



# Governance

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# General principles

## Introduction

**The Board of Directors of Hansa Biopharma AB (publ) (the “Board”), Company reg. no. 556734-5359 (“Hansa” or the “Company”) hereby submits the 2022 Corporate Governance Report in accordance with the requirements of the Swedish Annual Accounts Act (1995:1554) (Sw. årsredovisningslagen) and the Swedish Corporate Governance Code (the “Code”).**

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 Nordic Main Market Rulebook for Issuers of Shares 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.

No infringements of Nasdaq's rules and no breach of good practice on the securities market were reported by the stock exchange's disciplinary committee or the Swedish Securities Council during the financial year 2022.

During 2022, Hansa deviated from the Code by not announcing the names of the members of the Nomination Committee at least six months before the Annual General Meeting. The reason for this deviation is that the members of the Nomination Committee were not fully confirmed in time.

The Group comprises the Parent Company, Hansa Biopharma AB, and its wholly owned subsidiaries Cartela R & D AB, Hansa Biopharma Ltd, Hansa Biopharma Inc, and Hansa Biopharma Australia Pty Ltd.

### 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 into between any shareholders which might limit the transferability of the shares. As of 31 December 2022, Redmile Group LLC is the only shareholder owning more than 10 percent of the Company's shares, in its shareholdings of 20.8 percent.

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

### Significant internal regulations and policies:

- > Articles of association
- > Instruction for the CEO, including the financial reporting instruction
- > Work procedures for the Board
- > Disclosure policy
- > Insider policy
- > Procurement and expenditure policy
- > Treasury policy
- > Finance policy
- > Risk management policy
- > Staff handbook
- > Executive remuneration policy
- > Code of Conduct
- > Supplier Code
- > Global Data Privacy policy

### Significant external regulations:

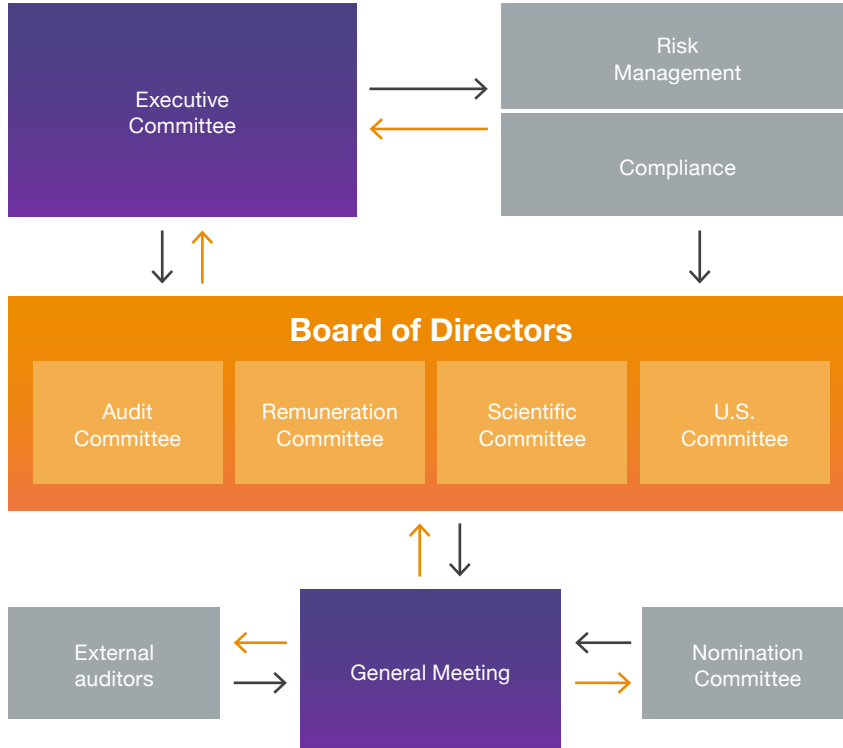
- > Market Abuse Regulation
- > Swedish Companies Act
- > Swedish Accounting Act
- > Swedish Annual Accounts Act
- > International standards for audits and financial reporting (IFRS)
- > Nordic Main Market Rulebook for Issuers of Shares
- > Swedish Corporate Governance Code



## General principles continued

### Hansa's corporate governance structure

Overview of Hansa's corporate governance structure during 2022



→ Electing / Appointing  
 ← Reporting / Informing

### Information regarding Hansa Biopharma AB's shares

The Company's shares were admitted for trading on Nasdaq Stockholm, Small Cap, in November 2015. The Company's shares were previously, since 2007, listed on Nasdaq First North.

The Company's shares are divided into ordinary shares and C-shares. On 31 December 2022, the total number of shares issued was 55,034,241 with 52,443,962 ordinary shares outstanding and 2,590,279 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. The number of votes in the Company amounts to 52,702,989.9.

Each ordinary share confers the right to an equally large percentage of the Company's distributable profits. The C-shares are not entitled to dividends and are subject to a redemption and reclassification clause.

### General meeting

The Company's highest decision-making body is the general meeting, where the shareholders' influence over the Company is exercised. In addition to what follows from applicable law regarding shareholders' right to participate at general meetings, shareholders who wish to participate at a general meeting, personally or through a proxy, must give notice of their attendance.

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, if applicable, guidelines for remuneration for senior executives.

### 2022 Annual General Meeting

The 2022 AGM was held on 30 June, with participation through advance voting according to sections 20 and 22 in the Act on temporary exemptions in order to facilitate the conduction of general meetings (Sw. lag (2020:198) om tillfälliga undantag för att underlätta genomförandet av bolags- och föreningsstämmor). In total, 16,427,831 of the shares in the Company were represented, meaning that 36.7 percent of the total number of votes and 35.45 percent of the total number of shares in the Company were represented.

The AGM adopted the 2021 annual accounts and granted the directors and CEO a discharge from liability. The AGM resolved that no dividend would be paid. The AGM resolved that Anders Gersel Pedersen, Andreas Eggert, Eva Nilsagård, Hilary Malone and Mats Blom are re-elected as members of the Board, and resolved election of Peter Nicklin as new member of the Board, all for the period until the end of the next AGM. Ulf Wiinberg, previous chair of the



## General principles continued

Board until the end of the 2022 AGM, was not standing for re-election. The AGM further resolved to elect Peter Nicklin as chair of the Board for the period until the end of the next AGM. The AGM resolved to re-elect KPMG AB as auditor, with Stefan Lundberg 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, should remain unchanged from the previous year and shall be SEK 900,000 to the chair of the Board and SEK 300,000 each to the other board members. It was further resolved that the remuneration to the chair of the Audit Committee should be SEK 150,000 and SEK 75,000 to each other member in the Audit Committee, SEK 40,000 to the chair of the Remuneration Committee and SEK 25,000 to each other member in the Remuneration Committee, SEK 25,000 to each board member in the Scientific Committee, and USD 20,000 to the chair of the U.S. 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 Board's proposal, to adopt guidelines for executive remuneration, to amend the articles of association, adopt a long-term incentive program based on performance-based share rights for certain employees in Hansa Biopharma, and adopt a long-term incentive program based on employee stock options for certain employees in Hansa Biopharma.

It was further resolved, in accordance with the Board's 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, and warrants and/or convertibles; provided however that such issues, or number of shares created in connection with conversion of warrants and/or convertibles, in aggregate, may not correspond to a dilution of more than 20 per cent of the total number of shares outstanding after full exercise of the authorization. It should also be possible to make such an issue resolution stipulating payment in cash, 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 2022 AGM are available at Hansa Biopharma's website ([www.hansabiopharma.com](http://www.hansabiopharma.com)). The 2023 AGM will take place on 14 June 2023.

### Remuneration to senior executives

The remuneration guidelines for senior executives adopted by the 2022 AGM entail that senior executives are offered remuneration which is competitive and on market terms. The level of the remuneration for the individual senior executive shall be based on factors such as position, expertise, experience and performance. The remuneration consists of a fixed base salary and pension benefits and, in addition, may consist of a variable cash remuneration (including STI), share-based long-term incentive programs (LTIP) as resolved by the AGM, severance remuneration, and other benefits. The variable salary shall be on market terms and be based on the achievement of quantitative and qualitative targets and should not exceed 75 percent of the annual fixed base salary.

The variable cash remuneration is intended to support recruitment or retention of key personnel or to reward extraordinary performance beyond the individual's ordinary responsibilities and shall not exceed 30 percent of the annual fixed base salary. Contributions to pension plans shall not exceed 30 percent of the annual fixed base salary. Salary during the notice of termination period and severance remuneration shall be possible in a total maximum amount of 18 monthly base salaries.

If notice of termination is made by the Company, the notice period may not exceed six months and the fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for 18 months for the CEO, and, for other senior executives, may not exceed an amount equivalent to the fixed cash salary for 6 months, and in exceptional cases, 12 months. When termination is made by the senior executive, the period of notice may not exceed six months and no severance pay will be paid.

Share and share based long-term incentive programs shall be decided by the AGM. For information regarding the adopted ongoing long-term incentive programs, please refer to the Directors Report and Note 2 and Note 14 to the Consolidated Financial Statements elsewhere in this Annual Report 2022.

The Board of Directors may temporarily resolve to derogate from the executive remuneration guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.

Please refer to Note 14 to the Financial Statements of the Parent Company and the Remuneration report in this Annual Report 2022 for further information on the 2022 guidelines.

During 2022, neither the Remuneration Committee nor the Board of Directors received any comments or questions from shareholders on the remuneration guidelines adopted at the 2022 AGM.

### Nomination Committee

Prior to the 2023 AGM, Hansa's Nomination Committee comprises of Natalie Berner (representing Redmile Group and chair of the Nomination Committee), Jannis Kitsakis (representing AP4), and Arne Myhrman (representing Thomas Olausson). Peter Nicklin (chair of the Board) is the convener of the Nomination Committee.

Procedures for appointing members of the Nomination Committee were adopted by the 2022 AGM. The Nomination Committee shall, pursuant to the Code, consist of at least three members of which a majority shall be independent in relation to Hansa Biopharma and its management. In addition, at least one member of the Nomination Committee shall be independent in relation to the largest shareholder in terms of voting rights or group of shareholders who cooperates in terms of Hansa's management.



## General principles continued

The Nomination Committee shall prepare proposals for the 2023 AGM for the chair of the AGM, board members, chair of the Board of Directors, remuneration to the Board, auditors, remuneration to the auditors, and the principles for the Nomination Committee before the 2023 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, is 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 must have a registered accounting firm as its external auditor. The accounting firm KPMG AB has been the auditor of the Company since the 2014 AGM. As from the 2022 AGM, certified public accountant Stefan Lundberg is auditor in charge. Stefan Lundberg is a member of the Swedish Institute of Authorized Public Accountants. For information regarding fees paid to the auditors, please refer to Note 30 to the Financial Statements.





# The Board

## The Board is the highest management body beneath the AGM

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 including identifying how sustainability issues impact risks to and business opportunities for the Group. 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 written rules of procedure which are adopted annually, and which regulate the framework for the Board meetings, including the frequency and agenda of 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 chair of the Board, and the CEO, and which defines the CEO's authority.

The Board is elected by the shareholders at the AGM up until the end of the next AGM, with the possibility of re-election. In addition, the Company's employees may, pursuant to statutory rules regarding the representation of employees on the Board, elect employee representatives to the Board. Currently, the Board has no employee representatives. All current board members are considered independent under the corporate governance standards of the Code and Nasdaq Stockholm.

The chair of the Board is responsible for contacts with the shareholders regarding ownership issues and for communicating the shareholders' views to the Board of Directors. The chair is further responsible for the day-to-day contact with the CEO and senior executives and must keep himself well informed about, and monitor, the Company's business. The chair 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, and that the Board carries out the decisions that are made and that their work is evaluated. Further, the chair is responsible for ensuring that the directors regularly update their knowledge about the Company and that new directors receive necessary introductory training. The chair must also approve remuneration and other employment terms and conditions for senior executives, and is responsible for the Company's archives, in which minutes from all Directors' meetings and general meetings must be saved.

The chair prepares Board meetings together with the CEO and Corporate Secretary. The notice of the meeting and the agenda are sent to the directors together with sufficient decision-making documentation. A 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 Company's articles of association, the Board must comprise of not less than three and not more than ten directors elected by the AGM. 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 2022 AGM for a period up to and including the 2023 AGM. The fees for the Board's work in 2022 were set as follows: SEK 900,000 to the chair of the Board and SEK 300,000 each to the other board members. It was further resolved that the remuneration to the chair of the Audit Committee should be SEK 150,000 and SEK 75,000 to each other member in the Audit Committee, SEK 40,000 to the chair of the Remuneration Committee and SEK 25,000 to each other member in the Remuneration Committee, SEK 25,000 to each board member in the Scientific Committee, and USD 20,000 to the chair of the U.S. Committee. No remuneration other than the abovementioned fees have been paid to the Board except for travel cost reimbursements. The board members are not entitled to any share-based compensation. 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 Remuneration Report and Note 14 to the Financial Statements, for additional information regarding employment terms and conditions for the Board and senior executives.

### Directors

The Board currently comprises six individuals, including the chair.

The 2022 AGM re-elected Anders Gersel Pedersen, Andreas Eggert, Eva Nilsagård, Mats Blom, and Hilary Malone as members of the Board. Further, Peter Nicklin was elected as a new member and chair of the Board. Ulf Wiinberg, previous chair of the Board, was not standing for re-election. Each director's term continues until the end of the next AGM. There are no rules about how long a member may serve on the Board if being re-elected.



## The Board continued

Prior to the 2022 AGM, the Nomination Committee announced that it had applied the provisions of rule 4.1 of the Code as Board diversity policy. The aim is that the Board as a collective should possess the required mix in terms of background and knowledge, whereby an even gender distribution is considered. The result of the Nomination Committee's application of the diversity policy is a Board that represents a mix of both professional experience and knowledge as well as geographical and cultural backgrounds. One third (1/3) of the board members elected by the AGM are women.

### Information about Board members as of 31 December 2022

Holdings in the Company include one's own holdings as well as those of closely related persons.

#### Tenure (years)

5

LONGEST

1

SHORTEST

#### Gender diversity

33%

FEMALE

67%

MALE

#### Meetings

18

BOARD MEETINGS

99%

ATTENDANCE



**Peter Nicklin**

Born 1963

Member and chair of the Board since 2022, member of the Remuneration Committee, the Scientific Committee and the US Committee.

Shareholding: 14,500 shares

Peter Nicklin has more than 30 years of extensive experience and background in the pharmaceutical and healthcare sector in both developed, as well as emerging markets and significant experience in leading global teams. Chair of the Board at Tunstall Healthcare and Sciensus. Previously, CEO and member of the Board of Amann Girrbach AG, Corporate Vice President and EMEA President of Baxter International (NYSE: BAX), as well as senior executive roles at Bayer Healthcare (XETRA: BAYN), Novartis (SWX: NOVN) and Bristol-Myers Squibb (NYSE: BMY). Peter holds a Bachelor of Arts with Honours in Finance from Lancaster University. He is also a Chartered Accountant having qualified at PriceWaterhouseCoopers in London.

Independent of Hansa and its executive management.

Independent of major shareholders of Hansa.



**Eva Nilsagård**

Born 1964

Member of the Board since 2019 and chair of the Audit Committee.

Shareholding: 3,000 shares

Eva Nilsagård is the founder and Chief Executive Officer of Nilsagård Consulting AB. Previous interim Chief Financial Officer of various companies, including OptiGroup AB, Plastal, and Vitrolife AB (STO: VITR). She has also served in various senior positions at the Volvo Group, or Volvo (STO: VOLV), including Senior Vice President Strategy & Business Development. Earlier in her career, Eva also held senior positions in finance and business development at AstraZeneca plc (LSE: AZN) and AB SKF (STO: SKF). Board member and chair of the audit committee of SEK (Swedish Export Credit Company), AddLife (STO: ALIF), Bufab Group (STO: BUFAB), Irras AB (STO: IRRAS), Nimbus Group AB (STO: BOAT), Nanexa (STO: NANEXA), Ernströmgruppen and Xbrane Biopharma (STO: XBRANE), the chair of Spermosens AB (Spotlight: SPERM) and Diagonal Bio AB (STO: DIABIO), and board member of eEducation Albert AB (STO: ALBERT). Eva has more than ten years of experience as a mentor for young female managers with high potential. She holds an Executive M.B.A. in Economics and a B.Sc. in accounting and finance from School of Business, Economics and Law in Gothenburg.

Independent of Hansa and its executive management.

Independent of major shareholders of Hansa.



## The Board continued



### Mats Blom

Born 1965

Member of the Board since 2019 and member of the Audit Committee.

Shareholding: 1,000 shares

Mats Blom serves as Chief Financial Officer of NorthSea Therapeutics B.V. Previous Chief Financial Officer of Modus Therapeutics AB (STO: MODTX), Zealand Pharma A/S (CSE: ZELA), Swedish Orphan International AB (acquired by BioVitrum, now Swedish Orphan Biovitrum AB (publ) (STO:SOBI)), Active Biotech AB (publ) (STO:ACTI), and Anoto Group AB (STO: ANOT). Previously also management consultant at Gemini Consulting and Ernst & Young. Board member of Egetis Therapeutics AB (STO: EGTX), Altamira Therapeutics Ltd. (NASDAQ: CYTO), and Pephexia Therapeutics ApS. Mats holds a B.A. in Business Administration and Economics from Lund University and an M.B.A. from the IESE University of Navarra, Barcelona.

Independent of Hansa and its executive management.

Independent of major shareholders of Hansa.



### Andreas Eggert

Born 1967

Member of the Board since 2018, chair of the Remuneration Committee, and member of the Audit Committee and the Scientific Committee.

Shareholding: 5,500 shares

Andreas Eggert has over 25 years of cross-functional leadership experience including commercial operations, launch and portfolio management, brand strategy, market access, and strategic consulting. Chief Operating Officer at X-Vax Technology Inc. in the U.S. Previously, served as Senior Group Vice President, Global Product Strategy & Portfolio Development, and member of the Corporate Management Committee at H. Lundbeck A/S (CSE: LUN) in Denmark. Previously, also served in various senior commercial roles at Wyeth, LLC (acquired by Pfizer Inc. (NYSE: PFE)) in the U.S., Japan and in Germany, including as Vice President & Global Business Manager. Earlier in his career, Andreas also was a Management Consultant at A.T. Kearney. He holds an M.B.A. from Azusa Pacific University.

Independent of Hansa and its executive management.

Independent of major shareholders of Hansa.



### Anders Gersel Pedersen

Born 1951

Member of the Board since 2018, chair of the Scientific Committee, and member of the Remuneration Committee.

Shareholding: 2,500 shares

Anders Gersel Pedersen has over 33 years of experience in the international pharmaceutical industry. Served in various roles at H. Lundbeck A/S in Denmark (CSE: LUN), including most recently as Executive Vice President of Research & Development, as responsible for the discovery and development of the product pipeline from preclinical activities to post-launch marketing studies. Prior to that, served in various roles at Eli Lilly and Company (NYSE: LLY), including most recently as a director overseeing worldwide clinical research in oncology. Member of the European Society of Medical Oncology, the International Association for the Study of Lung Cancer and the American Society of Clinical Oncology. Serves on the supervisory boards of Avillion LLP, Bavarian Nordic A/S (CSE: BAVA), AELIS Farma SA, and Genmab A/S (CSE: GMAB). He 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.

Independent of Hansa and its executive management.

Independent of major shareholders of Hansa.



### Hilary Malone

Born 1965

Member of the Board since 2021, chair of the US Committee, and member of the Scientific Committee.

Shareholding: –

Hilary Malone has over 25 years of experience in global drug development, regulatory and government affairs, manufacturing and commercialization within the pharmaceutical industry. She has served as Chief Executive Officer of a private life sciences company in start-up phase since November 2021. She previously served as Chief Operating Officer and Executive Vice President at Valo Health Inc., and as the Chief Regulatory Officer and Senior Vice President & Head of Global Regulatory Affairs at Sanofi Inc. (subsidiary of Sanofi SA (Euronext: SAN)). Previous experience also includes senior regulatory and drug development roles at Reata Pharmaceuticals, Inc. (NASDAQ: RETA), Pfizer Inc. (NYSE:PFE), Wyeth, LLC (acquired by Pfizer Inc.), AstraZeneca plc (LSE:AZN) and GlaxoSmithKline plc (LSE: GSK). Hilary has also served on the board of Inhibikase Therapeutics (NASDAQ: IKT). She holds a Ph.D. in Molecular Neuropharmacology and a B.Sc. in Physiology from the University of Dundee, Scotland.

Independent of Hansa and its executive management.

Independent of major shareholders of Hansa.





## The Board continued

### The Board of Directors' work in 2022

During 2022, the Board has held 18 meetings, of which one was the inauguration meeting, and seven was held via Teams. The Board has also made resolutions per capsulam at six occasions.

At the Board meetings held during the 2022 financial year, the directors were present as set forth below. The number of meetings and the maximum number of meetings each director could have been present at during the financial year are stated in parentheses.

### 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 chair of the Board and an independent evaluation company, in the beginning of 2022, 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 members and meeting presence for the reporting period, 1 January – 31 December 2022

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	Present at meetings of the US Committee	Independent in relation to the Company and Executive management	Independent in relation to the Company's largest shareholders
Ulf Wiinberg <sup>2</sup>	2016	10(10)	5(5)	–	–	–	Yes	Yes
Peter Nicklin <sup>1,3</sup>	2022	8(8)	1(1)	–	1(1)	1(1)	Yes	Yes
Hilary Malone	2021	18(18)	–	–	1(1)	1(1)	Yes	Yes
Anders Gersel Pedersen	2018	18(18)	5(6)	–	1(1)	–	Yes	Yes
Andreas Eggert	2018	18(18)	6(6)	7(7)	1(1)	–	Yes	Yes
Eva Nilsagård	2019	17(18)	–	7(7)	–	–	Yes	Yes
Mats Blom	2019	18(18)	–	7(7)	–	–	Yes	Yes

<sup>1</sup> Board member since 2022 AGM.

<sup>2</sup> Board member until 2022 AGM.

<sup>3</sup> Member of Remuneration Committee, Scientific Committee and U.S. Committee since 2022 AGM.



## The Board continued

### Board committees

#### Audit Committee

After the 2022 AGM, the Audit Committee consisted of Eva Nilsagård, chair, Mats Blom and Andreas Eggert. The Audit Committee is obligated to keep the 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 Code.

The Audit Committee assists the Board in overseeing the Company's accounting and financial reporting processes. The Audit Committee consists exclusively of members of the Board who are financially literate and are each considered an "audit committee financial expert" as defined by applicable SEC rules and has the requisite financial sophistication as defined under the applicable Nasdaq rules and regulations. The Board has determined that all of the members of the Audit Committee satisfy the "independence" requirements set forth in Rule 10A-3 under the Exchange Act. The Audit Committee is governed by a charter that complies with Nasdaq rules.

#### The primary duties of the Audit Committee are to:

- > Assist the Board in overseeing the Company's financial position, performance, and reporting;
- > With respect to the financial reporting, monitor the effectiveness of the Company's internal control system, internal audit and risk management;
- > Keep itself informed of the audit of the annual accounts and consolidated 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; and
- > Take decisions regarding guidelines for services other than the auditing services which the external auditor can provide.

#### Remuneration Committee

After the 2022 AGM, the Remuneration Committee has consisted of Andreas Eggert, chair, Anders Gersel Pedersen and Peter Nicklin. The Remuneration Committee is charged with performing the duties set forth in the Swedish Corporate Governance Code. The Remuneration 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:

- > Propose guidelines and principles for remuneration and other terms of employment of the Chief Executive Officer and senior executives;
- > Monitor and evaluate any programs pending or adopted during the year for variable remuneration for senior executives;

- > Monitor and evaluate the implementation of the guidelines for remuneration of senior executives adopted by the AGM, as well as applicable remuneration structures and levels for the Company; and
- > Oversee and administer the Company's employee share option scheme or equity incentive plans in operation from time to time.

#### Scientific Committee

After the 2022 AGM, the Scientific Committee consists of Anders Gersel Pedersen, chair, Andreas Eggert, Peter Nicklin and Hilary Malone. 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; and
- > 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.

#### U.S. Committee

After the 2022 AGM, the U.S. Committee consists of Hilary Malone, chair, and Peter Nicklin. The U.S. Committee is obligated to keep minutes of its meetings and make the minutes available to the Board.

#### The primary duties of the U.S. Committee are to:

- > Discuss and provide input to significant issues and aspects related to the Company's U.S. operations and environment, including R&D, regulatory and commercial aspects; and
- > Provide advice and proposals for resolutions, subject to final approval by the Board or the CEO, as the case may be, regarding matters related to the Company's and the group's U.S. operations and development.



# Executive management

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

- > Senior Vice President, Chief Financial Officer
- > Senior Vice President, Chief Commercial Officer
- > Senior Vice President, Chief Scientific Officer and Chief Operating Officer
- > Senior Vice President, Chief Human Resources Officer
- > Senior Vice President, Chief Medical Officer

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

In accordance with the Board's instructions, the CEO must take 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.

Further, the CEO shall each month (except for 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 Nordic Main Market Rulebook for Issuers of Shares and the Code. The CEO must ensure, at a minimum, that the six-month report or the nine-month report is reviewed by an auditor. The CEO also has specific responsibility to ensure the competitive supply of all purchases of goods or services exceeding SEK 1 m. 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 chair informs him that he need not to attend. The CEO must also attend all general meetings of the Company.

The CEO may not have any engagements outside of the Company without the Board's approval.

The CEO is 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 chair of the Board's approval is necessary for such issues in respect of senior executives.

In a 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 chair of the Board.

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 comprise six individuals per 31 December 2022: President and CEO Søren Tulstrup; Senior Vice President, 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; Senior Vice President, Chief Medical Officer Achim Kaufhold and Senior Vice President, Chief Human Resources Officer 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 2022 are listed further below in this Corporate Governance report.

Holdings in the Company include both one's own holdings and/or those of closely related persons.

The number of share rights refers to the maximum number of ordinary shares which the executive may obtain as a result of the implementation of the incentive programs LTIP2020, LTIP2021 and LTIP2022. Following the maturity of the incentive programs and provided that certain performance conditions have been fulfilled, the share rights will entitle the holder to receive a certain number of ordinary shares free of charge. The allocation of shares could be lower or zero depending on the share price development and whether the performance conditions are met.



## Executive management continued

The number of ESOs refers to the number of employee stock options which the executive holds following the implementation of the incentive programs LTIP2019, LTIP2020, LTIP2021 and LTIP2022. In LTIP2019, each employee stock option entitles the holder to subscribe for one new ordinary share at a subscription price corresponding to 110 percent of the volume weighted average share price during the ten (10) trading days immediately prior to the offer to subscribe for the employee stock options. In LTIP2020, LTIP2021 and LTIP2022, each employee stock option entitles the holder to subscribe for one new ordinary share at an exercise price corresponding to 125 percent of the volume weighted average share price during the 10 and 30 trading days, respectively, immediately preceding the respective allotment of the employee stock options. The employee stock options were allotted free of charge and have a vesting period of three years and an exercise period of three years.



### Søren Tulstrup

Born 1965

President and CEO

Shareholding: 26,541

Share rights: 217,278

ESOs: 435,107

Søren Tulstrup has served as President and Chief Executive Officer since March 2018. He has extensive experience as a senior executive in the global biopharma industry. Prior to joining Hansa, Søren served as Chief Executive Officer of Vifor Pharma AG (SIX: VIFN), (now part of CSL Behring), and he has also served as President & Chief Executive Officer of Santaris Pharma A/S (now part of F. Hoffmann-La Roche AG (SIX: ROG)). Furthermore, Søren has served in several senior general management and commercial roles within Shire Pharmaceuticals (now The Takeda Pharmaceutical Company Limited (TSE: 4502)), Merck & Co., Inc. (NYSE: MRK) and Sandoz Pharma AG (now Novartis AG, or Novartis (NYSE: NVS)) in both Europe and the United States. He holds a Master of Science, Economics and Business Administration from Copenhagen Business School.



### Christian Kjellman\*

Born 1967

Senior Vice President, Chief Scientific Officer and Chief Operating Officer

Shareholding: 6,213

Share rights: 123,639

ESOs: 197,296

Christian Kjellman has served as Chief Scientific Officer since 2008 and Chief Operating Officer since 2020. Prior to joining Hansa, he served as Principal Scientist at Biolnvent AB (STO: BINV), where he focused on novel target evaluation and antibody technology. Prior to that, Christian served as Head of Research at the biopharmaceutical development company Cartela AB. He has extensive research experience in cell and molecular biology and as an Assistant Professor in Molecular Genetics at Lund University. Christian holds a M.Sc. in Chemical Biology and a Ph.D. in Tumour Immunology from Lund University.

\* On 30 January 2023 Hansa announced the planned departure of Christian Kjellman by 2024. As of 1 February 2023 Christian Kjellman no longer serves as Chief Scientific Officer nor Chief Operating Officer.



### Donato Spota

Born 1971

Senior Vice President, Chief Financial Officer

Shareholding: 5,673

Share rights: 123,639

ESOs: 236,842

Donato Spota has served as Chief Financial Officer since May 2019. He has more than 25 years of pharmaceutical industry experience in international environments, including strategic finance, business development, investor relations and international capital markets transactions. Prior to joining Hansa, he served in various roles at Basilea Pharmaceutica AG (SIX: BSLN), including as Chief Financial Officer. Prior to that, he held different finance roles at F. Hoffmann-La Roche AG (SIX: ROG). He holds a B.A. in Information Technology from the Swiss BBT (Bundesamt für Berufsbildung und Technologie) and an M.B.A. from the Hochschule für Wirtschaft und Umwelt Nürtingen-Geislingen.



## Executive management continued



### Henk Doude van Troostwijk\*

Born 1965

Senior Vice President, Chief Commercial Officer

Shareholding: 2,564  
Share rights: 95,000  
ESOs: 131,231

Henk Doude van Troostwijk has served as Senior Vice President and Chief Commercial Officer since June 2019, and previously as Vice President Global Commercial Operations for three years. Prior to joining Hansa, Henk served as General Manager of European Commercial Operations and Emerging Markets at Raptor Pharmaceutical Corp. (acquired by Horizon Pharma plc (NASDAQ: HZNP)). Prior to that, he served as Business Unit Director Oncology and Transplantation at Genzyme Europe B.V. (acquired by Sanofi S.A. (Euronext: SAN)). Henk holds an M.B.A. from Henley Management College at the University of Reading, UK.

\* As of 16 March 2023, Henk holds the role as Vice President, Commercial Excellence.



### Anne Säfström Lanner

Born 1969

Senior Vice President,  
Chief Human Resources Officer

Shareholding: 3,565  
Share rights: 95,000  
ESOs: 110,000

Anne Säfström Lanner has served as Chief Human Resources Officer since June 2020, and served as Vice President Global Human Resources from 2019 to June 2020. Prior to joining Hansa, she served in various senior roles at the European Spallation Source, a European multi-disciplinary research facility, including Head of Resourcing. Prior to that, Head of Human Resources at Cellavision AB (STO:CEVI). Anne has held positions as Head of HR, Head of Resourcing, HR Manager & Deputy Head of HR and has extensive experience from fast growing start-up international companies. Holds a Bachelor of Social Science in Human Resource Management, focusing on strategic organizational development & leadership, from Lund University.



### Achim Kaufhold\*

Born 1957

Senior Vice President, Chief Medical Officer

Shareholding: –  
Share rights: 81,000  
ESOs: 94,000

Achim Kaufhold has served as Chief Medical Officer since June 2020. He is a highly experienced senior leader in immunology, infectious diseases and oncology. Achim has over 25 years of international experience within the biotechnology and pharmaceutical industry. Prior to joining Hansa, Achim served in various senior executive positions in general management, product and business development. Has served as Chief Executive Officer of Affitech AS and Pharmexa A/S (both companies merged), Chief Medical Officer of Basilea Pharmaceutica AG (SIX: BSLN), Pharmexa A/S, Chiron (acquired by Novartis (NYSE: NVS)) and Berna Biotech AG (now Johnson & Johnson (LSE: JNJ)). Prior to that, he headed the worldwide clinical development of the pediatric vaccine portfolio of GlaxoSmithKline plc (LSE: GSK). Currently also serves on the board of directors of Biosergen AB (STO: BIOSGN). Graduated as a Doctor of Medicine from the University of Cologne and holds a professorship in Medical Microbiology and Infectious Diseases at the University of Aachen, Germany.

\* As of 1 February 2023, Achim also serves as ad-interim Chief Scientific Officer.



### Matthew Shaulis\*

Born 1973

Chief Commercial Officer and US President,  
effective 16 March 2023

Shareholding: –  
Share rights: –  
ESOs: –

Matthew Shaulis has served as Chief Commercial Officer and President of the U.S. affiliate, Hansa Biopharma Inc since March 2023. Prior to his role at Hansa Biopharma, Matthew gained over 20 years of US and international experience in the pharmaceutical industry in general management, global strategic and in-line marketing, sales management, business development, and product and indication launches. He held several senior executive roles at Pfizer Inc. (NYSE: PFE), including President of Inflammation & Immunology for International markets in Europe and Asia, President of Oncology for North America, and more recently as the Senior Vice President responsible for leading the company's global commercial and medical go-to-market model transformation. Prior to that, Matthew served in various leadership roles at Teva Pharmaceutical Industries (NYSE: TEVA), Cephalon, Johnson & Johnson (LSE: JNJ), and Schering-Plough (now part of Merck & Co., Inc. (NYSE: MRK)). He holds a B.S. in Accounting from Pennsylvania State University and an M.B.A. from The Fuqua School of Business, Duke University, North Carolina.

\* As of 16 March 2023, Matthew Shaulis joins Hansa as Chief Commercial Officer and US President.



# Internal controls 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 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 due to the scope and size 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's control environment, which comprises the values and ethics from which the Board, the Audit Committee, the CEO, the Executive Committee, 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 are carried out in a manner to also include risks regarding 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, accrued project costs in the

Company's clinical projects have, at various times, involved significant amounts. The size of these is based, to a great extent, on management's assessment of the degree of completion. More recently, product sales, contract revenue and inventory valuation became items which could include an elevated risk of significant error as they may involve a significant amount of judgement and estimates. Further, 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's administration is handled by a relatively 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 risk management policy and further policies include controls to prevent and detect shortcomings in these and other 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. Procedures, routines, instructions and templates for the financial reporting and the day-to-day administrative financial operations and financial issues are documented in Hansa's policies. Routines and activities have been designed to manage and rectify significant risks which are related to 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, disclosure policy, insider policy, risk management policy, and Code of Conduct.

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. The Group has

implemented entity level controls as well as process controls. Access to IT systems is limited and controlled in accordance with powers and authorization. Manual and automated control steps are incorporated throughout the accounting, financial closing and financial reporting process. The CFO compiles 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, are 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. 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, external confirmations (e.g. bank statements or third party vendor confirmations) as well as ensuring that there is a properly functioning reporting structure in which the various managers and project managers report pursuant to standardized templates, and that important income statement and statement of financial position items are analyzed and commented upon.

## Information and communication

The informational activities are governed by a disclosure 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's communications must be characterized by transparency and must be correct, relevant, reliable and clear; they may not be misleading. All communications must take place in accordance with Nordic Main Market Rulebook for Issuers of Shares, the Swedish Corporate Governance Code, 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.



## Internal controls and risk management continued

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)) simultaneously as being 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 on internal controls in respect of the financial reporting takes place, among other things, through follow-up by and through the Audit Committee, on 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 compliance with policies, rules and guidelines; 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 scope of the statutory audit.

The auditor reports the results of the examination to the Audit Committee 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.

## Compliance

Hansa has adopted a Code of Conduct for all of its directors, officers, and associates which sets forth the standards for business behaviours that apply throughout the Company and describes the expectations Hansa has for its business partners, and those acting on behalf of the Company.

The Code of Conduct contains guidance in the areas of personal and corporate integrity, responsibility toward the Company, its associates and the community as well as responsible and comprehensive compliance management.

Aligned with the Code of Conduct, Hansa has established a global compliance framework. This compliance framework includes, but is not limited to, compliance and business unit policies and procedure documents, compliance risk mitigation and violation reporting processes, data privacy precautions as well as internal auditing and monitoring activities.



# Executive Remuneration – to be approved by the 2023 AGM

## The following remuneration guidelines were approved at the 2022 AGM and are proposed for re-approval at the 2023 AGM without changes.

The senior executives, the CEO and members of the executive committee, fall within the provisions of these guidelines. To the extent a board member conducts work for the Company, in addition to the board work, consulting fees and other compensation for such work may be paid. The policy is forward looking, i.e. applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2023 AGM.

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified personnel, consequently, it is necessary that the Company offers market competitive remuneration.

Long-term (share-based) incentive programs have been implemented in the Company. Such programs have been resolved by the AGM and are therefore excluded from these guidelines. The program includes, among others, the CEO and other senior executives in the Company. The performance criteria used to assess the outcome of the plans are distinctly linked to the business strategy and thereby to the Company's long-term value creation, including its sustainability.

For more information regarding these incentive programs, including the criteria which the outcome depends on, please see <https://hansabiopharma.com/this-is-hansa/corporate-governance>.

The guidelines enable the Company to offer senior executives a competitive remuneration. The remuneration shall be on market terms and may consist of the following components: fixed base salary, variable cash remuneration (including STI), pension benefits and other benefits. The components, their purpose and link to the Company's business strategy are described below.

For information regarding Hansa Biopharma's strategic priorities, please visit <https://hansabiopharma.com/this-is-hansa/our-commitment/>.

For information regarding Hansa Biopharma's equity story, please visit <https://investors.hansabiopharma.com/English/our-equity-story/default.aspx>.

## The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a committee (the Remuneration Committee), with the task of preparing, within the Board of Directors, the guidelines for remuneration for senior executives. The Board of Directors shall propose revised guidelines at least every fourth year and submit it to the AGM. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for senior executives, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the Remuneration Committee are independent of the Company and its executive management.

Unless otherwise stated herein, the Board of Directors shall resolve matters regarding remuneration and employment provisions for all other senior executives. The CEO may decide upon Variable Cash Remuneration, including STI, for the other senior executives. The Remuneration Committee and the CEO, as applicable, shall continuously report to the Board of Directors. The CEO and the other senior executives shall not be present when their respective remuneration terms are decided.

Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

## Fixed Base Salary

Purpose and link to strategy	Supports the attraction and retention of the best talent. Ensures competitiveness while controlling fixed costs to maximise efficiency.
Operational Details	<ul style="list-style-type: none"> <li>&gt; Normally reviewed annually and increases will usually be effective from 1 April or following a change in responsibilities.</li> <li>&gt; The Remuneration Committee will consider, among other things, the following parameters when reviewing fixed base salary:               <ul style="list-style-type: none"> <li>— Economic and salary conditions and trends.</li> <li>— The individual's performance and responsibilities.</li> <li>— Base salaries and total remuneration at other companies that operate in the same markets, typically benchmarked against similar roles.</li> </ul> </li> </ul>





## Executive Remuneration – to be approved by the AGM 2023 continued

### Variable Cash Remuneration

A portion of the total remuneration for the senior executives are linked to business performance so that total remuneration will increase or decrease in line with performance, thus promoting the Company's business strategy and long-term interests (see "Annual Short-Term Incentive (STI)" below).

For retention or recruitment purposes or extraordinary performance beyond the individual's ordinary tasks the Remuneration Committee, based on proposal of CEO, may, on an individual basis, decide on an additional variable cash remuneration. Such remuneration may not exceed an annual amount corresponding to 30 percent of the total fixed annual cash salary and may not be paid more than once each year per individual.

### Annual Short-Term Incentive (STI)

Purpose and link to strategy	To incentivise and create focus on the delivery of corporate objectives and strategic criteria.
Operational Details	<ul style="list-style-type: none"> <li>&gt; The performance criteria, weighting and targets for the corporate objectives are to be proposed by the Remuneration Committee annually, evaluated and approved by the Board of Directors. Stretched targets shall be set by reference to the Company's operating plan and historical and projected performance.</li> <li>&gt; The performance criteria, weighting and targets for the individual objectives are to be proposed, evaluated and approved annually by the CEO as manager for members of the executive committee or, if it is not the CEO, then the respective manager for such members of the executive committee, and for the CEO the Remuneration Committee.</li> <li>&gt; The outcome of criteria for awarding STI is to be measured over a period of one year and depend on the degree of fulfilment of predetermined targets.</li> <li>&gt; The Board of Directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to reclaim in whole or in part STI paid on incorrect grounds (claw-back).</li> </ul>
Opportunity Levels	<p>The maximum opportunity for STI can amount up to max 75 percent of fixed base salary.</p> <p>The Remuneration Committee shall have the possibility to review the opportunity levels in order to ensure market competitiveness.</p>
Performance criteria	<p>The STI plan awards shall be based on corporate objectives and individual objectives and be linked to predetermined and measurable criteria.</p> <p>The criteria shall be designed so as to contribute to the Company's business strategy and long-term interests.</p> <p>For financial objectives, the evaluation shall be based on the latest financial information made public by the Company.</p>

### Pension Benefits

Purpose and link to strategy	Provide competitive and cost-effective pension benefits.
Operational Details	<p>Pension benefits shall be defined contribution (premium defined) unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions.</p> <ul style="list-style-type: none"> <li>&gt; Variable cash remuneration shall not qualify for pension benefits unless the executive officer is part of mandatory collective agreed provisions where this is stipulated.</li> <li>&gt; Early retirement may be offered selectively and only after a special decision by the Remuneration Committee, with a defined contribution early retirement scheme.</li> <li>&gt; For executive officers governed by rules other than Swedish, pension benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.</li> </ul>
Opportunity Levels	The pension premiums for defined contribution pension shall amount to not more than 30 percent of the fixed base salary.

### Other Benefits

Purpose and link to strategy	Provide competitive and cost-effective benefits.
Operational Details	<ul style="list-style-type: none"> <li>&gt; Other benefits may include but is not limited to life insurance, survivor benefit, accidental death and disability insurance, medical insurance/cover (Sw.: sjukvårdsförsäkring), and a company car or car allowance.</li> <li>&gt; For executive officers governed by rules other than Swedish, benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.</li> <li>&gt; Executive officers who are international assignees (for example expatriates) to or from Sweden may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the international assignment arrangement, taking into account, to the extent possible, the overall purpose of this policy.</li> </ul>
Opportunity Levels	<p>Other benefits may amount to not more than 10 percent of the fixed annual cash salary and shall be set at a level which the Remuneration Committee considers to:</p> <ul style="list-style-type: none"> <li>&gt; Provide the relevant level of benefit depending on role and the individual circumstances.</li> <li>&gt; Be in line with comparable roles in companies with similar size and complexity in the relevant market.</li> <li>&gt; Be appropriate compared to the benefits offered to the wider workforce in the relevant market.</li> </ul>



## Executive Remuneration – to be approved by the AGM 2023 continued

### Termination of employment

#### Details

- > If notice of termination of employment is made by the Company:
  - The notice period may not exceed six months.
  - Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for 18 months for the CEO, i.e. 6 + 12 months.
  - Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for 6 months, and in exceptional cases, 12 months for the other senior executives.
- > When termination is made by the senior executive the period of notice may not exceed six months. No severance pay will be paid.
- > Repatriation – If the senior executive is an international assignee the Company may reimburse reasonable cost for the repatriation of good leavers, taking into account, to the extent possible, the overall purpose of this policy.

For senior executives governed by rules other than Swedish, payments in connection with termination may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.

### Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for this remuneration policy, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time.

### Derogation from the policy

The Board of Directors may temporarily resolve to derogate from the policy, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the policy.

Additional information regarding executive remuneration is available in Hansa's 2022 Annual Report.



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