



Stockholm, Sweden

April 26, 2021

## **Annual General Meeting in Oncopeptides AB (publ)**

The shareholders in Oncopeptides AB (publ), reg. no. 556596-6438, with registered office in the municipality of Stockholm, ("Oncopeptides" or the "Company") are hereby given notice to attend the Annual General Meeting to be held on Wednesday May 26, 2021.

Due to the extraordinary situation resulting from the covid-19 pandemic, Oncopeptides' Annual General Meeting will be carried out through advance voting (postal voting) pursuant to temporary legislation. No meeting with the possibility to attend in person or to be represented by a proxy will take place. Hence, the Annual General Meeting will be held without physical presence.

Oncopeptides welcomes all shareholders to exercise their voting rights at the Annual General Meeting through advance voting as described below. Information on the resolutions passed at the Annual General Meeting will be published on May 26, 2021 as soon as the result of the advance voting has been finally confirmed.

The shareholders may request in the advance voting form that a resolution on one or several of the matters on the proposed agenda below should be deferred to a so-called continued general meeting, which cannot be conducted solely by way of advance voting. Such general meeting shall take place if the Annual General Meeting so resolves or if shareholders with at least one tenth of all shares in the company so requests.

### **Right to participate and notice**

Shareholders who wish to participate at the Annual General Meeting, through advance voting, must be entered in the share register of the Company, kept by Euroclear Sweden AB (the Swedish Central Securities Depository & Clearing Organisation), on Tuesday May 18, 2021 and must notify their participation by casting their advance vote to the Company no later than on Tuesday May 25, 2021. For advance voting, see further information below.

### **Nominee registered shares**

In order to be entitled to participate at the Annual General Meeting, through advance voting, shareholders who have their shares registered in the name of a nominee must temporarily re-register the shares in their own name. Shareholders who wish to make such re-registration, so-called voting rights registration, must make such request with their nominee well in advance of Thursday May 20, 2021, at which time the re-registration must have been made.

### **Proxy**

The shareholders may exercise their voting rights at the Annual General Meeting only by voting in advance, so-called postal voting in accordance with Section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on [www.oncopeptides.com](http://www.oncopeptides.com). The advance voting form is considered as the notification of attendance to the Annual General Meeting.

The completed voting form must be submitted to Oncopeptides no later than Tuesday May 25, 2021. The completed and signed form shall be sent to Oncopeptides AB (publ), Luntmakargatan 46, SE-111 37 Stockholm, Sweden. A completed form may also be submitted by e-mail and is to be sent to [lisa.andersson@oncopeptides.com](mailto:lisa.andersson@oncopeptides.com). If the shareholder votes in advance by proxy, a power of attorney shall be enclosed to the form. A power of attorney form is available on the Company's website, [www.oncopeptides.com](http://www.oncopeptides.com), and will be sent free of charge to shareholders who so request and provide their postal or e-mail address. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and conditions are included in the form for advance voting.

### **Proposed agenda**

1. election of chairman of the Annual General Meeting;
2. election of one or two persons to approve the minutes;
3. preparation and approval of voting list;
4. approval of the agenda;
5. determination as to whether the Annual General Meeting has been duly convened;
6. presentation of the annual report and auditor's report and of the group annual report and the group auditor's report;
7. resolutions in respect of
  - a) adoption of the profit and loss statement and balance sheet and the group profit and loss statement and group balance sheet;
  - b) allocation of the Company's profit or loss in accordance with the adopted balance sheet;
  - c) the discharge from liability for the members of the Board of Directors and the CEO;
8. determination of the number of members of the Board of Directors and the number of auditors to be elected at the Annual General Meeting;
9. determination of directors' and auditors' fees;
10. election of members of the Board of Directors and Chairman of the Board of Directors;
  - a) Per Wold-Olsen, re-election
  - b) Brian Stuglik, re-election
  - c) Cecilia Daun Wennborg, re-election
  - d) Jarl Ulf Jungnelius, re-election
  - e) Per Samuelsson, re-election
  - f) Jennifer Jackson, re-election
  - g) Chairman of the Board of Directors: Per Wold-Olsen, re-election
11. election of auditor;
12. presentation of the Board of Directors' remuneration report for approval;
13. resolution on new articles of association;
14. resolution on the introduction of a long term incentive program for the Company's employees and contractors;
  - a) Proposal for resolution on adoption of a long term incentive program for the Company's employees and contractors
  - b) Proposal regarding issue of warrants
  - c) Proposal regarding equity swap agreement with a third party
15. resolution on the introduction of a long term performance based incentive program for certain members of the Board of Directors;
  - a) Proposal for resolution on adoption of a long term performance based incentive program for certain members of the Board of Directors
  - b) Proposal regarding issue of warrants

- c) Equity swap agreement with a third party
- 16. resolution regarding authorization for the Board of Directors to resolve upon issues of shares, warrants and/or convertibles;
  - a) Main proposal
  - b) Alternative proposal
- 17. resolution on guidelines for remuneration to senior management.

## **The Nomination Committee's proposed resolutions**

### ***Election of chairman of the Annual General Meeting (item 1)***

The Nomination Committee has proposed that Johan Winnerblad from the law firm Vinge, or the person proposed by the board of directors if he has an impediment to attend, is elected chairman of the Annual General Meeting.

### ***Election of one or two persons to approve the minutes (item 2)***

Ulrik Grönvall, representing Swedbank Robur and Caroline Murray, representing Stiftelsen Industrifonden, or if one or both of them have an impediment to attend, the person or persons instead appointed by the nomination committee, are proposed to be elected to approve the minutes of the Annual General Meeting together with the chairman. The task of approving the minutes of the Annual General Meeting also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the Annual General Meeting.

### ***Determination of the number of members of the Board of Directors and the number of auditors to be elected at the Annual General Meeting (item 8)***

The Nomination Committee proposes that the Board of Directors should consist of six directors and that one chartered auditing firm should be elected as auditor.

### ***Determination of directors' and auditors' fees (item 9)***

The Nomination Committee proposes remuneration until the end of the annual general meeting 2022 to the Board of Directors with a total cash fee amount of SEK 2,560,000. The proposed remuneration for ordinary work of the of Board of Directors for the period until the end of the annual general meeting 2022 amounts to a total of SEK 2,062,500 and shall be allocated in accordance with the following:

- SEK 687,500 to the Chairman of the Board of Directors; and
- SEK 275,000 to each of the other five Board members.

In addition to the above proposed remuneration for ordinary board work, each of the Board members residing in the United States shall receive an additional amount of SEK 100,000 and each of the Board members residing in Europe, but outside the Nordics, shall receive an additional amount of SEK 50,000.

The proposed remuneration for work within the committees of the Board of Directors for the period until the end of the annual general meeting 2022 amounts to a total of SEK 247,500 and shall be allocated in accordance with the following:

- SEK 82,500 to the Chairman of the Audit Committee and SEK 27,500 to each of the other two members; and
- SEK 55,000 to the Chairman of the Remuneration Committee and SEK 27,500 to each of the other two members.

The Nomination Committee proposes, in accordance with the audit committee's recommendation, that the auditor is paid according to approved invoices.

***Election of members of the Board of Directors and Chairman of the Board of Directors (item 10)***

The Nomination Committee proposes the re-election of Per Wold-Olsen, Brian Stuglik, Cecilia Daun Wennborg, Jarl Ulf Jungnelius, Per Samuelsson and Jennifer Jackson, with Per Wold-Olsen as Chairman of the Board of Directors. Jonas Brambeck has declined re-election.

Detailed presentations of the persons proposed by the Nomination Committee for re-election are included as an appendix to the Nomination Committee's statement, available on the Company's website, [www.oncopeptides.com](http://www.oncopeptides.com).

***Election of auditor (item 11)***

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, the re-election of the chartered auditing firm Ernst & Young AB (EY), with the request that Anna Svanberg is appointed as auditor in charge.

**The Board of Directors' proposed resolutions**

***Allocation of the Company's profit or loss in accordance with the adopted balance sheet (item 7b)***

The Board of Directors proposes that the loss for the year is carried forward.

***Presentation of the Board of Directors' remuneration report for approval (item 12)***

The Board of Directors proposes that the meeting resolves to approve the Remuneration Report for the financial year 2020 that has been prepared by the Board of Directors.

***Resolution on new articles of association (item 13)***

The Board of Directors proposes that the Annual General Meeting resolves to amend the Articles of Association. The proposed amendments are set out below.

Current wording

Proposed wording

<p><b>4 § Share Capital</b> The share capital of the company shall be no less than SEK 2,400,000 and no more than SEK 9,600,000.</p>	<p><b>4 § Share Capital</b> The share capital of the company shall be no less than SEK <del>2,400,000</del> <b>7,200,000</b> and no more than SEK <del>9,600,000</del> <b>28,800,000</b>.</p>
<p><b>5 § The Shares</b> The number of shares shall not be not less than 22,000,000 and not more than 88,000,000 shares. The company shares shall be common shares that entitle to one vote each on general meetings.</p>	<p><b>5 § The Shares</b> The number of shares shall not be not less than <del>22,000,000</del> <b>66,000,000</b> and not more than <del>88,000,000</del> <b>264,000,000</b> shares. The company shares shall be common shares that entitle to one vote each on general meetings.</p>
<p><b>11 § Collection of proxy forms</b> The board of directors may collect proxies at the company's expense pursuant to the procedure stated</p>	<p><b>11 § Collection of proxy forms and votes per post</b> The board of directors may collect proxies at the company's expense pursuant to the procedure stated</p>

<p>in Chapter 7, section 4, second paragraph of the Swedish Companies Act.</p>	<p>in Chapter 7, section 4, second paragraph of the Swedish Companies Act.</p> <p><b>The board of directors has the right before a shareholders' meeting to decide that the shareholders shall be able to exercise their right to vote by post before the shareholders' meeting.</b></p>
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***Resolution on the introduction of a long term incentive program for the Company's employees and contractors (item 14)***

The Board of Directors proposes that the Annual General Meeting resolves to implement a long term performance based incentive program for employees and contractors in Oncopeptides ("Co-worker LTIP 2021") in accordance with items 14a – 14b below. The resolutions under items 14a – 14b below are proposed to be conditional upon each other. Should the majority requirement for item 14b below not be met, the Board of Directors proposes that Oncopeptides shall be able to enter into an equity swap agreement with a third party in accordance with item 14c and resolutions under items 14a and 14c shall then be conditional upon each other.

Co-worker LTIP 2021 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting ("Share Awards") that entitle to shares in Oncopeptides to be calculated in accordance with the principles stipulated below, however not more than 1,356,131 shares. As part of the implementation of Co-worker LTIP 2021, not more than 1,487,370 warrants will be issued in accordance with item 14b below. The 1,487,370 warrants will cover delivery of shares to participants and any related social security costs.

*Proposal regarding adoption of a long term incentive program for the Company's employees and contractors (item 14a)*

*The rationale for the proposal*

Co-worker LTIP 2021 is intended for employees and contractors. The Board of Directors of Oncopeptides believes that an equity and performance based incentive program is a vital part of an attractive and competitive remuneration package in order to attract, retain and motivate qualified employees and contractors in Oncopeptides and to focus the participants on delivering exceptional performance which contributes to value creation for all shareholders. The proposed program is key for the Company's ability to attract, retain and motivate qualified key employees in the US and in Europe to scale up the Company's commercial functions in connection to the market introduction of the Company's drug PEPAXTO® (melphalan flufenamide) that is in progress following the accelerated approval given by the FDA on 26 February 2021. The Company's organisation has grown greatly due to the commercialization and the need for competent personnel therefore remains to be great. When recruiting for a fully commercialized organisation in both the US and in Europe it will be important for Oncopeptides to be able to offer attractive compensation terms. A competitive equity based incentive program will be a key component in order to be able to attract and retain highly skilled and experienced individuals as Oncopeptides continues to develop its organisation and business.

The Board of Directors of Oncopeptides believes that Co-worker LTIP 2021 will create a strong alignment of the interests of the participants and the interests of the shareholders. Co-worker LTIP 2021 is adapted to the current position and needs of Oncopeptides. The Board of Directors is of the opinion that Co-worker LTIP 2021 will increase and strengthen the participants' dedication to Oncopeptides' operations, improve Company loyalty and that Co-worker LTIP 2021 will be beneficial to both the shareholders and Oncopeptides.

## *Conditions for Share Awards*

The following conditions shall apply for the Share Awards:

- The Share Awards shall be granted free of charge to the participants no later than twelve months after the Annual General Meeting (whereof the main part as soon as practically possible after the Annual General Meeting).
- The Share Awards shall vest after three years over the period from the date the Share Awards are allocated (“Grant Date”) up to and including the third anniversary of the Grant Date (the “Vesting Date”). In addition to this timely condition just stated, the Share Awards are subject to performance vesting based on the development of the Oncopeptides share price, in accordance with the vesting conditions below.
- The Share Awards are subject to performance vesting based on the development of the Oncopeptides share price from and including the Grant Date up to the Vesting Date. The development of the share price will be measured based on the volume weighted average price of the Oncopeptides share on Nasdaq Stockholm for the 10 trading days immediately prior to the Grant Date and the 10 trading days immediately prior to the Vesting Date. In the event the price of Oncopeptides’ share has thereby increased by more than 60 per cent, 100 per cent of the Share Awards shall vest, and should the share price have increased by 20 per cent, 33 per cent of such Share Awards shall vest. In the event of an increase of the share price of between 20 and 60 per cent, vesting of the Share Awards will occur linearly. Should the increase of the share price be less than 20 per cent, no vesting will occur.
- Shares on vested Share Awards shall be allocated as soon as practically possible after the Vesting Date after decision by the Board of Directors (with certain exceptions where the time of vesting may be accelerated). The earliest point in time at which shares on vested Share Awards can be delivered shall be the day falling immediately following the Vesting Date.
- Each vested Share Award entitles the holder to receive one share in Oncopeptides without any compensation being payable provided that the holder is still an employee of Oncopeptides at the relevant time of vesting. With some customary exceptions, vesting can occur even if the participant is no longer employed by Oncopeptides at the Vesting Date.
- The number of Share Awards will be re-calculated in the event that changes occur in Oncopeptides’ equity capital structure, such as a bonus issue, merger, rights issue, share split or reverse share split, reduction of the share capital or similar measures.
- The Share Awards are non-transferable and may not be pledged.
- The Share Awards can be granted by the parent company as well as any other company within the Oncopeptides group.
- In the event of a public take-over offer, asset sale, liquidation, merger or any other such transaction affecting Oncopeptides, the Share Awards will vest in their entirety upon completion of such transaction, whereupon the performance measures shall be based upon the share price in the public take-over offer.

## *Allocation*

The Board of Directors shall resolve upon the allocation of Share Awards no later than twelve months after the Annual General Meeting. All persons hired can be granted Share Awards.

The principle for allocation is that each participant is granted a yearly allocation as a percentage of the base salary. In preparation of the proposal, market practice for peer companies has been reviewed and based on such

review, the proposal in Co-worker LTIP 2021 is that the allocation is limited to not more than 500 per cent for the CEO, 50 to 200 per cent to members of global senior management and 10 to 100 per cent for other employees and contractors, of the yearly Base Salary. In addition, market practice for peer companies has shown that the percentage for allocation to newly employed normally amount to 1.5 to 2.5 times the corresponding allocation to employees and contractors already employed, whereby the proposal in Co-worker LTIP 2021 is that the allocation is limited to 1.5 times the yearly allocation for newly employed. For the CEO and the members of global senior management, the annual allocation within incentive programs will be paid out as a mixed of Share Awards under Co-worker LTIP 2021 and stock options under Co-worker LTIP 2019. For all other employees and contractors, the annual allocation will derive solely from Co-worker LTIP 2021.

The number of Share Awards that shall be granted to each participant shall equal to the yearly allocation described above divided by the volume weighted average price of the Oncopeptides share on Nasdaq Stockholm for the 10 trading days preceding the Grant Date.

#### *Preparation, administration and the right to amend the terms of the Share Awards*

The Board of Directors is responsible for preparing the detailed terms and conditions of Co-worker LTIP 2021, in accordance with the above mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to meet foreign regulations or market conditions, including resolving on cash or other settlement if deemed favourable for Oncopeptides based on foreign tax regulations. The Board of Directors may also make other adjustments if significant changes in Oncopeptides or its environment would result in a situation where the adopted terms and conditions of Co-worker LTIP 2021 no longer serve their purpose.

#### *Preparation of the proposal*

Co-worker LTIP 2021 has been initiated by the Board of Directors of Oncopeptides and has been structured based on an evaluation of prior incentive programs, market practice for European (including Swedish) listed companies and taking into account also the market practice to be enabling to attract suitable persons ahead of market introduction and commercial launch. Co-worker LTIP 2021 has been prepared by the Remuneration Committee and reviewed by the Board of Directors.

#### *Dilution*

The total number of Share Awards that can be allotted to the participants under Co-worker LTIP 2021 is based on a fixed value amounting to approximately SEK 160,000,000.

Assuming a share price at the time of allocation of Share Awards of SEK 150, Co-worker LTIP 2021 will comprise not more than 1,084,905 shares in total, which corresponds to a dilution of approximately 1.4 per cent on a fully diluted basis. Taking into account also the shares which may be issued pursuant to the Company's previously implemented employee option programs Employee Option Program 2016/2023, Co-worker LTIP 2017, Co-worker LTIP 2018, Co-worker LTIP 2019 and US Co-worker LTIP 2020 (excluding 392,090 warrants which will be cancelled) as well as the Company's previously implemented incentive programs Board LTIP 2018.2, Board LTIP 2019 and Board LTIP 2020 for certain members of the Board of Directors, including potential realization of financial hedge related to social security costs ("Previously Implemented Programs"), the total dilution amounts to approximately 7.3 per cent on a fully diluted basis.

The maximum number of shares that may be issued pursuant to an exercise of Share Awards in Co-worker LTIP 2021 will however comprise of not more than 1,487,370 shares in total, corresponding to a share price at the time of allocation of Share Awards of SEK 120, which corresponds to a maximum dilution of approximately 7.6 per cent on a fully diluted basis.

The dilution is expected to have a marginal effect on the Company's key performance indicator "Earnings (loss) per share".

Information on Oncopeptides' existing incentive programs can be found in Oncopeptides' annual report for 2020, note 27, which will be available on the Company's website during week 17, [www.oncopeptides.com](http://www.oncopeptides.com), and on the Company's website under "Remuneration".

#### *Scope and costs of the program*

Co-worker LTIP 2021 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the Share Awards shall be expensed as personnel costs over the vesting period. Personnel costs in accordance with IFRS 2 do not affect the Company's cash flow. Social security costs will be expensed in the income statement according to UFR 7 during the vesting period.

Assuming a share price at the time of allocation of Share Awards of SEK 150, an annual increase in the share price of 20 per cent and that the Share Awards at the Grant Date are valued in accordance with a Monte Carlo simulation, the average annual personnel cost for Co-worker LTIP 2021 according to IFRS 2 is estimated to approximately SEK 28.1 million before tax. The average annual social security costs are estimated to approximately a total of SEK 12.6 million, based on the above assumptions and social security costs of 13.48 per cent. The average total annual cost for Co-worker LTIP 2021 during the term of the program, including costs according to IFRS 2 and social security costs, is therefore estimated to approximately SEK 40.8 million.

The total cost of the Co-worker LTIP 2021, including all social security costs, is estimated to amount to approximately SEK 122.4 million under the above assumptions.

The costs associated with Co-worker LTIP 2021 are expected to have a marginal effect on Oncopeptides' key performance indicator "Expenses relating to R&D/operating expenses".

#### *Delivery of shares under Co-worker LTIP 2021*

In order to ensure the delivery of shares under Co-worker LTIP 2021, the Board of Directors proposes that the Annual General Meeting resolves to issue and use warrants in accordance with item 14b below.

#### *Proposal regarding issue of warrants (item 14b)*

In order to ensure the delivery of shares under Co-worker LTIP 2021, the Board of Directors proposes that the Annual General Meeting resolves to issue not more than 1,487,370 warrants, whereupon the Company's share capital may be increased by not more than SEK 165,263.34 in accordance with the following:

1. The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emptive rights, only vest with Oncopeptides Incentive AB, a wholly owned subsidiary of Oncopeptides. The reason for the deviation from the shareholders' pre-emptive rights is the implementation of Co-worker LTIP 2021. Oncopeptides Incentive AB shall be entitled to transfer the warrants to participants in Co-worker LTIP 2021, or a financial intermediary in connection with exercise of Share Awards.
2. The warrants shall be issued free of charge and shall be subscribed for on a subscription list no later than 9 June 2021, however with a right for the Board of Directors to extend the subscription period.
3. Detailed terms apply for the warrants.
4. The exercise price for subscription for shares based on the warrants shall correspond to the share's quota value.
5. The Company's CEO shall be authorized to make such minor adjustments that may be necessary in connection with the registration of the new issue.

6. Notification of Subscription of shares by the exercise of Warrants can be made from and including the day of registration of the Warrants with the Swedish Companies' Office until and including 1 June 2026.
7. Shares which are issued following Subscription shall entitle to participation in the distribution of profits for the first time on the nearest record date occurring after the Subscription has been exercised.

Proposal regarding equity swap agreement with a third party (item 14c)

Should the majority requirement for item 14b above not be met, the Board of Directors proposes that the Annual General Meeting resolves that Co-worker LTIP 2021 shall instead be hedged so that Oncopeptides can enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer shares of Oncopeptides to the participants.

**Resolution regarding authorization for the Board of Directors to resolve upon issues of shares, warrants and/or convertibles (item 16)**

Main proposal (item 16a)

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors to, until the next Annual General Meeting, on one or more occasions, decide upon issuances of new shares, warrants and/or convertibles. New issues of shares, warrants and/or convertibles may occur with or without preferential rights for shareholders of the Company and may be made either in cash and/or by way of set-off or contribution in kind or otherwise on specific terms. The number of shares issued, or number of shares created in connection with exercise of warrants or conversion of convertibles, may not correspond to a dilution of more than 20 per cent of the total number of shares outstanding at the Annual General Meeting's resolution on the proposed authorization, after full exercise of the hereby proposed authorization. The purpose of the authorization is to increase the financial flexibility of the Company and the acting scope of the Board of Directors. Oncopeptides is in the market introduction phase of the Company's drug PEPAXTO® (melphalan flufenamide) that is in progress following the accelerated approval given by the FDA on February 26, 2021. Should the Board of Directors resolve on an issue with deviation from the shareholders' preferential rights, the reason for this must be to finance an acquisition of operations or, alternatively, to procure capital to finance project development. Upon such deviation from the shareholders' preferential rights, the new issue shall be made at market terms and conditions. The CEO shall be authorized to make such minor adjustments that may be required to register the authorization.

Alternative proposal (item 16b)

If the proposal in item 16a above does not get the required supportive votes from the Annual General Meeting to be passed, the Board of Directors proposes that it is given an authorization to issue new shares, warrants and/or convertibles corresponding to a dilution of not more than 10 per cent, on the same terms and conditions as stated above in item 16a.

**Resolution on principles for guidelines for remuneration to senior management (item 17)**

The board of directors' proposed updated principles for guidelines for remuneration to senior management in accordance with the following.

**The Board's proposals for guidelines for remuneration to senior management**

The CEO and the other members of senior management fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the AGM 2021. The guidelines do not apply to

any remuneration decided or approved by the general meeting.

### **The guidelines' promotion of the company's business strategy, long-term interests and sustainability**

Oncopeptides is a global biotech company focused on the development of targeted therapies for difficult-to-treat hematological diseases. Oncopeptides conducts operations from the head office in Stockholm, Sweden and its offices in Boston, Massachusetts and Mountain View, California, USA.

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 is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the members of senior management a competitive total remuneration. Long-term share-based incentive programs have been implemented in the company. Such programs have been resolved by the general meeting and are therefore excluded from these guidelines. The programs encompass management, Board members, founders and other personnel. For more information about these programs, including the criteria determining outcomes, refer to the Corporate governance report on pages 51–52. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

### **Forms of remuneration etc.**

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration consists of a target-based variable remuneration of 50 percent of the fixed annual cash salary with capped at a maximum of 200 percent for the CEO and a target-based variable remuneration of between 25 and 50 percent for other senior management with capped at a maximum of 1.5 times the target-based remuneration.

For the CEO, provisions will take place in the 401k pension plan subject to a cap of not more than USD 26,500. For other members of senior management employed in Sweden, pension benefits, including health insurance, should be defined-contribution. Variable cash remuneration is not pensionable. The pension premium for defined contribution pensions is based on the individual's age and fixed cash remuneration and shall amount to not more than 24 percent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance (Sw: *Sjukvårdsförsäkring*) and company cars. Such benefits may amount to not more than two percent of the fixed annual cash salary.

The pension commitments for other members of senior management outside Sweden are to follow the market-based terms of their respective countries. For employments governed by rules other than Swedish, pension benefits and other 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 these guidelines.

### **Termination of employment**

The notice period may not exceed twelve months if notice of termination of employment is given by the company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the CEO's fixed cash salary for two years, and one year for other senior management. The notice period may not exceed six months without any right to severance pay when termination is made by the executive.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate

for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

#### **Criteria for awarding variable cash remuneration, etc.**

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

#### **Salary and employment conditions for employees**

In the preparation of the Board of Directors' proposal for these remuneration guidelines, 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, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

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

The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Director's decision to propose guidelines for executive remuneration. The Remuneration Committee has, with the help of external consultant Deloitte, carried out a comparative analysis of levels of remuneration and components thereof for individuals who are a part of executive management.

The Board of Directors shall prepare a proposal for new 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 the executive management, 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. The CEO and the other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

#### **Description of material changes to the guidelines and how the shareholders' have been taken into consideration**

During 2020, a new CEO has been employed whose variable remuneration has been set above the 50 percent level resolved upon by the AGM. The reason for the deviation from the guidelines was to attract suitable candidates in an international environment on market terms. For 2021, it is proposed that variable remuneration consist of a target-based variable remuneration up to 50 percent of the fixed annual salary with a maximum of 200 percent for the CEO and a target-based variable remuneration of between 25 and 50 percent for the other members of senior management with a maximum of 1.5 times the target-based variable

remuneration.

For information about the guidelines applicable until the 2021 AGM, refer to the Corporate governance report on pages 50–51.

### **Derogation from the guidelines**

The Board of Directors may temporarily resolve to derogate from the 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. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters.

### ***Preparation and approval of voting list (item 3)***

The voting list proposed for approval is the voting list drawn up by Advokatfirman Vinge on behalf of Oncopeptides, based on the Annual General Meeting's share register and advance votes received, as verified and recommended by the persons approving the minutes of the Annual General Meeting.

### **The main owner's proposed resolutions**

#### ***Resolution on the introduction of a long term performance based incentive program for certain members of the Board of Directors (item 15)***

The main owners, HealthCap VI L.P. and Stiftelsen Industrifonden ("Main Owners") proposes that the Annual General Meeting resolves to implement a long term performance based incentive program for certain members of the Board of Directors ("Board LTIP 2021") in accordance with items 15a – 15b below. The resolutions under items 15a – 15b below are proposed to be conditional upon each other. Should the majority requirement for item 15b below not be met, the Nomination Committee proposes that Oncopeptides shall be able to enter into an equity swap agreement with a third party in accordance with item 15c below and resolutions under items 15a and 15c shall then be conditional upon each other.

Board LTIP 2021 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting ("Share Awards") that entitle to shares in Oncopeptides to be calculated in accordance with the principles stipulated below, however not more than 35,000 shares. As part of the implementation of Board LTIP 2021, not more than 35,000 warrants will be issued in accordance with item 15b below.

#### ***Proposal for resolution on adoption of a long term performance based incentive program for certain members of the Board of Directors (item 15a)***

##### *The rationale for the proposal*

The Main Owners believes that an equity based incentive program is a central part of a competitive remuneration in order to attract, retain and motivate internationally competent members of the Board of Directors, and will also create aligned interests with shareholders. In the opinion of the Main Owners the Board LTIP 2021 as well as the previous years' Board LTIP will increase and strengthen the participants' dedication to Oncopeptides' operations, improve Company loyalty and that Board LTIP 2021 will be beneficial to both the shareholders and Oncopeptides. By having annual board equity programs, an individual board member can over time build a more meaningful equity position that will further incentivize long term behavior and also honor members that have served and intend to serve the Company for many years.

Board LTIP 2021 is intended for members of the Board of Directors in Oncopeptides that are independent of the main owners, i.e. excluding the member that is associated with the main owner, namely Per Samuelsson,

HealthCap VI L.P.

### *Conditions for Share Awards*

The following conditions shall apply for the Share Awards:

- The Share Awards shall be granted free of charge to the participants as soon as practicable after the Annual General Meeting.
- The Share Awards shall vest gradually over approximately three years, corresponding to three terms up to the date of, whichever is earliest, (i) the annual general meeting 2024 or (ii) 1 June 2024 (the “Vesting Date”), where each term equals the period from one annual general meeting up until the day falling immediately prior to the next annual general meeting or the Vesting Date, as applicable (each such period a “Term”). The Share Awards shall vest by 1/3 at the end of each Term, provided that the participant is still a Board member of Oncopeptides on said date. In addition to the vesting conditions just stated, the Share Awards are subject to performance vesting based on the development of the Oncopeptides share price, in accordance with the vesting conditions below.
- The Share Awards are subject to performance vesting based on the development of the Oncopeptides share price over the period from the date the Share Awards are allocated (“Grant Date”) up to and including the day before the Vesting Date. The development of the share price will be measured based on the volume weighted average price of the Oncopeptides share on Nasdaq Stockholm for the 10 trading days immediately prior to the Grant Date and the 10 trading days immediately preceding the Vesting Date. In the event the price of Oncopeptides’ share has thereby increased by more than 60 per cent, 100 per cent of the Share Awards shall vest, and should the share price have increased by 20 per cent, 33 per cent of such Share Awards shall vest. In the event of an increase of the share price of between 20 and 60 per cent, vesting of the Share Awards will occur linearly. Should the increase of the share price be less than 20 per cent, no vesting will occur.
- The earliest point in time at which vested Share Awards may be exercised shall be the day falling immediately following the Vesting Date.
- Each vested Share Award entitles the holder to receive one share in Oncopeptides without any compensation being payable provided that the holder is still a Board member of Oncopeptides at the relevant time of vesting. In some customary “good leaver”-situations.
- The number of Share Awards will be re-calculated in the event that changes occur in Oncopeptides’ equity capital structure, such as a bonus issue, merger, rights issue, share split or reverse share split, reduction of the share capital or similar measures.
- The Share Awards are non-transferable and may not be pledged.
- The Share Awards can be granted by the parent company as well as any other company within the Oncopeptides group.
- In the event of a public take-over offer, asset sale, liquidation, merger or any other such transaction affecting Oncopeptides, the Share Awards will vest in their entirety upon completion of such transaction.
- The Share Awards shall otherwise be subject to the terms set forth in the separate agreements with the participants and the detailed terms for Board LTIP 2021.

### *Allocation*

The number of Share Awards that shall be granted to each participant shall equal the below amount for the respective participant divided by the volume weighted average price of the Oncopeptides share on Nasdaq Stockholm for the 10 trading days preceding the Grant Date.

The Share Awards under Board LTIP 2021 shall be awarded in accordance with the following:

- Share Awards calculated based on SEK 1,500,000 to the Chairman; and
- Share Awards calculated based on SEK 600,000 to each of Brian Stuglik, Cecilia Daun Wennborg, Ulf Jungnelius and Jennifer Jackson.

In any event, Board LTIP 2021 will comprise a total of Share Awards which, if all Share Awards are vested in accordance with the vesting conditions above, entitle to not more than 35,000 shares in Oncopeptides.

#### *Preparation of the proposal*

Board LTIP 2021 has been initiated by the Main Owners and has been structured based on an evaluation of prior incentive programs and market practice for comparable European (including Swedish) listed companies.

#### *Dilution*

Assuming a share price at the time of allocation of Share Awards of SEK 150, Board LTIP 2021 will comprise not more than 26,000 shares in total, which corresponds to a dilution of approximately 0.03 per cent on a fully diluted basis. Taking into account also the shares which may be issued pursuant to previously implemented incentive programs in the Company, however, the total dilution amounts to 6.4 per cent on a fully diluted basis. The dilution is expected to have a marginal effect on the company's key performance indicator "Earnings (loss) per share".

Information about Oncopeptides' existing incentive programs can be found in Oncopeptides' annual report for 2020, note 27, which will be available on the Company's website, [www.oncopeptides.com](http://www.oncopeptides.com), on during week 17, and on the Company's website under "Remuneration".

#### *Scope and costs of the program*

Board LTIP 2021 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the Share Awards shall be expensed as personnel costs over the vesting period. Personnel costs in accordance with IFRS 2 do not affect the Company's cash flow. Social security costs will be expensed in the income statement according to UFR 7 during the vesting period.

Assuming a share price at the time of allocation of Share Awards of SEK 150, an annual increase in the share price of 20 per cent and that the Share Awards at the Grant Date are valued in accordance with a Monte Carlo simulation, the average annual personnel cost for Board LTIP 2021 according to IFRS 2 is estimated to approximately SEK 0.7 million before tax. The average annual social security costs are estimated to approximately a total of SEK 0.3 million, based on the above assumptions and social security costs of 13.48 per cent. The average total annual cost for Board LTIP 2021 during the term of the program, including costs according to IFRS 2 and social security costs, is therefore estimated to approximately SEK 1.0 million.

The total cost of the Board LTIP, including all costs referred to above and social security costs, is estimated to amount to approximately 2.9 million under the above assumptions.

#### *Delivery of shares under Board LTIP 2021*

In order to ensure the delivery of shares under Board LTIP 2021, the Main Owners proposes that the Annual General Meeting resolves to issue warrants in accordance with item 15b below.

#### *Proposal regarding issue of warrants (item 15b)*

In order to ensure the delivery of shares under Board LTIP 2021, the Main Owners that the Annual General Meeting resolves to issue not more than 35,000 warrants, whereupon the Company's share capital may be increased by not more than approximately SEK 3,888.89.

The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emptive rights, only vest with Oncopeptides Incentive AB, a wholly owned subsidiary of Oncopeptides. The reason for the deviation from the shareholders' pre-emptive rights is the implementation of Board LTIP 2021. Oncopeptides Incentive AB shall be entitled to transfer the warrants to participants in Board LTIP 2021, or a financial intermediary in connection with exercise of Share Awards.

The warrants shall be issued free of charge. The exercise price for subscription for shares based on the warrants shall correspond to the share's quota value.

#### Equity swap agreement with a third party (item 15c)

Should the majority requirement for item 15b above not be met, the Main Owners proposes that the Annual General Meeting resolves that Board LTIP 2021 shall instead be hedged so that Oncopeptides can enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer shares of Oncopeptides to the participants.

### **Required majority**

A valid resolution in respect of

- issue of warrants (item 14b); and
- issue of warrants (item 15b)

requires that the proposals are supported by shareholders holding at least nine-tenths of both the votes cast and the shares represented at the Annual General Meeting.

A valid resolution in respect of

- new articles of association (item 13); and
- the authorization for the Board of Directors to resolve upon issues of shares, warrants and/or convertibles (item 16a or alternatively, item 16b)

requires support by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the Annual General Meeting.

### **Documents**

The annual report, the auditor's report, full proposed resolutions according to items 13-16, the Board of Directors' reports, remuneration report and the auditor's statements under the Swedish Companies Act (2005:551), the Nomination Committee's statement regarding its proposals and information regarding proposed members of the Board of Directors will be made available at the Company's website, [www.oncopeptides.com](http://www.oncopeptides.com), no later than Wednesday May 5, 2021 and at the premises of the Company, address Luntmakargatan 46, 111 37 Stockholm, Sweden, and will be sent free of charge to shareholders who so request and state their postal address or email address.

### **Information at the Annual General Meeting**

The Board of Directors and the CEO shall, if requested by a shareholder, and if the Board of Directors' believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of a matter on the agenda and circumstances that may affect the assessment of the Company's or subsidiary's financial situation and the Company's relation to other group

companies. A request for such information shall be made in writing to Oncopeptides AB (publ), Luntmakargatan 46, SE-111 37 Stockholm, Sweden, or via e-mail to [lisa.andersson@oncopeptides.com](mailto:lisa.andersson@oncopeptides.com), no later than on May 16, 2021. The information will be made available at Oncopeptides AB (publ), Luntmakargatan 46, SE-111 37 Stockholm, Sweden and on [www.oncopeptides.com](http://www.oncopeptides.com) on May 21, 2021 at the latest. The information will also be sent, within the same period of time, to the shareholder who has requested it and stated its address.

## **Number of shares and votes**

The number of shares and votes in Oncopeptides amounts to 75,084,855 at the date of the issue of this notice.

## **Processing of personal data**

For information about how personal data is processed, it is referred to the privacy notice available at Euroclear's webpage: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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Stockholm in April 2021

The Board of Directors

## **For further information, please contact:**

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## **About Oncopeptides**

Oncopeptides is a global biotech company focused on the development of targeted therapies for difficult-to-treat hematological diseases. The company uses its proprietary peptide-drug conjugate (PDC) platform to develop compounds that rapidly and selectively deliver cytotoxic agents into cancer cells. The first drug stemming from the PDC platform, PEPAXTO® (melphalan flufenamide), has been launched in the U.S., for the treatment of adult patients with relapsed or refractory multiple myeloma. Melphalan flufenamide is evaluated in a comprehensive clinical study program including the global phase 3 studies OCEAN and LIGHTHOUSE. Oncopeptides is developing several new compounds which are based on the PDC platform. The first one is expected to enter into clinical development in 2021.

Oncopeptides has approximately 300 coworkers. The global Headquarters is based in Stockholm, Sweden and the U.S. Headquarters is situated in Boston, Mass. The company is listed in the Mid Cap segment on Nasdaq Stockholm with the ticker ONCO. More information is available on [www.oncopeptides.com](http://www.oncopeptides.com).

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