



Stockholm, Sweden

Press release May 25, 2022

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

STOCKHOLM — May 25, 2022 — 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 Tuesday 28 June 2022.

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 28 June 2022 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 Organization), on Friday 17 June 2022 and must notify their participation by casting their advance vote to the Company no later than on Monday 27 June 2022. 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 Tuesday 21 June 2022, 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 (2022:121) 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 Monday 27 June 2022. 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 shareholder program for members of the Board of Directors;
  - a. proposal for resolution on adoption of a long-term shareholder program for members of the Board of Directors
  - b. proposal regarding authorization for the Board of Directors to resolve on a directed share issue of class C shares, authorization to repurchase issued class C shares and resolution on transfer of own ordinary shares
  - c. proposal regarding equity swap agreement with a third party
15. resolution on the introduction of a performance based long-term incentive program for the Company's employees and consultants;
  - a. proposal for resolution on adoption of a performance based long-term incentive program for the Company's employees and consultants
  - b. proposal regarding authorization for the Board of Directors to resolve on a directed share issue of class C shares, authorization to repurchase issued class C shares and resolution on transfer of own ordinary shares
  - c. proposal regarding 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 person to approve the minutes (item 2)**

Caroline Murray, representing Stiftelsen Industrifonden, or if she has an impediment to attend, the person instead appointed by the Nomination Committee, is 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.

### **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 person approving 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 to the Board of Directors with three components where the basic remuneration corresponds to a value of SEK 2,250,000, work in committees and travel allowance corresponds to SEK 607,500 and share awards a value of SEK 1,950,000. Total remuneration corresponds to a value of SEK 4,807,500 until the end of the Annual General Meeting 2023. The proposed remuneration for ordinary work of the Board of Directors (excluding work in committees and travel allowance) for the period until the end of the Annual General Meeting 2023 corresponds to a total value of SEK 4,200,000.

The Nomination Committee considers that it is desirable for the Board members elected by the Annual General Meeting to be shareholders in Oncopeptides in order to strengthen common interests in the company. The Nomination Committee therefore proposes that the Annual General Meeting 2022 resolves that 50 per cent (excluding remuneration for committee work or travel allowances) of the ordinary fixed remuneration consist of Share Awards in Board SHP 2022 in accordance with item 14 below.

Remuneration for ordinary work of the of Board of Directors are proposed to be allocated in accordance with the following:

- SEK 1,500,000 to the Chairman of the Board of Directors (of which 50 per cent in cash and 50 per cent in Share Awards); and
- SEK 600,000 to each of the other Board members (of which 50 per cent in cash and 50 per cent in Share Awards) however, that Per Samuelsson has declined to receive Share Awards and will therefore only receive 50 per cent in cash.

The resolution on remuneration in the form of share awards in accordance with this item 9 is conditional on the Annual General Meeting resolving on Board SHP 2022 in accordance with item 14 below. Should the majority requirement for item 14 not be met, the Nomination Committee proposes that the remuneration amounts stated above be paid in full in cash, whereby the Board members are requested to invest 50 per cent of the remuneration amount in shares in the company by buying shares on the market.

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 2023 amounts to a total of SEK 357,500 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;
- SEK 55,000 to the Chairman of the Remuneration Committee and SEK 27,500 to each of the other two members; and
- SEK 55,000 to the Chairman of the Scientific 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.

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.

#### **Resolution on the introduction of a long-term shareholder program for members of the Board of Directors (item 14)**

The Nomination Committee proposes that the Annual General Meeting resolves to implement a long-term shareholder program for members of the Board of Directors of Oncopeptides ("Board SHP 2022") in accordance with items 14 (a) – (b) below. The resolutions under items 14 (a) – (b) below are proposed to be conditional upon

each other. Should the majority requirement for item 14 (b) 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 14 (c) below and resolutions under items 14 (a) and 14 (c) shall then be conditional upon each other.

Board SHP 2022 is a program under which the participants will be granted share awards (“**Share Awards**”) that entitle to ordinary shares in Oncopeptides to be calculated in accordance with the principles stipulated below, however not more than 245,000 ordinary shares. As part of the implementation of Board SHP 2022 it is proposed that the Board of Directors, in order to cover the delivery of shares to the participants, be authorized to resolve on issue and purchase of class C shares and resolution on transfer of ordinary shares in accordance with item 14 (b) below.

*Proposal for resolution on adoption of a long-term shareholder program for members of the Board of Directors (item 14 (a))*

*The rationale for the proposal*

The Nomination Committee considers that it is desirable for Board members to be shareholders in the Company in order to strengthen common interests. Furthermore, an equity based program is a central part of a competitive remuneration in order to attract, retain and motivate internationally competent members of the Board of Directors. In the opinion of the Nomination Committee the Board SHP 2022 as well as the previous years’ Board LTIP will increase and strengthen the participants’ dedication to Oncopeptides’ operations, improve Company loyalty and that Board SHP 2022 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. The Nomination Committee requests the Board members to keep their received shares at least as long as the Board member is part of the Board of Directors, with the exception of financing tax as a consequence of this shareholder program.

Per Samuelsson, who is associated with the main owner, HealthCap VI L.P, has chosen to refrain from participating in the shareholder program.

*Conditions for Share Awards*

The following conditions shall apply for the Share Awards:

- The Share Awards shall be granted to the participants based on a share of the participants’ board remuneration in accordance with what follows from item 9 and also the below, as soon as practicable after the Annual General Meeting (the “**Grant Date**”).
- The Share Awards shall vest after approximately one year (corresponding to one year of service as a Board member), corresponding to the earlier of the day before (i) the Annual General Meeting 2023 or (ii) 1 July 2023 (the “**Vesting Date**”), provided that the participant is still a Board member of Oncopeptides on said date.
- Each vested Share Award entitles the holder to receive one share in Oncopeptides without any compensation being payable as soon as practicable three years after the Grant 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, in certain cases, vest in their entirety upon 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 SHP 2022.

#### *Allocation*

The number of Share Awards that shall be granted to each participant shall equal the below amount, corresponding to 50 per cent of the remuneration for ordinary board work, 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 granted to each participant are consequently to be seen as an investment of part of the fixed remuneration for ordinary board work in accordance with what follows from the Nomination Committee's proposal in item 9.

The Share Awards under Board SHP 2022 shall be awarded in accordance with the following:

- Share Awards calculated based on SEK 750,000 to the Chairman; and
- Share Awards calculated based on SEK 300,000 to each of Brian Stuglik, Cecilia Daun Wennborg, Jennifer Jackson and Ulf Jungnelius.

In any event, Board SHP 2022 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 245,000 shares in Oncopeptides.

#### *Preparation of the proposal*

Board SHP 2022 has been initiated by the Nomination Committee 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 10, Board SHP 2022 will comprise not more than 195,000 shares in total, which corresponds to a dilution of approximately 0.23 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 2021, note 27, which is available on the Company's website, [www.oncopeptides.com](http://www.oncopeptides.com), and on the Company's website under "Remuneration".

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

Board SHP 2022 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 10 and an annual increase in the share price of 20 per cent the average annual personnel cost for Board SHP 2022 according to IFRS 2 is estimated to approximately SEK 0.5 million before tax. The average annual social security costs are estimated to approximately a total of SEK 0.1 million, based on the above assumptions and social security costs of 22.2 per cent. The average total annual cost for Board SHP 2022 during the term of the program, including costs according to IFRS 2 and social security costs, is therefore estimated to approximately SEK 0.6 million.

The total cost of the Board SHP, including all costs referred to above and social security costs, is estimated to amount to approximately SEK 1.9 million under the above assumptions.

*Delivery of shares under Board SHP 2022 and Board LTIP 2021*

In order to ensure the delivery of shares under Board SHP 2022 and Board LTIP 2021, the Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors to resolve on issue of class C shares and on repurchase of issued class C shares and resolves on transfer of own ordinary shares in accordance with item (b) below. Should the majority requirement for resolutions pursuant to item 13 below and item 14 (b) not be met, the program may be hedged by a resolution in accordance with the Nomination Committees' proposal in accordance with item 14 (c) below.

*Proposal regarding authorization for the Board of Directors to resolve on a directed share issue of class C shares and to repurchase issued class C shares as well as resolution on transfer of own ordinary shares to participants in Board SHP 2022 and Board LTIP 2021 (item 14 (b))*

The resolutions under items 14 (b)(i) - (iii) are proposed to be conditional upon i) that the Annual General Meeting resolves in accordance with the Board of Directors' proposal in accordance with item 13 below regarding the adoption of a new Articles of Association, and ii) upon each other. It is therefore proposed that the resolutions under items 14 (b)(i) - (iii) are adopted jointly.

*Authorization for the Board of Directors to resolve on issue of class C shares (item 14 (b)(i))*

The Nomination Committee proposes that the Annual General Meeting resolves to authorize the Board of Directors, during the period until the next Annual General Meeting, at one or several occasions, to increase the company's share capital by not more than SEK 31,110.80 by the issue of not more than 280,000 class C shares, each with a quota value of approximately SEK 0.11. With disapplication of the shareholders' preferential rights, a participating bank shall be entitled to subscribe for the new class C shares at a subscription price corresponding to the quota value of the shares. The purpose of the authorization and the reason for the disapplication of the shareholders' preferential rights in connection with the issue of shares is to ensure delivery of shares in accordance with Board SHP 2022 and Board LTIP 2021.

*Authorization for the Board of Directors to resolve to repurchase own class C shares (item 14 (b)(ii))*

The Nomination Committee proposes that the Annual General Meeting resolves to authorize the Board of Directors, during the period until the next Annual General Meeting, at one or several occasions, to repurchase class C shares. The repurchase may only be effected through a public offer directed to all holders of class C shares and shall comprise all outstanding class C shares. The purchase may be effected at a purchase price corresponding to the quota value of the share. Payment for the class C shares shall be made in cash. The purpose of the proposed repurchase authorization is to ensure the delivery of shares.

*Resolution on the transfer of own ordinary shares including for fulfilment of obligations under Board SHP 2022 and Board LTIP 2021 (item 14 (b)(iii))*

The Nomination Committee proposes that the Annual General Meeting resolves that class C shares that the company purchases by virtue of the authorization to repurchase class C shares in accordance with item 14 (b)(ii) above, following reclassification into ordinary shares, may be transferred free of charge to participants in Board SHP 2022 and earlier adopted Board LTIP 2021 in accordance with resolved conditions. The Board of Directors proposes that the Annual General Meeting resolves that a maximum of 280,000 ordinary shares may be transferred to participants in accordance with the terms of Board SHP 2022 and Board LTIP 2021. The number of shares that can be transferred is subject to recalculation as a result of an in-between bonus issue, share split, rights issue and/or similar events.

Equity swap agreement with a third party (item 14 (c))

Should the majority requirement for the resolutions under item 14 (b) above not be met, the Nomination Committee proposes that the Annual General Meeting 2022 resolves that Board SHP 2022 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.

## **The Board of Directors' proposed resolutions**

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

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 2021 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.

A new section, § 6, together with an updated wording of § 3 and § 5, is proposed in the Articles of Association. The new § 6, together with the amended § 5, allows for class C shares to be issued, conversion of class C shares into ordinary shares, redemption and regulates preferential rights. Following the insertion of a new section, a renumbering of sections is proposed, whereby the previous § 6 becomes § 7 and so on.

Current wording

Proposed wording

<b>3 § Object</b> The Company shall have as its object to directly or indirectly conduct research and development, manufacture, marketing, sales and licensing of pharmaceuticals for treatment of isolated as well as spread cancer disease and to conduct other business compatible therewith.	<b>3 § Object</b> The Company shall have as its object to directly or indirectly conduct research and development, manufacture, marketing, sales and licensing of pharmaceuticals for treatment of cancer or other cancer-related diseases or conditions and to conduct other business compatible therewith.
<b>5 § The Shares</b> The number of shares shall not be not less than 66,000,000 and not more than 264,000,000 shares. The company shares shall be common shares that entitle to one vote each on general meetings.	<b>5 § The Shares</b> The number of shares shall not be not less than 66,000,000 and not more than 264,000,000 shares. The shares shall be issued in two classes, ordinary shares and class C shares. Ordinary shares shall entitle the holder to one (1) vote per share, whereas class C shares shall entitle the holder to one tenth (1/10) vote per share. Shares of each class may be issued in a quantity corresponding to the entire share capital of the company.  Holders of class C shares are not entitled to dividends. Upon the company's liquidation, class C shares carry equivalent right to the company's assets as other



shares, however not to an amount exceeding the quota value of the share.

Where the company resolves to issue new shares by way of a cash issue or a set-off issue, one old share shall entitle the holder to pre-emption rights to one new share of the same class pro rata to the number of shares previously owned by the holder (primary pre-emption rights). Shares that are not subscribed for pursuant to primary pre-emption rights shall be offered to all shareholders for subscription (subsidiary pre-emption rights). Unless shares offered in such manner are sufficient for the subscription which takes place pursuant to subsidiary pre-emption rights, the shares shall be allotted among the subscribers pro rata to the total number of shares previously owned. Where this is not possible with respect to a particular share(s), shares shall be allotted through drawing of lots.

The provisions above shall not entail any restrictions on the possibility for the company to adopt a resolution regarding a cash issue or set-off issue without regard to shareholders' pre-emption rights.

The provisions above regarding shareholders' pre-emption rights shall apply mutatis mutandis to an issue of warrants or an issue of convertible instruments.

Where the company resolves to issue only one class of shares by way of a cash issue or set-off issue, all of the shareholders, irrespective of the class of share, shall hold pre-emption rights to subscribe for new shares pro rata to the number of shares previously owned.

In the event of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class previously issued. In connection therewith, the owners of existing shares of a certain class shall entitle the holder to new shares of the same class. This shall not entail any restrictions on the possibility of issuing new shares of a new class by means of a bonus issue, following the required amendment to the articles of association.

Reduction of share capital, which in any case shall not fall below the minimum share capital, may, upon the request of an owner of class C shares and a resolution by the company's Board of Directors or the general meeting, take place through redemption of class C shares. A request from a shareholder shall be made in

	<p>writing. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the company's reserve fund, if required funds are available. The redemption amount per C- share shall correspond to the quota value of such share.</p> <p>Following notice of the redemption resolution, holders of shares shall promptly receive payment for the shares, or, if authorization from the Swedish Companies Registration Office (Sw. <i>Bolagsverket</i>) or a court is required, following notice that the final decision has been registered.</p>
<p><b>6 § (New section inserted)</b></p>	<p><b>6 § Conversion clause</b></p> <p>Class C shares held by the company may, upon decision of the board of directors be reclassified into ordinary shares. Immediately thereafter, the board of directors shall register the reclassification to the Swedish Companies Registration Office. The reclassification is effected when it has been registered and the reclassification been reflected in the central securities depository register.</p>

The Board of Directors proposes that the CEO shall be authorized to make the minor adjustments to this resolution that may be necessary in connection with their registration.

**Resolution on the introduction of a long-term performance based incentive program for the Company's employees and consultants (item 15)**

The Board of Directors proposes that the Annual General Meeting resolves to implement a long-term performance based incentive program for employees and consultants in Oncopeptides ("Co-worker LTIP 2022") in accordance with items 15 (a) – 15 (b) below. The resolutions under items 15 (a) – 15 (b) below are proposed to be conditional upon each other. Should the majority requirement for item 15 (b) 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 15 (c) and resolutions under items 15 (a) and 15 (c) shall then be conditional upon each other.

Co-worker LTIP 2022 is a program under which the participants will be granted, free of charge, share awards subject to performance vesting ("Share Awards") that entitle to ordinary shares in Oncopeptides to be calculated in accordance with the principles stipulated below, however not more than 3,860,849 shares. As part of the implementation of Co-worker LTIP 2022, the Board of Directors is proposed, in order to cover delivery of shares to participants and any related social security costs, to be authorized to resolve on issue, purchase and transfer of class C shares in accordance with item 15 (b) below.

Proposal regarding adoption of a long-term performance based incentive program for the Company's employees and consultants (item 15 (a))

*The rationale for the proposal*

Co-worker LTIP 2022 is intended for employees and consultants. 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 consultants 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 retain, motivate and possibly attract, qualified key employees in Europe due to the European regulatory registration process and sales preparations. A competitive equity based incentive program will be a key component in order to be able to retain and possibly attract highly skilled and experienced individuals as Oncopeptides continues to develop its organization and business.

The Board of Directors of Oncopeptides believes that Co-worker LTIP 2022 will create a strong alignment of the interests of the participants and the interests of the shareholders. Co-worker LTIP 2022 is adapted to the current position and needs of Oncopeptides. The Board of Directors is of the opinion that Co-worker LTIP 2022 will increase and strengthen the participants' dedication to Oncopeptides' operations, improve Company loyalty and that Co-worker LTIP 2022 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 36 months after the Annual General Meeting, i.e. Co-worker LTIP 2022 is intended to be a multi-year program. Share Awards that fall due according to the terms must be returned and can be granted again within the framework of the mentioned 36-month period.
- 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 Vesting Date. 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, in certain cases, vest in their entirety upon 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 36 months after the Annual General Meeting. Everyone who is employed or a consultant 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 2022 is that the allocation is limited to not more than 500 per cent for the CEO, not more than 200 per cent to members of global senior management and not more than 100 per cent for other employees and consultants, of the yearly base salary. In addition, market practice for peer companies has shown that the percentage for allocation to newly employed and consultants normally amount to 1.5 to 2.5 times the corresponding allocation to employees and consultants already employed, whereby the proposal in Co-worker LTIP 2022 is that the allocation is limited to 1.5 times the yearly allocation for newly employed and new consultants.

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 2022, 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 favorable 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 2022 no longer serve their purpose.

#### *Preparation of the proposal*

Co-worker LTIP 2022 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 retain and possibly attract suitable persons due to the European regulatory registration process and sales preparations. Co-worker LTIP 2022 has been prepared by the Remuneration Committee and reviewed by the Board of Directors.

#### *Dilution*

Assuming a share price at the time of allocation of Share Awards of SEK 10, Co-worker LTIP 2022 will comprise

not more than 3,860,849 shares in total, which corresponds to a dilution of approximately 4.6 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 Co-worker LTIP 2021 as well as the Company's previously implemented incentive programs Board LTIP 2019, Board LTIP 2020, Board LTIP 2021 and now proposed Board SHP 2022 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 10 per cent on a fully diluted basis. The Board's fundamental position regarding allotment according to Co-worker LTIP 2022 is that the number of allotted Share Awards including at any given time outstanding Previously Implemented Programs shall not exceed a dilution corresponding to 10 per cent, calculated on a fully diluted basis, in connection with each resolved allotment under Co-worker LTIP 2022. As stated above, Co-worker LTIP 2022 is also intended to be a multi-year program that is intended to cover the company's needs for up to 36 months.

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 2021, note 27, which is available on the Company's website, [www.oncopeptides.com](http://www.oncopeptides.com), and on the Company's website under "Remuneration".

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

Co-worker LTIP 2022 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 10, 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 2022 according to IFRS 2 is estimated to approximately SEK 10.3 million before tax. The average annual social security costs are estimated to approximately a total of SEK 3.2 million, based on the above assumptions and social security costs of 31.42 per cent. The average total annual cost for Co-worker LTIP 2022 during the term of the program, including costs according to IFRS 2 and social security costs, is therefore estimated to approximately SEK 13.5 million.

The total cost of the Co-worker LTIP 2022, including all social security costs, is estimated to amount to approximately SEK 40.6 million under the above assumptions.

The costs associated with Co-worker LTIP 2022 are expected to have a marginal effect on the Company's key performance indicator "Expenses relating to R&D/operating expenses".

#### *Delivery of shares under Co-worker LTIP 2022*

In order to ensure the delivery of shares under Co-worker LTIP 2022, the Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors to resolve on issue of class C shares, repurchase of issued class C shares and on transfer of own ordinary shares in accordance with item (b) below. Should the majority requirement for resolutions pursuant to item 13 or item 15 (b) not be met, the program may be hedged by a resolution in accordance with the Board of Directors' proposal in accordance with item 15 (c) below.

Proposal regarding authorization for the Board of Directors to resolve on a directed share issue of class C shares, repurchase of issued class C shares, transfer of own ordinary shares to participants in Co-worker LTIP 2022 and in the market (item 15 (b))

The resolutions under items 15 (b)(i) - (iii) are proposed to be conditional upon i) that the Annual General Meeting resolves in accordance with the Board of Directors' proposal in accordance with item 13 regarding the adoption of a new Articles of Association, and ii) upon each other. It is therefore proposed that the resolutions under items 15 (b)(i) - (iii) are adopted jointly.

*Authorization for the Board of Directors to resolve on issue of new class C shares (item 15 (b)(i))*

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, during the period until the next Annual General Meeting, at one or several occasions, to increase the company's share capital by not more than SEK 428,983 by the issue of not more than 3,860,849 class C shares, each with a quota value of approximately SEK 0.11. With disapplication of the shareholders' preferential rights, a participating bank shall be entitled to subscribe for the new class C shares at a subscription price corresponding to the quota value of the shares. The purpose of the authorization and the reason for the disapplication of the shareholders' preferential rights in connection with the issue of shares is to ensure delivery of shares under Co-worker LTIP 2022 as well as to cover any social costs due to Co-worker LTIP 2022.

*Authorization for the Board of Directors to resolve to repurchase own class C shares (item 15 (b)(ii))*

The Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors, during the period until the next Annual General Meeting, at one or several occasions, to repurchase class C shares. The repurchase may only be effected through a public offer directed to all holders of class C shares and shall comprise all outstanding class C shares. The purchase may be effected at a purchase price corresponding to the quota value of the share. Payment for the class C shares shall be made in cash. The purpose of the proposed repurchase authorization is to ensure the delivery of shares and to cover any social costs due to Co-worker LTIP 2022.

*Resolution on the transfer of own ordinary shares (item 15 (b)(iii))*

The Board of Directors proposes that the Annual General Meeting resolves that class C shares that the company purchases by virtue of the authorization to repurchase class C shares in accordance with item 15 (b)(ii) above, following reclassification into ordinary shares, may be transferred free of charge to participants in Co-worker LTIP 2022 in accordance with resolved conditions and transferred to cover any social costs due to Co-worker LTIP 2022.

The Board of Directors proposes that the Annual General Meeting resolves that a maximum of 3,860,849 ordinary shares may be transferred to participants in accordance with the terms of Co-worker LTIP 2022, and that it may be transferred on Nasdaq Stockholm, including through a financial intermediary, at a price within the price range registered at the time, to cover any social security contributions in accordance with the terms of Co-worker LTIP 2022. The number of shares that can be transferred is subject to recalculation as a result of an in-between bonus issue, share split, share split, rights issue and/or similar events.

Proposal regarding equity swap agreement with a third party (item 15(c))

Should the majority requirement for the resolutions under item 15 (b) above not be met, the Board of Directors proposes that the Annual General Meeting 2022 resolves that Co-worker LTIP 2022 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 16 (a))

The Board of Directors proposes that the Annual General Meeting 2022 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. 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 16 (b))

If the proposal in item 16 (a) above does not get the required supportive votes from the Annual General Meeting 2022 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 16 (a).

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

The Board of Directors proposes updated principles for guidelines for remuneration to senior management in accordance with the following.

### **The Board's proposals for new 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 2022. 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 biotech company focused on the development of targeted therapies for difficult-to-treat hematological diseases. Oncopeptides mainly conducts operations from the head office in Stockholm, Sweden. 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 30-32. 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 corresponding to 25-50 per cent of the fixed annual cash salary with capped at a maximum of 1.5 times the target-based remuneration for the CEO other senior management.

For the CEO and other members of senior management, pension benefits, including health insurance, should be defined-contribution. Variable cash remuneration is not pensionable. The pension premium for defined contribution pensions shall amount to not more than 24 percent of the fixed annual cash salary. Other benefits may include, for example, life insurance and medical insurance (Sw: *Sjukvårdsförsäkring*). Such benefits may amount to not more than two percent of the fixed annual cash salary.

### **Termination of employment**

The notice period may not exceed nine 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 during the notice period, and six months 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 and PWC, 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.

#### **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.

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

Variable remuneration to the CEO, which previously amounted to 50 per cent of the fixed cash remuneration with a maximum level of 200 per cent, has been adjusted to a maximum of 1.5 times target-based remuneration. The notice period from the company is adjusted from 24 months to 9 months for the CEO. Severance pay amounts to a maximum of the corresponding fixed cash salary during the notice period. Pension provision in 401K has been exchanged with a defined contribution pension provision amounting to a maximum of 24 per cent of fixed annual cash compensation.

#### **Required majority**

A valid resolution in respect of authorization for the Board of Directors to resolve on a directed share issue of class C shares and on repurchase of issued class C shares as well as resolution on transfer of own ordinary shares to participants in Co-worker LTIP 2022, Board SHP 2022 and Board LTIP 2021 requires that the proposals are supported by shareholders holding at least nine-tenths (9/10) 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 16 (a) or alternatively, item 16 (b))

requires support by shareholders holding not less than two-thirds (2/3) 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 7 June 2022 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 18 June 2022. 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 23 June 2022 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 75,307,217 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 May 2022

The Board of Directors

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

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### **About Oncopeptides**

Oncopeptides is a biotech company focused on research and development of therapies for difficult-to-treat hematological diseases. The company uses its proprietary PDC platform to develop peptide-drug conjugated compounds that rapidly and selectively deliver cytotoxic agents into cancer cells. The first drug coming from the PDC platform, Pepaxto<sup>®</sup> (INN melphalan flufenamide), also called melflufen was granted accelerated approval in the U.S., on February 26, 2021, in combination with dexamethasone, for treatment of adult patients with relapsed or refractory multiple myeloma. The Company voluntarily withdraw the drug on October 22, 2021 and then rescinded the withdrawal on January 21, 2022. The product is currently not marketed in the U.S. Oncopeptides is developing several new compounds based on the PDC platform. 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).