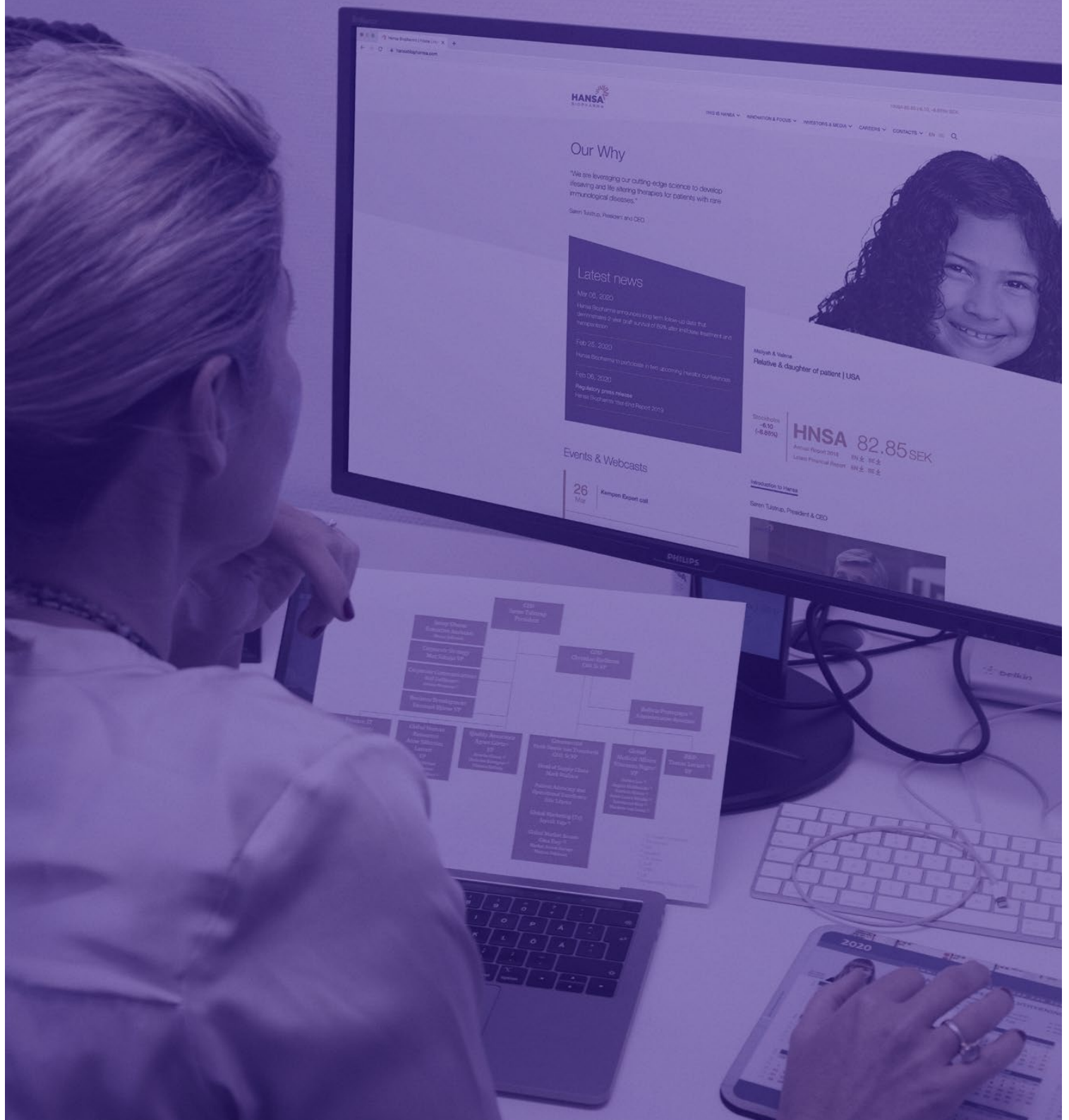


# Corporate governance report



## Introduction

The Board of Directors of Hansa Biopharma AB (publ) (the "Board"), Company reg. no. 556734-5359 ("Hansa Biopharma" or the "Company") hereby submits the 2019 corporate governance report in accordance with the requirements of the Swedish Annual Accounts Act (1995:1554) (Sw. årsredovisningslagen) and the Swedish Code of Corporate Governance (the "Code"; see the Swedish Corporate Governance Board website at [www.corporategovernanceboard.se](http://www.corporategovernanceboard.se)). The Company's shares were admitted for trading on Nasdaq Stockholm in November 2015. The Company's shares were previously, since 2007, listed on Nasdaq First North. The Company's corporate governance is mainly regulated by the provisions of the Company's articles of association, the Swedish Companies Act (2005:551) (Sw. aktiebolagslagen) and other Swedish legislation, the Nasdaq Stockholm Rulebook for issuers and the Code.

The corporate governance report has been reviewed by the Company's auditors in accordance with the Swedish Annual Accounts Act. It does not constitute a part of the formal annual report documents.

The Group comprises the Parent Company, Hansa Biopharma AB, and its wholly owned subsidiaries Cartela R&D AB, Hansa Biopharma Ltd and Hansa Biopharma Inc. Hansa Biopharma Ltd is owner of patent rights to the EnzE concept.

There are no deviations from the Code to report for the financial year 2019. No infringements of Nasdaq Stockholm's rules and no breach of good practice on the securities market was reported by the stock exchange's disciplinary committee or the Swedish Securities Council during the financial year 2019.

## Shareholders

There are no limitations on the transferability of Hansa Biopharma's shares due to legal restrictions or provisions of the articles of association. To Hansa Biopharma's knowledge, no agreement has been entered between any shareholders which might limit the transferability of the shares. As of December 31, 2019 Nexttobe AB is the only shareholder owning more than 10 percent of the Company's shares, by its shareholdings of 14.4 percent.

## Hansa Biopharma corporate governance model

The diagram set forth below illustrates Hansa Biopharma's corporate governance model and the central corporate bodies during 2019.



### Significant external and internal regulations and policies which affect corporate governance:

#### Significant internal regulations and policies:

- › Articles of association
- › Rules of procedure for the Board
- › Instruction for the CEO, including the financial reporting instruction
- › Disclosure policy
- › Insider instruction
- › Procurement and expenditure policy
- › Treasury policy
- › Finance policy
- › Risk management policy
- › Financial handbook
- › Staff handbook
- › Executive remuneration policy

#### Significant external regulations:

- › Swedish Companies Act
- › Swedish Accounting Act
- › Swedish Annual Accounts Act
- › International standards for audits and financial reporting (IFRS)
- › Nasdaq Stockholm Rulebook for issuers
- › Swedish Code of Corporate Governance

## Information regarding Hansa Biopharma AB shares

The shares in the Company are divided into ordinary shares and C-shares. On December 31, 2019, the total number of shares was 41,447,564 with 40,026,107 ordinary shares and 1,421,457 C-shares, with a quotient value of SEK 1. Each ordinary share carries one vote and each C-share carries one tenth. All C-shares are owned by the Company. Each person entitled to vote may vote for his or her full number of shares. Each share confers the right to an equally large percentage of the Company's distributable profits.

## General meeting

The Company's highest decision-making body is the general meeting, where the shareholders' influence over the Company is exercised. Shareholders who wish to participate at a general meeting, personally or through a proxy, must be entered in the share register maintained by Euroclear Sweden AB five business days prior to the general meeting and must give the Company notice of intention to attend as described in the notice to attend the general meeting. Notices to attend general meetings are given through advertisement as well as on the Company's website ([www.hansabiopharma.com](http://www.hansabiopharma.com)). The annual general meeting ("AGM") must be held within six months from the close of the financial year. At the AGM, the shareholders adopt resolutions regarding, among other things: the Board and auditors; the procedure for appointing the nomination committee; and discharge from liability for the Board and the CEO in respect of the preceding year. Resolutions are also adopted regarding: adoption of the annual report; disposition of profits or treatment of losses; fees for the directors and auditors; and guidelines for remuneration to senior executives.

## 2019 Annual General Meeting

At the 2019 AGM, which was held on May 22, 92 shareholders representing 36.6 percent of the total number of votes and 36 percent of the total number of shares in the Company were represented. The AGM adopted the 2018 annual accounts, adopted a resolution regarding that the members of the Board shall be six with no deputy members, and granted the directors and CEO a discharge from liability. The general meeting resolved that no dividend would be paid. The AGM resolved that Ulf Wiinberg, Birgit Stattin Norinder, Anders Gersel Pedersen and Andreas Eggert are re-elected as members of the Board and that Eva Nilsagård and Mats Blom would be elected as new members of the Board, for the period until the end of the next AGM. The AGM further resolved to re-elect Ulf Wiinberg as chairman of the Board for the period until the end of the next AGM. The AGM resolved to re-elect KPMG AB as auditor, with Jonas Nihlberg as the auditor in charge, for the period until the end of the next AGM.

The AGM resolved that the fees for the Board, for the period until the end of the next AGM, shall be SEK 900,000 to the chairman of the Board and SEK 300,000 each to the other Board members. It was further resolved that the remuneration to the chairman of the Audit Committee should be SEK 75,000 and SEK 40,000 to each other member in the Audit Committee, SEK 40,000 to the chairman of the Remuneration Committee and SEK 25,000 to each other member in the Remuneration Committee, and SEK 25,000 to each board member in the Scientific Committee. It was further resolved that the remuneration to the auditor shall be paid as per approved current account.

The AGM further resolved, in accordance with the Boards' proposal, to authorize the Board, for the period up to the next AGM, to adopt decisions, whether on one or several occasions and whether with or without pre-emptive rights for the shareholders, to issue new ordinary shares; provided however that such issues, in aggregate, must not exceed ten percent of the total number of outstanding ordinary shares in the company as of the date of the AGM. It should also be possible to make such an issue resolution stipulating in-kind payment, the right to offset debt or other conditions. The purpose of the authorization is to increase the financial flexibility of the company and the acting scope of the Board as well as to potentially broaden the shareholder base.

Minutes from the AGM are available at Hansa Biopharma's website ([www.hansabiopharma.com](http://www.hansabiopharma.com)). The 2020 AGM will take place on June 23, 2020.

## Remuneration to Executive Management

The remuneration guidelines for Executive Management adopted by the 2019 AGM entail that Executive Management is offered remuneration which is competitive and on market terms. The level of the remuneration for the individual manager shall be based on factors such as position, expertise, experience and performance. The remuneration consists of a fixed salary and pension benefits and, in addition, may consist of variable salary, share based long term incentive programmes, severance remuneration, non-monetary benefits. The variable salary shall be based on the achievement of quantitative and qualitative targets and should not exceed 50 percent of the annual fixed salary. Salary during the notice of termination period and severance remuneration shall be possible in a total maximum amount of 24 monthly base salaries.

Share and share based long term incentive programmes shall, if applicable, be decided by the Annual General Meeting. For information regarding the adopted long term incentive programs, please refer to the Directors Report on page 34–41 and Note 1 and Note 5 to the Consolidated Financial Statements on page 51–57 and 59–66 respectively.

Where special cause exists in an individual case the Board of Directors is authorised to deviate from the guidelines.

## Nomination committee

Prior to the 2020 AGM, Hansa Biopharma's nomination committee comprises Erika Kjellberg Eriksson (representing Nexttobe AB), Anna Sundberg (representing Handelsbanken funds), Sven Sandberg (representing Thomas Olausson and Gladiator) and Ulf Wiinberg (chairman of the Board). Erika Kjellberg Eriksson has been elected as chairman of the nomination committee. Ulf Wiinberg is the convener of the committee.

The nomination committee prepares a proposal regarding the number of directors and persons to be elected as directors, including the chairman, and a proposal for remuneration to the chairman and the other Board members, as well as a proposal for remuneration for the Board members' committee work. The nomination committee also proposes election of auditors including remuneration to the auditor. Finally, the nomination committee proposes principles for the nomination committee prior to the AGM 2021. The proposals will be published in connection with the notice to the 2020 AGM.

## External auditors

The external audit of the accounts of the Parent Company and the Group, as well as of the management by the Board and the CEO, was carried out in accordance with generally accepted accounting standards in Sweden. The auditor participates in at least one Board meeting per year, going through the accounts for the year and leading a discussion with the directors without the CEO or any other senior executive present.

Pursuant to the articles of association, Hansa Biopharma must have a registered accounting firm as its external auditor. The accounting firm KPMG AB has been the auditor of the Company since the 2015 AGM. As from the 2018 AGM certified public accountant Jonas Nihlberg is auditor in charge. From the 2016 AGM up to and including the 2018 AGM, certified public accountant Dan Kjellqvist was auditor in charge. Dan Kjellqvist personally was the Company's auditor commencing at the time of the 2014 AGM up to and including the 2015 AGM. Jonas Nihlberg and Dan Kjellqvist are members of the Swedish Institute of Authorized Public Accountants. For information regarding fees paid to the auditors, please refer to note 6 in the 2019 annual report.

## The Board

The overall task of the Board is to manage the affairs of the Company in the best possible manner on behalf of the shareholders. The Board must continuously evaluate the Group's operations, development and financial situation, as well as the operative management. The Board decides upon, among other things: issues concerning the Group's strategic focus and organization; business plans; financial plans and budget; significant agreements; major investments and commitments; and finance, disclosure, and risk management policies. The Board must also ensure that the Company prepares insider instructions. The Board works according to rules of procedure which are adopted annually, and which govern the frequency and agenda of Board meetings, distribution of materials for meetings, and matters to be presented to the Board for information or for a decision. The rules of procedure also govern how the Board work is allocated among the Board and its committees. The Board has also adopted CEO instructions which govern the allocation of work among the Board, the chairman, and the CEO, and which defines the CEO's authority.

The chairman must keep himself well informed about, and monitor, the Company's business. The chairman is responsible for ensuring that the Board's work is carried out efficiently and that the Board fulfils its obligations in accordance with applicable laws and regulations, the Code, the articles of association, resolutions of the general meeting, and the Board's own rules of procedure. The chairman is also responsible for ensuring that the Board carries out the decisions that are made and that their work is evaluated. Further on, the chairman is also responsible for ensuring that the directors regularly update their knowledge about the Company and that new directors receive necessary introductory training.

The chairman represents the Company in ownership questions and is responsible for the day-to-day contact with the CEO and senior executives. The chairman must also approve remuneration and other employment terms and conditions for senior executives. The chairman is also responsible for the Company's archives, in which minutes from all Directors' meetings and general meetings must be saved.

The chairman prepares Board meetings together with the CEO. The notice of the meeting and the agenda are sent to the directors only after they have been approved by the chairman. After this, the notice is sent together with sufficient decision-making documentation to the directors. Each and every Board meeting includes a review of the business, including development and advances within research and development, business development, consolidated earnings and financial position, financial reports, and forecasts.

Pursuant to the articles of association, the Board must comprise not less than three and not more than ten directors elected by the general meeting. The Board is quorate when more than half of the directors are present. The articles of association do not contain any provisions regarding appointment or dismissal of directors or regarding amendment of the articles of association.

Directors' fees were set at the 2019 AGM for a period up to and including the next AGM. The fees for the Board's work in 2019 were set as follows. The chairman is paid SEK 900,000, and each other director is paid SEK 300,000. Further on SEK 75,000 is paid to the chairman and SEK 40,000 is paid to each other board member in the audit committee, SEK 40,000 is paid to the chairman and SEK 25,000 is paid to each other board member in the remuneration committee and SEK 25,000 is paid to each board member in the scientific committee. No remuneration other than the above-mentioned fees have been paid to the Board except for travel costs. No pension premiums or similar benefits were paid to directors. None of the directors are entitled to benefits after completion of their duties. Please see the management report and note 5 in the 2019 annual report for additional information regarding employment terms and conditions for the Board and senior executives.

### Directors

The Board currently comprises six individuals, including the chairman. Each director's term continues until the end of the next AGM.

The following is a list of the directors, containing information regarding their years of birth and election to the Board, education, work experience, engagement in the Company and other significant engagements and holdings in the Company as of 31 December 2019. Holdings in the Company includes one's own holdings as well as those of closely related persons.





### Ulf Wiinberg

Chairman of the Board since 2016. Member of the Board and acting CEO during the period from November 9, 2017 until March 20, 2018.

Ulf Wiinberg is an experienced healthcare industry professional who has served on the boards of several healthcare industry associations. At Wyeth, he has been both President of the Global consumer health care business and President of the European pharma business. He also held the position of CEO of H Lundbeck A/S, a pharmaceutical company specialized in psychiatric and neurological disorders, for several years. Ulf is a non-executive member of the board of Alfa Laval AB, Agenus Inc and at the Belgian pharmaceutical company UCB. He is also chairman of the board of Sigrid Therapeutics AB as well as CEO and chairman of the board of Ulf Wiinberg Consulting & Invest AB. He was born in 1958.

Ulf is member of Hansa Biopharma's Remuneration Committee. Independent of Hansa Biopharma and its senior management. Independent of major shareholders of Hansa Biopharma.

**Shareholding:** 114,900 shares



### Birgit Stättin Norinder

Member of the Board since 2012. Chairman of the Board during the periods September 2014 until June 2016 as well as November 9, 2017 until March 20, 2018.

Birgit Stättin Norinder has extensive experience from international pharmaceutical and biotechnology companies in Sweden, the USA and the United Kingdom. She has managed several research and development departments, resulting in a number of novel and approved pharmaceuticals. Amongst many things she has served as CEO and Chairman at Prolifix Ltd., Senior VP Worldwide Product Development, Pharmacia & Upjohn and Dir. Int. Reg. Affairs Division, Glaxo Group Research Ltd. Birgit Stättin Norinder has also held several board and chairman positions of European biotechnology companies. She is a member of the board of AddLife AB and Jettesta AB. Chairman of the Board of Hansa Biopharma 2014-2016. Birgit Stättin Norinder holds an M.Sc. in Pharmacy from Uppsala University. She was born in 1948.

Birgit Stättin Norinder is member of Hansa Biopharma's Scientific Committee, and chairman of the Remuneration Committee. Independent of Hansa Biopharma and its senior management. Independent of major shareholders of Hansa Biopharma.

**Shareholding:** 42,205 shares



### Anders Gersel Pedersen

Member of the Board since 2018.

Anders Gersel Pedersen has a long experience in the international pharmaceutical industry. Following his degree in medicine and research fellow positions at Copenhagen hospitals, he worked for Eli Lilly for 11 years. In January 2000 he joined H. Lundbeck A/S in Denmark and most recently served as Executive Vice President of the Research & Development organization, responsible for the discovery and development of the product pipeline from pre-clinical activities to post-launch marketing studies. He is a member of the Danish Society of Internal Medicine and serves on the supervisory boards of Avillion LLP, Bavarian Nordic A/S, and Genmab A/S. Anders Gersel Pedersen received his medical degree and a doctoral degree in neuro-oncology from the University of Copenhagen and a B.Sc. in Business Administration from Copenhagen Business School. He was born in 1951.

Anders is Chairman of Hansa Biopharma's Scientific Committee, and member of the Remuneration Committee. Independent of Hansa Biopharma and its senior management. Independent of major shareholders of Hansa Biopharma.

**Shareholding:** 2,500 shares



### Andreas Eggert

Member of the Board since 2018.

Andreas Eggert has more than 25 years of cross-functional leadership experience including commercial operations, launch and portfolio management, brand strategy, market access, and strategic consulting. He is the Chief Operating Officer at X-Vax Technology Inc. in the U.S. Previously, he served as Senior Group Vice President, Global Product Strategy & Portfolio Development, and Member of the Corporate Management Committee at H. Lundbeck A/S in Denmark, where he was responsible for multiple new product launches and the commercial leadership for shaping the product portfolio and development pipeline. Previously, Andreas served as Vice President & Global Business Manager at Wyeth/Pfizer in the U.S. He held several senior commercial positions for Wyeth in the US, Japan and in Germany. Andreas also was a Management Consultant at A.T. Kearney. Andreas Eggert holds an MBA from Azusa Pacific University. He was born in 1967.

Andreas is member of Hansa Biopharma's Audit Committee and Scientific Committee. Independent of Hansa Biopharma and its senior management. Independent of major shareholders of Hansa Biopharma.

**Shareholding:** 5,500 shares



### Eva Nilsagård

Member of the Board since 2019.

Eva Nilsagård is currently founder and CEO of Nilsgård Consulting AB. She has served as CFO of OptiGroup, Vitrolife and Plastal, Senior Vice President Strategy & Business Development at Volvo Group and held senior positions in finance and business development at Volvo, AstraZeneca and SKF. Eva is a board member and chairman of the Audit Committee of Addlife, Bufab, Irras and Xbrane Biopharma, and board member of SEK (Swedish Export Credit Company). Eva Nilsagård has more than ten years of experience as a mentor for young female managers with high potential. Eva Nilsagård holds an Executive MBA in Economics and a Bsc in accounting and finance from School of Business, Economics and Law in Gothenburg.

Eva is Chairman of Hansa Biopharma's Audit Committee. Independent of Hansa Biopharma and its senior management. Independent of major shareholders of Hansa Biopharma. She was born in 1964.

**Shareholding:** 3,000 shares



### Mats Blom

Member of the Board since 2019.

Mats Blom has extensive managerial experience and is Chief Financial Officer (CFO) of NorthSea Therapeutics. He has served as CFO of Zealand Pharma A/B, a biotechnology company focused on the discovery, design and development of innovative peptide-based medicines, and Swedish Orphan International, an orphan drug company acquired by BioVitrin in 2009. In addition, Mats Blom has held CFO positions at Modus Therapeutics, Active Biotech AB and Anoto Group AB. He has also served as a management consultant at Gemini Consulting and Ernst & Young. Mats Blom holds a BA in Business Administration and Economics from the University of Lund and an MBA from IESE University of Navarra, Barcelona.

Mats is member of Hansa Biopharma's Audit Committee. Independent of Hansa Biopharma and its senior management. Independent of major shareholders of Hansa Biopharma. He was born in 1965.

**Shareholding:** 1,000 shares

## The Board of Directors' work in 2019

During 2019, the Board has held eleven meetings, of which four were held per telephone and one was the inauguration meeting. The Board has also made resolutions per capsulam at one occasion. In 2019, the Board primarily worked with the approval of imlifidase in the EU and USA, including the development of the organization from both a medicinal and commercial standpoint.

At the Board meetings held during the 2019 financial year, the directors were present as set forth below. The number of meetings and the maximum number of directors who could have been present are stated in parentheses during the financial year.

### The reporting period is 1 January–31 December 2018

Board member	Elected	Present at meetings of the Board	Present at meetings of the remuneration committee	Present at meetings of the audit committee	Present at meetings of the scientific committee	Independent in relation to the company and corporate management	Independent in relation to the company's largest shareholders
Ulf Wiinberg	2016	11(11)	4(4)	3(6)	2(2)	Yes	Yes
Birgit Stattin Norinder	2012	11(11)	4(4)	3(6)	2(2)	Yes	Yes
Anders Gersel Pedersen	2018	7(11)	3(4)	–	1(2)	Yes	Yes
Andreas Eggert	2018	11(11)	–	6(6)	2(2)	Yes	Yes
Eva Nilsagård <sup>1</sup>	2019	7(11)	–	3(6)	–	Yes	Yes
Mats Blom <sup>2</sup>	2019	7(11)	–	3(6)	–	Yes	Yes
Stina Gestrelus <sup>3</sup>	2007-2019	3(11)	–	–	–	Yes	Yes
Angelica Loskog <sup>4</sup>	2016-2019	3(11)	–	–	–	Yes	No

<sup>1</sup> Eva Nilsagård was elected as new member of the Board at the 2019 AGM.

<sup>2</sup> Mats Blom was elected as new member of the Board at the 2019 AGM.

<sup>3</sup> Stina Gestrelus declined re-election as a member of the Board in connection with the 2019 AGM.

<sup>4</sup> Angelica Loskog declined re-election as a member of the Board in connection with the 2019 AGM.

### Evaluation of the Board of Directors' work

Pursuant to the Code, the Board is to evaluate its work annually, using a systematic and structured process, with the aim of developing the Board's working methods and efficiency. The evaluation has been carried out by the chairman of the Board by, in the end of 2019, interviewing the directors with questions about the work of the Board. The result of the responses has been verbally declared to the directors and the members of the nomination committee.



## Board committees

### Remuneration committee

After the 2019 AGM, the remuneration committee has consisted of Birgit Stattin Norinder, chairman, Ulf Wiinberg and Anders Gersel Pedersen. The remuneration committee is charged with performing the duties set forth in the Swedish Corporate Governance Code. The committee is obligated to keep minutes of its meetings and make the minutes available to the Board.

The primary duties of the remuneration committee are to:

- › prepare decisions for the Board regarding remuneration principles, remuneration and other employment terms and conditions for senior management, among other things by proposing to the Board the guidelines for remuneration to senior management, to be adopted at the AGM of the shareholders;
- › monitor and evaluate any programs pending or adopted during the year for variable compensation for senior management; and monitor and evaluate the application of the guidelines for remuneration adopted by the AGM, as well as applicable remuneration structures and levels for the Company;
- › monitor and evaluate the application of the guidelines for remuneration adopted by the AGM, as well as applicable remuneration structures and levels for the Company.

### Audit committee

After the 2019 AGM, the Audit Committee consisted of Eva Nil-sagård, chairman, Mats Blom and Andreas Eggert. The committee is obligated to keep minutes of its meetings and make the minutes available to the Board. The Audit Committee shall perform the duties incumbent upon audit committees as required by law and the Swedish Code of Corporate Governance.

The primary duties of the audit committee are to:

- › monitor the Company's financial reporting;
- › with respect to the financial reporting, monitor the effectiveness of the Company's internal controls, internal audit and risk management;
- › inform itself of the audit of the annual reports and group accounts;
- › review and monitor the auditor's impartiality and independence, and, in this context, particularly monitor whether the auditor is providing the Company with services other than auditing services;
- › take decisions regarding guidelines for services other than the auditing services which the external auditor can provide.

### Scientific committee

After the 2019 AGM, the Scientific Committee consists of Anders Gersel Pedersen, chairman, Birgit Stattin Norinder and Andreas Eggert. The committee is obligated to keep minutes of its meetings and make the minutes available to the Board.

The primary duties of the scientific committee are to:

- › assist the Board with recommendations regarding the Company's research and development strategies and possibilities;
- › perform such other duties as are considered necessary and appropriate in conjunction with the work set forth above; and perform such other duties as instructed by the Board from time to time.

## Executive management

The Board appoints a CEO to manage the Company. In addition to the CEO, there are five individuals who make up Company management:

- › Senior Vice President, Chief Financial Officer
- › Senior Vice President, Chief Commercial Officer
- › Senior Vice President, Chief Scientific Officer
- › Vice President, Global HR
- › Vice President, Corporate Strategy

The management group holds meetings every month to discuss the Group's earnings and financial position, the status of research and development projects, strategic issues, and follow-up of budgets and forecasts.

### The CEO's responsibility

The CEO is responsible for managing the Company's day-to-day operations pursuant to the Board's guidelines and instructions. The CEO is also responsible, in accordance with the Board's written instructions, for preparing and presenting to the Board issues which fall beyond the scope of day-to-day management and he must act in accordance with the instructions to the CEO adopted by the Board, the decisions of the Board and the general meeting, and in the best interests of all shareholders. He must also respect the fiduciary duty and duty of confidentiality which apply to affairs and circumstances which might cause damage to the Company if disclosed, as well as the duty to report matters and circumstances which are material to the Company.

The CEO must take any and all measures which are necessary to ensure that the Company's bookkeeping is legally compliant and to ensure that funds are managed in a satisfactory manner. Accordingly, it is the CEO's responsibility to ensure that the Company has good internal management and routines to ensure application of the adopted principles for financial reporting and internal control. The CEO shall each month (with the exception of January and July) compile a report regarding the Company's financial situation. He is responsible for ensuring that the Company complies with applicable laws and guidelines, including Swedish law, the Nasdaq Stockholm Rulebook for issuers and the Code. The CEO must ensure, at a minimum, that the six-month report or the nine-month report is examined by an auditor. The CEO also has specific responsibility to ensure the competitive supply of all purchases of goods or services exceeding SEK 1 million. The CEO must provide the Board with all necessary background information and documentation, both before and between Board meetings. The CEO must attend Board meetings unless the chairman informs him that he need not to attend. The CEO must also attend all general meetings of the Company, including both AGM:s and extraordinary general meetings. The CEO may not have any engagements outside of the Company without the Board's approval.

The CEO is also responsible for implementing the strategy approved by the Board and to propose such other strategies and operational measures to the Board which he deems appropriate. The CEO is responsible for the Company's internal organization, but must obtain the Board's approval prior to major organizational changes. The CEO is responsible for issuing and maintaining instructions for delegation to senior executives of the Company. He is also responsible for entering into or terminating employment agreements and for other employment terms and conditions; however the chairman's approval is necessary for such issues in respect of senior executives.

In a serious crisis situation, it is the CEO's responsibility to inform the Board immediately and, if necessary, to form and instruct a crisis committee and to prepare a contingency plan for the business. The CEO must immediately report any event or procedure which he suspects may be significantly adverse to the business or the Company's financial position, e.g. a liquidity crisis, to the chairman.

Information regarding the CEO's age, primary education, work experience, significant engagements outside of Hansa Biopharma, and his holdings of shares in the Company and those of closely-related persons are set forth below.

### Senior executives

Hansa Biopharma's senior executives currently comprise six individuals: the President and the CEO Søren Tulstrup; Senior Vice President, Research and Development, Chief Scientific Officer and Chief Operating Officer Christian Kjellman; Senior Vice President, Chief Financial Officer Donato Spota; Senior Vice President, Chief Commercial Officer Henk Doude van Troostwijk; Vice President, Corporate Strategy Max Sakajja and Vice President, Global HR Anne Säfström Lanner.

Hansa Biopharma's current senior executives, the years when they assumed their positions, their years of birth, education, work experience, significant engagements outside the Company and holdings in Hansa Biopharma as of 31 December 2019 are listed below. Holdings in the Company includes both one's own holdings and/or those of closely-related persons.

The number of share rights refers to the possible entitlement of share rights through the incentive program LTIP 2016, LTIP 2018 & 2019 is the potential maximum number. Share right allocation could be lower or zero depending on the share price development.



### Søren Tulstrup

CEO

Søren Tulstrup has broad and extensive experience as senior executive in the global biopharma industry. Recently, he served as CEO of Vifor Pharma AG (VTX:VIFN), a Glattbrugg, Switzerland-based global pharmaceutical company. Søren Tulstrup has also served as CEO of Santaris Pharma A/S, now part of Roche, a leading clinical stage biopharmaceutical company developing RNA-targeted drugs for various therapeutic areas including rare genetic diseases. Furthermore, Søren Tulstrup has served in several senior general management and commercial roles within Shire Pharmaceuticals (now Takeda), Merck & Co., Inc. and Sandoz Pharma AG (now Novartis) in both Europe and the United States and he holds a Master of Science, Economics and Business Administration from Copenhagen Business School. He was born in 1965.

**Shareholding:** 10,000

**Share rights:** 86,540

**ESOPs:** 66,347



### Christian Kjellman

Senior Vice President, Research and Development, Chief Scientific Officer and Chief Operating Officer

Christian Kjellman is an experienced researcher and senior executive that joined Hansa Biopharma in 2008. This year Christian expanded his duties within Hansa Biopharma, serving as Chief Operating Officer as well as continuing to serve as Chief Scientific Officer. Christian has previously served as Senior Scientist at Biolvent AB focusing on novel target evaluation and antibody technology. Prior to that, he functioned as Head of Research at the biopharmaceutical development company Cartela AB, mainly focusing on novel drug target evaluation. He has extensive research experience in cell- and molecular biology and as an Assistant Professor in Molecular Genetics at Lund University. Christian Kjellman holds a M.Sc. in Chemical Biology and a Ph.D. in Tumour Immunology from Lund University. He was born in 1967.

**Shareholding:** –

**Share rights:** 69,801

**ESOPs:** –



### Donato Spota

Senior Vice President, Chief Financial Officer

Donato Spota joined Hansa Biopharma in 2019, and brings more than 20 years of pharmaceutical industry experience in international environments, including strategic finance, business development, investor relations and international capital markets transactions to the company. Prior to joining Hansa, Donato Spota served as Chief Financial Officer at Basilea Pharmaceutica AG. He holds a degree in Information Technology from the Swiss BBT (Bundesamt für Berufsbildung und Technologie) and a master's degree in business administration from the Hochschule für Wirtschaft und Umwelt Nürtingen-Geislingen. He was born 1971.

**Shareholding:** –

**Share rights:** 23,434

**ESOPs:** 42,642



### Henk Doude van Troostwijk

Vice President, Chief Commercial Officer

Henk Doude van Troostwijk has extensive management experience in sales and marketing in the areas of transplantation and orphan drugs. Before joining Hansa Biopharma in 2016, Henk Doude van Troostwijk served as General Manager of European Commercial Operations and Emerging Markets at Raptor Pharmaceuticals, an orphan disease focused global biopharma company based in the US. Prior to that, he held the position of Business Unit Director Oncology and Transplantation at Genzyme Europe BV. Henk Doude van Troostwijk holds an MBA from Henley Management College at the University of Reading, UK. He was born in 1965.

**Shareholding:** –

**Share rights:** 33,817

**ESOPs:** 21,231



### Anne Säfström Lanner

Vice President, Global HR

Anne joined Hansa Biopharma in January 2019, after having served at European Spallation Source (ESS), a joint European multi-disciplinary research facility and at Cellavision, a provider of digital solutions for medical microscopy within hematology. She has held positions both as Head of HR, Head of Resourcing, HR Manager & Deputy Head of HR and has extensive experience from growing start-up international companies. Anne holds a Bachelor of Social Science in Human Resource Management, focusing in organizational development & leadership, from Lund University. She was born in 1969.

**Shareholding:** 610

**Share rights:** 29,618

**ESOPs:** 2,000



### Max Sakajja

Vice President, Corporate Strategy

Max joined Hansa Biopharma in 2017. He has a broad background in corporate development, strategy and finance. He has previously worked with corporate finance at Swedish Orphan Biovitrum (SOBI) as Director Mergers & Acquisitions and was actively involved in all major transactions such as the acquisition and merger of Swedish Orphan International. Before joining Hansa, Max worked as Global Product and Service Development Manager at Envirotainer, the world leader in secure cold chain solutions for the life science industry, where he played an active role in building new growth-focused corporate strategy and launched a number of industry-first global commercial offerings. Max has also worked as an independent management consultant providing advisory services to the Scandinavian life science industry. Max holds an M.Sc. in Molecular Biotechnology from the Royal Institute of Technology. He was born in 1981.

**Shareholding:** 7,000

**Share rights:** 30,746

**ESOPs:** 5,000

The possible entitlement of share rights through the incentive program LTIP2016, LTIP2018 & 2019 is the potential maximum number. Share right allocation could be lower or zero depending on the share price development.

# Internal control and risk management in respect of the financial reporting

## Introduction

The following description is based on guidelines issued in 2008 by the Confederation of Swedish Enterprise and FAR.

The Company's internal control procedures in respect of the financial reporting have been formulated to ensure, with reasonable certainty, quality and accuracy in the reporting. The procedures are designed to ensure that the reporting is prepared in accordance with applicable laws and regulations as well as the requirements which are imposed on companies with shares admitted for trading on a regulated market in Sweden. The important prerequisites for achieving this are: (i) the existence of a satisfactory control environment; (ii) the execution of reliable risk assessments; (iii) the existence of established control structures and control activities; and (iv) satisfactory information, communications and follow-up.

## Internal audit

The board has evaluated the need for an internal audit function and has concluded that it is not warranted for Hansa Biopharma due to the scope of the operations and because the board's follow-up of the internal control is deemed sufficient to ensure that the internal control is effective. The board will review the need in the event of changes which may give rise to re-evaluation and at least once annually.

## Control environment

Internal control is based on Hansa Biopharma's control environment, which comprises the values and ethics from which the board, the audit committee, the CEO, the management group, and other employees communicate and operate. The control environment also includes the Company's organizational structure, leadership, decisional structure, decision-making authority, responsibility, and employee proficiency.

## Risk assessment

Risk identification and evaluation must be carried out in the manner described above including regarding risks in respect of the financial reporting. As part of this procedure, items in the income statement and statement of financial position entailing a great risk of significant error are identified. For Hansa Biopharma, accrued project costs in the Company's clinical projects have, at various times, involved significant amounts. The size of these is based, to great extent, on senior management's assessment of the degree of completion. For Hansa Biopharma, cash and equivalents, as well as current investments, comprise a significant percentage of the Company's total assets and are therefore deemed to give rise to a risk in the financial reporting. Moreover, the fact that Hansa Biopharma's administration is handled by a small number of individuals is listed as a risk since the dependency on a small number of key individuals becomes great and the possibility to allocate tasks and responsibility becomes limited. The Company's financial handbook includes controls to prevent and detect shortcomings in these areas.

## Control structure and control activities

The Board's rules of procedure and the instructions for the CEO and Board committees ensure a clear allocation of roles and responsibility. The Board has overall responsibility for internal controls. The CEO is responsible for the development of the system of routines, procedures and controls for the day-to-day operations. This includes, among other things, guidelines and role descriptions for the various decision-makers as well as regular reporting to the Board based on established routines. Policies, procedures, routines, instructions and templates for the financial reporting and the day-to-day administrative financial operations and financial issues are documented in Hansa Biopharma's Financial Handbook. Routines and activities have been designed to manage and rectify significant risks which are related to the financial reporting and which are identified in the risk analysis. The most significant, overall, group-wide corporate governance documents are the work procedures for the Board, instructions for the CEO, financial policy, disclosure policy, insider instructions, and risk management policy.

The primary purpose of control activities is the prevention and early-stage detection of errors in the financial reporting so that they can be addressed and corrected. There are manual and automated control activities on both the overall and more detailed levels. Access to IT systems is limited in accordance with powers and authorization. The CFO must compile monthly financial reports which, among other things, are to report earnings and cash flow for the preceding period and state budget deviations. These reports, and above all the budget deviations, must be analysed and commented upon by Company management. Follow-up takes place through regular meetings for review of these reports and analyses with the various managers and project managers. In this way, significant fluctuations and deviations are followed-up, minimizing the risk of errors in the financial reporting. The work involved with annual accounts and annual reports are processes which pose additional risks for errors in the financial reports. This work is of a less repetitive nature and contains more evaluative elements. Important control activities include, among other things, ensuring that there is a properly functioning reporting structure in which the various managers and project managers report pursuant to standardized reporting templates, and that important income statement and statement of financial position items are specified and commented upon.

## Information and communication

The informational activities are governed by an information policy. There are guidelines for external communications which ensure that the Company meets high standards for providing correct information to the shareholders and the financial market. Hansa Biopharma's communications must be characterized by transparency and must be correct, relevant, reliable and clear; they may not be misleading. A uniform strategy for external communications reduces the risk of erroneous information, rumours, and misunderstandings. All communications must take place in accordance with Nasdaq Stockholm's Issuer Rules, the Swedish Code of

Corporate Governance, and the laws and requirements imposed on Swedish companies whose shares are admitted for trading on a regulated market. The policy applies to all employees and directors of Hansa Biopharma and applies to both oral and written information.

The Board releases annual reports, financial statements and interim reports. All financial reports are published on the website ([www.hansabiopharma.com](http://www.hansabiopharma.com)) after having first been published pursuant to Nasdaq Stockholm's rules and regulations. The annual report is made available on the website and is provided as a hard copy to those shareholders who so wish.

### Follow-up

The Board's follow-up of internal controls in respect of the financial reporting takes place, among other things, through follow-up of the work and reports of the CFO and the external auditors. The work includes ensuring that measures are taken in respect of the shortcomings and proposed measures generated in conjunction with the external audit. The focus of the follow-up is Hansa Biopharma's compliance with its own rules and the existence of efficient and suitable processes for risk management, operational management, and internal control. Each year, the external auditor follows up on the selected elements of the internal control within the parameters of the statutory audit.

The auditor reports the results of the examination to the Board and Company management. Significant observations are reported, where applicable, directly to the Board.

The CEO is responsible for compiling all experience from the Company's risk management work and, following discussions with Company management, proposing any changes which the CEO deems necessary or applicable. The Board will decide on any changes.

## Auditor statement on the corporate governance report

To the general meeting of the shareholders in Hansa Biopharma AB (publ), corporate identity number 556734-5359

### Engagement and responsibility

It is the Board who is responsible for the corporate governance statement for the year 2019 on pages 93–105 and that it has been prepared in accordance with the Annual Accounts Act.

### The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

### Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Malmö 2 April 2020  
KPMG AB

Jonas Nihlberg  
*Authorized public accountant*  
*Lead auditor*

