

The Board of Directors of Isofol Medical AB (publ) proposal for guidelines for remuneration to executive management

The board of directors proposes that the annual general meeting resolves to adopt the following guidelines for remuneration to the executive management to apply for the period until the end of the annual general meeting 2026.

Scope

The guidelines encompass the executive management of Isofol Medical AB (publ) and the board of directors insofar as remuneration not resolved by the general meeting is paid to board members. Executive management refers to the CEO, the deputy CEO and other members of the executive management. "Other members of the executive management" refers to senior managers and managers reporting directly to the CEO. Managers who report directly to the CEO are in the company's case Chief Medical Officer/ Chief Scientific Officer, Chief Financial Officer and Chief Commercial Officer.

The guidelines are forward-looking and shall apply to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines at the annual general meeting 2022. These guidelines do not apply to any remuneration resolved by a general meeting.

For employments governed by rules other than Swedish, remuneration 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.

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

The company's business strategy is to help extend life and improve the quality of life for cancer patients by offering the drug arfolitixorin globally by achieving the following objectives i) ensure the completion of the AGENT study in colorectal cancer, ii) ensure that we can apply for regulatory approval for arfolitixorin as soon as possible after the end of the study and that data satisfies the regulatory requirements, iii) establish a solid commercialisation plan for the successful launch of arfolitixorin, iv) assess strategic partnerships to maximise the potential and value of arfolitixorin, and v) investigate extended uses of arfolitixorin through life cycle activities.

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. The total remuneration shall be on market terms, competitive, and linked to responsibility and authority.

Any cash-based remuneration under these guidelines shall also aim at promoting the company's business strategy and long-term interests including sustainability.

Remuneration to executive management

Types of remuneration, etc.

The company shall offer a total compensation on market terms enabling recruitment and retention of qualified executive management. Remunerations within the company shall be based on principles of achievement, competitiveness and reasonability.

The remuneration shall be on market terms and may consist of the following components: fixed cash remuneration, any variable cash remuneration in accordance with a separate agreement, pension benefits and other benefits. Additionally, the general meeting may resolve on long-term incentive programs such as share or share price-related remuneration, or

incentive programs. Any such long-term incentive programs are resolved by the general meeting and are therefore not subject to these guidelines.

Fixed remuneration

The fixed remuneration consists of fixed cash remuneration and is reviewed annually. The fixed remuneration reflects the requirements for the position regarding competence, responsibility, complexity and in which way the executive position is expected to contribute to achievement of the business targets. Further, the fixed remuneration shall be individual and differentiated and reflect the pre-determined and achieved performance targets.

Variable remuneration

In addition to fixed remuneration, the CEO and other members of the executive management may, according to separate agreement, receive variable cash remuneration by satisfying pre-determined performance targets. Variable remuneration consists of an annual cash remuneration corresponding to no more than fifty (50) per cent of the total annual remuneration for the CEO and thirty-three (33) per cent for other members of the executive management.

The variable remuneration shall be linked to one or more predetermined and measurable criteria designed so as to promote 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. The criteria may be both financial and non-financial. The criteria may also consist of individually adapted quantitative or qualitative targets. The criteria connect the executive management to the company's result and sustainability and thereby promote the implementation of the company's business strategy, long-term interests and competitiveness. The criteria apply to one financial year at a time. Satisfaction of criteria for awarding variable remuneration is measured annually. In connection with this, it is determined how well the criteria are met. The remuneration committee is responsible for the evaluation as regards variable cash remuneration to the CEO. As regards variable cash remuneration to other members of the executive management, the CEO is responsible for the evaluation. Financial targets shall be measured based on the latest financial information disclosed by the company.

The board of directors shall be able to, in accordance with law or agreement and with the restrictions that may follow from it, fully or partially, recover variable remuneration distributed on incorrect grounds.

Pension

For the CEO, retirement benefits, including health insurance, are premium based and the premium shall not exceed thirty (30) per cent of the fixed annual cash remuneration. For other members of the executive management, retirements benefits, including health insurance, are premium based, unless the executive manager is subject to a defined benefit contribution plan in accordance with stipulations of a compulsory collective bargaining agreement. Premiums for premium based pensions shall not exceed thirty (30) per cent of the fixed annual cash remuneration. Variable remuneration shall not qualify for pension benefits.

Other benefits

Other benefits, such as may include car benefit, travel benefit and health insurance, are market-based and constitute a limited part of the total compensation. Premiums and other costs in connection with such benefits may in total amount to a maximum of ten (10) per cent of the fixed annual cash remuneration.

Termination of employment

If the CEO terminates his/her employment, a notice period of six (6) months apply. If the company terminates the CEO's employment, a notice period of no more than six (6) months apply. If notice of termination of employment is made by the company, severance payment corresponding to no more than twelve (12) months' salary may be awarded to the CEO with no

deduction for remuneration received from new employment or assignment. The notice period for other members of the executive management is normally between three (3) to six (6) months. If notice of termination of employment is made by the company, a notice period of no more than six (6) months is applicable. No severance payments are agreed with other members of the executive management.

Remuneration to members of the board of directors

Board members are solely entitled to remuneration resolved by a general meeting. Under special circumstances, board members may be subject to remuneration based on services rendered within the board members respective field of expertise or competence provided that the service rendered is outside the scope of customary board assignments. For such services (including services provided by a board member through his/hers wholly owned company) market-based remuneration shall be disbursed provided that such services contribute to the implementation of the company's business strategy and the preservation of the company's long-term interests, including its sustainability. Such consultancy fee may, for respective board member, not exceed the yearly directors' fee and shall be governed by a consultancy agreement approved by the board of directors (in accordance with the disqualification rules of the Swedish Companies Act (*Sw. aktiebolagslagen*)).

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 remuneration, the components of the remuneration and increase and growth rate of the remuneration 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 consisting of the chairman of the board of directors and two board members. The members of the remuneration committee shall be independent in relation to the company and the management. The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the annual general meeting.

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. Remuneration to the CEO is resolved within the framework of approved principles by the board of directors after preparation and recommendation by the remuneration committee. Remuneration to other senior executives is resolved by the CEO within the framework of established principles and after consultation with the remuneration committee. The CEO and 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. This includes any resolutions to derogate from the guidelines.

Description of significant changes to the guidelines and how the views of shareholders' have been taken into consideration

The remuneration committee has evaluated the application of the guidelines for executive remuneration resolved by the annual general meeting 2020 as well as the existing remuneration structure and remuneration levels. The remuneration committee has not received any points of view from any shareholders regarding the guidelines resolved by the annual general meeting 2020 when preparing its recommendation.

The remuneration committee and the board of directors have established that the current guidelines have functioned satisfactorily. The remuneration committee and the board of directors have therefore decided to submit a proposal to the annual general meeting 2022 which in all material aspects is identical to the guidelines approved by the annual general meeting 2020 but for the adjustment of the framework for the CEO's and other members of the executive management retirement benefits, including health insurance, to no more than a maximum thirty (30) per cent of the fixed annual cash remuneration.

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Isofol Medical AB (publ)
The Board