMUNERATION POLICY

GUBRA A/S

(CVR-no. 30514041)

1 INTRODUCTION

- 1.1 This remuneration policy (the "**Policy**") describes the principles of and sets out the framework for the remuneration of the board of directors (the "**Board of Directors**") and the executive management (the "**Executive Management**") of GUBRA A/S, CVR no. 30514041 (the "**Company**").
- 1.2 The Policy has been prepared pursuant to Sections 139 and 139(a) of the Danish Companies Act and based on the Guidelines from the Danish Business Authority on requirements to listed companies' remuneration policies and remuneration reports. The said Guidelines have been prepared in dialogue with the Danish Committee on Corporate Governance.
- 1.3 Existing agreements concerning remuneration, including incentive pay, entered into before the adoption of this Policy will continue on the agreed terms. Any amendment of existing agreements as well as the conclusion of new agreements with the members of the Board of Directors and the Executive Management will be subject to this Policy.

2 OVERALL PURPOSE OF THE POLICY

- 2.1 The overall purpose of this Policy is to (i) attract, motivate and retain qualified members of the Board of Directors and the Executive Management, (ii) ensure the convergence between the interests of the Board of Directors and Executive Management and the interests of the Company and the shareholders, and (iii) contribute to the promotion of long-term value creation in the Company and thus support the Company's business strategy and sustainability.

3 REMUNERATION OF THE BOARD OF DIRECTORS

3.1 Fixed Remuneration

- 3.1.1 Members of the Board of Directors shall receive a fixed cash amount, which is approved by the annual general meeting (the "**Base Fee**"). In addition to the Base Fee, the chairman (the "**Chair**") and deputy chairman (the "**Deputy Chair**") of the Board of Directors may receive additional fees or multiples thereof. The Chair may receive an additional fee of up to 3.00 times the Base Fee and the Deputy Chair may receive an additional fee of up to 2.00 times the Base Fee.
- 3.1.2 The members of the Board of Directors may receive additional compensation for their work in the Audit Committee and Remuneration and Nomination Committee, and any other committee established by the Board of Directors from time to time.
 - (i) Members of the Audit Committee may receive an additional fee of up to 0.50 times the Base Fee, except for the Chair of the Audit Committee who may receive an additional fee of up to 1.00 times the Base Fee.
 - (ii) Members of the Remuneration and Nomination Committee may receive an additional fee of up to 0.50 times the Base Fee, except for the Chair of the Remuneration and Nomination Committee who may receive an additional fee of up to 1.00 times the Base Fee.
 - (iii) Members of the Science Committee may receive an additional fee of up to 0.50 times the Base Fee, except for the chair of the Science Committee who may receive an additional fee of up to 1.00 times the Base Fee.

3.1.3 The Base Fees and any additional fees shall be presented each year for approval at the Company's annual general meeting.

3.2 **Share-based Incentive Programme**

3.2.1 Share-based incentive programmes are commonly used among the Company's peers and competing biotechnology and pharmaceutical companies. In order to be able to attract and retain qualified members of the Board of Directors and to align the interests of the Board of Directors and the shareholders, the Company may offer share-based incentives to the Board of Directors. The Board of Directors believe that share-based incentives support the Company's strategy, long and short-term interests, and the sustainability of the Company.

3.2.2 Members of the Board of Directors may be granted warrants on terms materially similar to those granted to the Executive Management and described in Clause 4 below.

3.2.3 At the time of grant, the value of the share-based incentives granted to members of the Board of Directors may not exceed 200% of the annual Base Fee payable to such member of the Board of Directors, including any additional fees payable to the Chair and Deputy Chair, but excluding any additional fees for membership of a committee.

3.3 **Ad hoc Operational Tasks**

3.3.1 Members of the Board of Directors may receive an additional fee for operational tasks carried out on an ad-hoc basis outside the scope of the ordinary duties of the Board of Directors. Any such operational tasks shall be approved by the Board of Directors. The size of ad hoc fees may not exceed 100% of the total remuneration paid to a member of the Board of Directors in the given financial year, including any additional fees to the Chair, Deputy Chair or board committee members. Ad hoc fees paid must be disclosed in the Company's remuneration report.

3.4 **Expenses**

3.4.1 Reasonable expenses, such as expenses related to travel and accommodation in connection with board meetings as well as relevant training, may be reimbursed by the Company if approved by the Board of Directors or the Chair. In addition, the Company may reimburse social taxes or other similar taxes imposed on the Board of Directors by a foreign public authority.

4 **REMUNERATION OF THE EXECUTIVE MANAGEMENT**

4.1 **General**

4.1.1 The remuneration of the Executive Management consists of a fixed annual salary, pension contribution, other usual fringe benefits, and variable short-term and long-term incentive programmes.

4.2 **Fixed Annual Salary**

4.2.1 Members of the Executive Management receive a fixed annual salary. The purpose of the fixed annual salary is to give the individual member of the Executive Management a predictable minimum wage and thus be able to attract and retain members of the Executive Management with the requested competencies. The fixed annual salary is subject to an annual reassessment and is described in the annual report of the Company.

4.3 **Pension Contribution**

4.3.1 Members of the Executive Management shall receive an employer pension contribution of up to 10% of the fixed annual salary.

4.4 **Usual Fringe Benefits**

4.4.1 Members of the Executive Management may receive the right to mobile phone, internet access, and health insurance.

4.5 **Variable Remuneration**

4.5.1 **General**

- 4.5.1.1 In addition to the fixed annual salary, the Executive Management may receive variable remuneration. The variable remuneration shall reflect the short and long-term performance of the Company, support the Company's business strategy, and promote the long-term value creation and sustainability of the Company.
- 4.5.1.2 Members of the Executive Management may be eligible to receive an annual performance-based cash bonus and may participate in the Company's share-based long-term incentive programmes, which may comprise various instruments such as warrants, stock options, restricted share units, and performance shares, as determined by the Board of Directors.
- 4.5.1.3 The variable remuneration shall be relative to the fixed annual salary, with the following caps:
- (1) The STIP (as defined below) may not exceed a value equal to six (6) times the monthly base salary in any given financial year.
 - (2) The LTIP (as defined below) may not exceed a value at grant equal to six (6) times the monthly base salary in any given financial year, such value to be determined on the basis of customary valuation models, e.g. the Black-Scholes formula.

4.5.2 **Short-Term Incentive Programme ("STIP")**

- 4.5.2.1 The STIP consists of a cash-based performance bonus. The STIP shall be linked to the achievement of a number of predefined performance criteria, which may comprise both financial and non-financial targets and may include both individual targets and corporate targets. The level of achievement of the targets shall be assessed by the Remuneration and Nomination Committee and finally approved by the Board of Directors.
- 4.5.2.2 The performance criteria shall be based on a number of parameters to be approved by the Board of Directors, and may include financial targets such as the growth of the Company's results e.g. EBIT, EBITDA, result before tax, net profit or operational and/or qualitative goals, organic growth, cash flow, development in share price, etc., and non-financial and operational targets related to, e.g., the organizational development, compliance with the Company's internal rules and procedures, customer satisfaction, employee satisfaction, strategic milestones, pre-clinical and clinical development and ESG. Following the end of a financial year, the Board of Directors review the relevant performance criteria against data sources which may include audited financial figures, and any relevant internal and external assessment of the achievement of non-financial and operational targets. The assessment of the performance of any applicable qualitative targets will be at the Board of Director's final discretion.

4.5.3 **Long-Term Incentive Programme ("LTIP")**

- 4.5.3.1 The Executive Management may be eligible to participate in and receive share-based instruments at the discretion of the Board of Directors.
- 4.5.3.2 The LTIP is currently structured as a warrant programme. If the Board of Directors decide to implement a different form of share-based incentive programme, similar principles shall apply as those set out in this Policy.
- 4.5.3.3 The number of warrants granted shall be decided by the Board of Directors on the basis of a recommendation by the Remuneration and Nomination Committee. For each grant, the Remuneration and Nomination Committee shall assess to what extent the grant reflects the participant's seniority and position within the Company.
- 4.5.3.4 The warrants shall be subject to successive vesting over three (3) years from the date of grant.

- 4.5.3.5 After the expiry of the full vesting period of three (3) years from the date of grant, the exercise of vested warrants may take place in open trading windows four (4) times a year during successive four (4)-week windows, starting from the time of publication of either the Company's annual report or its interim financial statements (respectively three (3), six (6) and nine (9) months) during a period of two (2) years after the full vesting.
- 4.5.3.6 Vested warrants may be eligible for exercise for a period of up to two (2) years after the expiry of the full vesting period of three (3) years from the date of grant. No warrants can therefore be exercised following the fifth (5) anniversary of the date of grant of the warrants.
- 4.5.3.7 Warrants which have not been exercised during the exercise period will automatically lapse and become void without any further notice and compensation to the individual members of the Executive Management.
- 4.5.3.8 The exercise price for the warrants to be allocated under the LTIP shall be determined based on the volume-weighted average share price of the Company's shares as quoted on Nasdaq Copenhagen A/S for the five (5) trading days prior to the date of grant. In exceptional circumstances, the Board of Directors may determine a longer period for the calculation of the exercise price due to extraordinary trading volumes, price developments, or similar extraordinary circumstances, provided, however, that such period cannot exceed 30 trading days prior to the date of grant.
- 4.5.3.9 Terms and conditions related to delivery and/or exercise of the warrants shall be determined by the Board of Directors. Customary conditions must apply with respect to the consequences in case of resignations by members of the Executive Management during the vesting period.
- 4.5.4 **Reduction, Deferral or Reclaim of Variable Remuneration**
- 4.5.4.1 The Company will, under special circumstances, be entitled to reduce, defer or reclaim, in full or in part, any variable remuneration (both cash- and share-based) that has been awarded, accrued and paid on the basis of information that has proven to be based on a misstatement, or if a member of the Executive Management is deemed to have caused a material loss to the Company due to wilful misconduct or acted in bad faith in respect of other matters which implied payment of a too large variable remuneration.
- 4.5.5 **Changes in Share Capital Structure, etc.**
- 4.5.5.1 The Board of Directors shall lay down specific terms governing the variable remuneration to the Executive Management, including adjustment of the terms and conditions of the LTIP, e.g. in case of changes in the Company's share capital structure or other significant events which may have unintended effects on the value of the incentives granted.
- 4.6 **Extraordinary Awards**
- 4.6.1 In individual and extraordinary cases, the Board of Directors may at its discretion grant one-off bonuses or other extraordinary incentive remuneration, e.g. extraordinary cash bonus, retention bonus, sign-on bonus or other incentives, in order to achieve the purpose of this Policy. Such extraordinary grant may be incentive-based and may consist of cash- and/or share-based remuneration. The value of such extraordinary grant may not exceed an amount corresponding to 200% of the fixed annual salary of the member of the Executive Management at the time of grant.
- 4.7 **Assignment as Board Member**
- 4.7.1 If a member of the Executive Management is elected or appointed to the board of directors of the Company, the Company's subsidiary or associated companies, the member's salary will be reduced by any amount which the member may receive as remuneration for assuming any position or undertaking any assignment at the Board of Directors' request.

5 TERMINATION AND SEVERANCE PAYMENTS

- 5.1 Members of the Board of Directors are elected by the general meeting for a term of one (1) year. Reelection may take place. Members of the Board of Directors are not entitled to severance payments in relation to their resignation from the Board of Directors.
- 5.2 Members of the Executive Management are employed on individual contracts, which are generally entered into for an indefinite term with a mutual right of termination. The notice period may be up to 12 months for the Company and up to nine 9 months for members of the Executive Management.
- 5.3 Remuneration paid to members of the Executive Management during a notice period, including any severance payment, may not exceed a total of two (2) years' salary calculated on the basis of the full remuneration regardless of its form.

6 D&O INSURANCE AND INDEMNIFICATION

- 6.1 The Company has taken out customary D&O insurance covering the Board of Directors and Executive Management.
- 6.2 To the extent such insurance coverage should prove to be insufficient, the Company may in certain cases decide to indemnify members of the Board of Directors and the Executive Management, to the fullest extent permitted by law, for additional claims personally incurred by a member of the Board of Directors and Executive Management, subject to such claims not being caused by wilful misconduct or criminal act by the member of the Board of Directors and Executive Management.

7 DEVIATIONS FROM THE POLICY

- 7.1 If deemed necessary in order to ensure the long-term interests of the Company and its shareholders, and to meet the overall objectives of this Policy, the Board of Directors may, in individual and extraordinary circumstances, decide to deviate from the principles set out in this Policy. Such deviations may include changes to the relative proportion of the remuneration components of the Board of Directors and the Executive Management, respectively, changes to the maximum value, and the terms and conditions of the long and short-term incentives, and changes to the term of and termination provisions in individual contracts entered into with members of the Executive Management.
- 7.2 Any deviation shall only apply for the period where the criteria and the topicality of the extraordinary circumstances are complied with. Further, any deviation must be discussed and approved by the Board of Directors on the basis of a written proposal.
- 7.3 The remuneration report shall include a description of any deviations that have been effectuated during the past financial year, along with an explanation of the reasons behind such deviations.

8 COMPARISON WITH TERMS OF EMPLOYMENT FOR OTHER EMPLOYEES

- 8.1 In the preparation of this Policy, the Board of Directors have taken into account the terms of employment for other employees of the Company besides the members of the Board of Directors and Executive Management.
- 8.2 Taking into account the responsibility and the duties of members of the Board of Directors and Executive Management, the Board of Directors find that there is an appropriate balance between the remuneration and other employment terms of the members of the Board of Directors and Executive Management and the remuneration and other employment terms of the Company's other employees.

9 PROCEDURE FOR APPROVAL OF THE POLICY AND CONFLICT OF INTERESTS

- 9.1 The Remuneration and Nomination Committee is responsible for preparing this Policy and submitting it to the Board of Directors for review and approval. This Policy shall be presented to the general meeting of the Company for approval at least every four (4) years and upon any proposed material amendments.
- 9.2 This Policy is reviewed once a year by the Board of Directors based on recommendations from the Remuneration and Nomination Committee. In making its recommendations, the Remuneration and Nomination Committee will, among other things, consider the need to revise the Remuneration Policy due to changes in market practice, including the practice among comparable peers, specific circumstances as well as any feedback received from shareholders and other stakeholders.
- 9.3 The risk of conflict of interests is remedied as the Policy and all material changes must be approved by the general meeting. Remuneration to the members of the Board of Directors is approved annually for the current fiscal year by the general meeting. The Board of Directors are responsible for determining and approving remuneration to members of the Executive Management within the framework of this Policy.

10 DISCLOSURE IN REMUNERATION REPORT

- 10.1 The total remuneration granted by the Company or other companies in the group to the members of the Board of Directors and the Executive Management, including both fixed and variable remuneration and all benefits regardless of the sort of benefit, must be disclosed in the Company's remuneration report.
- 10.2 In the remuneration report, it must be described and explained how the total remuneration is in compliance with the Policy. This shall also be explained and motivated by the Chairperson at the annual general meeting.

11 PUBLICATION

- 11.1 This Policy is available on the Company's website together with the date for and result of the voting of the general meeting.

Approved by the Board of Directors of GUBRA A/S and adopted at the extraordinary general meeting of GUBRA A/S on 16 March 2023.