



Marinomed

Remuneration policy  
for members of the  
Management Board

2024

## **Remuneration Policy**

### **for members of the Management Board of Marinomed Biotech AG**

**(Status: 06/2024)**

#### **1. General information and procedure**

This remuneration policy contains the principles for the remuneration of the members of the Management Board of Marinomed Biotech AG ("**Marinomed**" or the "**Company**"). It was adopted by resolution of the Supervisory Board on May 16, 2024 and shall enter into force after approval by the 7<sup>th</sup> Annual General Meeting on June 20, 2024. In this case, it will replace the remuneration policy for the Management Board adopted by the 3<sup>rd</sup> Annual General Meeting on September 17, 2020. In accordance with Section 78b (1) of the Austrian Stock Corporation Act (*Aktiengesetz, AktG*), the remuneration policy must be submitted to the Annual General Meeting for a non-binding (recommendatory) vote at least every fourth financial year and prior to any intended material change.

Irrespective of this, the Management Board reports annually on the topic of remuneration to the Supervisory Board (or any Personnel or Remuneration Committee), which can also initiate a revision of the remuneration policy before the end of four years, if necessary. The members of the Supervisory Board must disclose any conflicts of interest that arise when passing resolutions on the remuneration policy and, if necessary, abstain from voting.

At least every fourth financial year, the Supervisory Board (or any Personnel or Remuneration Committee) reviews the remuneration policy - if necessary, with the assistance of internal and external experts - and evaluates whether it needs to be revised. The same applies to any premature, significant changes to the remuneration policy. The Supervisory Board must then pass a resolution on the remuneration policy and submit a corresponding resolution proposal to the Annual General Meeting, to which the remuneration policy must be submitted for an advisory (non-binding) vote.

If the Annual General Meeting does not approve the remuneration policy presented, a revised remuneration policy will be presented for resolution at the following Annual General Meeting at the latest.

This remuneration policy applies both to existing Management Board contracts and any extensions to them, as well as to all new Management Board contracts to be concluded after it comes into force.

## **2. Objective**

At Marinomed, the creation of sustainable economic value primarily involves the generation of intellectual property (IP) rights to innovative technologies, the conversion of this IP into commercially relevant products and the subsequent commercialization, which is usually carried out with the help of distribution partners. In addition to its own products, Marinomed also pursues commercialization through the application of its technologies to partners' products. Marinomed's long-term goal is to be internationally recognized and valued as a high-growth technology company. The remuneration policy is designed to help achieve this goal. Based on this definition and values, remuneration principles have been developed that are underpinned by the conviction that responsible and sustainable entrepreneurial action by members of the Management Board cannot be promoted by financial incentives alone.

The remuneration policy is intended to ensure that the total remuneration of the members of the Management Board is commensurate with the Company's situation and the remuneration customary in comparable companies. In addition, the remuneration of the Management Board should provide behavioral incentives for sustainable corporate development and promote the business strategy and long-term development of the Company. The remuneration should also be attractive enough to attract and retain highly qualified individuals to work for an internationally active, listed biopharmaceutical company.

Remuneration must therefore be competitive overall and in line with the market, while always taking into account the Company's financial resources. It corresponds to the overall responsibility of the Management Board associated with the task. Marinomed deliberately refrains from differentiating between the individual responsibilities of individual members of the Management Board.

The aim is to define ambitious and relevant targets for the variable remuneration components for the Management Board in the interests of all stakeholders. Generally applicable targets for a company of public interest relate to several financial targets and ESG targets, which focus primarily on environmental aspects, diversity and sustainable corporate governance.

For a life science company, targets in the areas of commercial implementation of strategic objectives, research, development and operations are also particularly important; these are derived from the long-term strategy and the Company's social responsibility and are therefore adjusted annually. Due to the special characteristics of a biotechnology company, special attention must be paid to technical, scientific and medical aspects when defining the respective performance criteria.

### **3. Remuneration components**

The total remuneration of the members of the Management Board is made up of the following remuneration components:

- **Non-performance-related, fixed remuneration components**  
The non-performance-related remuneration remunerates the assumption of a mandate by the Management Board member and also consists in part of benefits in kind, fringe benefits and pension expenses.
- **Variable remuneration components**  
The variable remuneration of the Management Board is based on the achievement of strategic and operational corporate targets that have a direct impact on the Company's value creation. In total, the variable remuneration remains capped at 50% of the basic salary.
- **Participation in share option programs**  
The members of the Management Board are entitled to participate in the Company's share option programs and can thus participate in the long-term development of the Company.

#### **3.1. Fixed remuneration components**

The fixed remuneration of the Management Board consists of the basic salary and may include benefits in kind, fringe benefits and pension expenses.

##### **3.1.1. Basic salary**

Several factors must be taken into account when calculating the basic salary: This remuneration component rewards the assumption of the mandate on the Management Board and the associated overall responsibility of the individual Management Board members. The amount

is based on the standard market remuneration of Management Board members within the industry. As part of this market comparison, which should include comparable listed companies in Europe, Marinomed's individual market situation must also be taken into account.

### **3.1.2. Remuneration in kind, fringe benefits and pension expenses**

Depending on the specific need, the Management Board may be provided with a cell phone. The costs incurred in connection with the activity as a member of the Management Board are borne in full by the Company. If the monthly costs exceed the amount of € 100, the Management Board member is obliged to provide evidence of the business reason.

For the duration of the employment contract, the Company may provide each member of the Management Board with a luxury mid-range car, which may also be used privately. In addition to the statutory liability insurance, the Company also takes out fully comprehensive insurance and passenger protection insurance with appropriate cover for these vehicles and pays the corresponding insurance premiums. The target value for the useful life of the company car before a new purchase is a mileage of 120,000 km or a useful life of five years.

Alternatively, the Management Board member may be granted a so-called "mobility allowance", which includes a company car allowance and/or any travel allowance for journeys to and from the place of residence (if this does not coincide with the Company's registered office) and is limited to a total of € 1,500 per month.

The Supervisory Board can also develop alternative mobility concepts from a sustainability perspective and agree these with the Management Board. The remuneration granted for this is limited to a maximum of € 1,500.

The Company may take out accident insurance in favor of the members of the Management Board or in favor of a third party named by the respective member of the Management Board for the insured events of death, disability and accident. In addition, the members of the Management Board may be promised inclusion in a D&O insurance policy (Directors & Officers insurance, manager liability insurance) and a legal expenses insurance policy with risk-adequate cover. The premiums for such insurance policies are paid by the Company.

### **3.2. Variable remuneration components**

The variable remuneration of the members of the Management Board is linked to their performance and geared towards the short and long-term development of the Company. In total, the variable remuneration remains capped at 50% of the basic salary.

#### **3.2.1. Criteria for variable remuneration**

The members of the Management Board are entitled to a variable remuneration component, the amount of which depends on the achievement of predefined strategic and operational corporate targets that have a direct influence on value creation within the Company.

The members of the Management Board are measured against the same objectives, regardless of their area of responsibility, as the focus in all specialist areas is intended to create value and the prioritization of projects and other strategic or operational activities is interdependent.

Due to the special circumstances of a research-based life science company, which is particularly dependent on the success of multi-year research and development programs, the Supervisory Board should be granted the greatest possible flexibility when setting the individual targets. When determining the criteria for variable remuneration, the Supervisory Board must, as far as possible, select criteria that best reflect the structural development of the Company, the successful implementation of multi-year research and development programs and the sustainable success of the Company. Purely financial targets such as turnover, EBIT or cash flow, which are heavily dependent on the success of research that typically spans several years and is difficult to plan, should also be taken into account. However, the key financial figures should not determine more than 50% of the variable remuneration in any given year.

In addition to the financial and strategic targets, a share of 20-30% of the variable remuneration is allocated to sustainability targets. The ESG criteria as addressed in Marinomed's sustainability report are applied here.

#### **3.2.2. Determination of the degree of target achievement**

The defined targets are weighted differently according to the expected value added. The target achievement for each individual target can be between 0% and 150%. The overachievement of one target can therefore

compensate for the non-achievement or incomplete achievement of another target. Overall, however, the variable remuneration remains capped at 50% of the basic salary.

At the end of each financial year, the Supervisory Board (or its Personnel Committee in its function as Remuneration Committee, if applicable) evaluates the results of business activities and finally determines the degree of target achievement for both the financial and non-financial targets. This takes place at an annual meeting of the Supervisory Board (or Personnel Committee), to which the Management Board is also invited. The Management Board must present the measures taken to meet the non-financial targets and back them up with appropriate documentation. On the basis of this information, the Supervisory Board decides on the extent to which the targets have been achieved and informs the members of the Management Board accordingly.

### **3.2.3. Compensation for service inventions**

Members of the Management Board who are active in the Company's research and contribute to the Company's inventions may be granted appropriate lump-sum remuneration for service inventions. The payment of such remuneration covers the claims for all service inventions of the respective Management Board member.

### **3.2.4. Payment of the variable remuneration component and clawback option**

The variable remuneration components are initially paid out by way of a monthly payment on account together with the current fixed remuneration components, assuming 100% target achievement. The final payment is based on the degree of target achievement determined by the Supervisory Board. If the total value of the variable remuneration calculated on this basis is lower than the payments on account already received, the Management Board member must repay the difference in equal instalments from January to June of the following financial year.

It is possible to reclaim variable remuneration components (clawback) if these were determined and paid out on the basis of manifestly incorrect data. The repayment can be made in up to twelve monthly installments.

### **3.3. Stock option programs**

Since the Company was founded, the Management Board has consistently pursued the involvement of management and employees as a key element of a long-term perspective for success and endeavors to combine its interest in increasing the value of the Company with the interests of the shareholders.

The remuneration policy therefore initially stipulates that Management Board members hold a minimum number of shares worth at least one year's fixed remuneration during their term of office. These shares can be acquired over a period of 12 months if they are not already held by the respective Management Board member. In this way, the members of the Management Board express their confidence in the successful future of Marinomed.

Long terms, appropriate lock-up periods, long accretion periods (generally four (4) years), expiry clauses and corresponding exercise prices that increase over time (including market price hurdles) must be provided for option programs. Transferability of the options must be excluded.

### **3.4. Remuneration and employment conditions of employees**

In order to ensure an appropriate relationship between the remuneration of the Management Board and the remuneration and employment conditions of the Company's employees, the monthly basic salary of a member of the Management Board should not exceed 10 times the average monthly basic salary of a Marinomed employee, calculated on a full-time basis.

## **4. Term and termination of Management Board contracts**

### **4.1. Term and termination options**

The term of the Management Board employment contracts is linked to the term of office. When appointing members of the Management Board, the Supervisory Board observes the provisions of Section 75 of the Austrian Stock Corporation Act (AktG) and any restrictions set out in the Articles of Association, including the maximum term of appointment of four years.

In accordance with the provisions of stock corporation law, the Management Board contracts do not provide for ordinary termination.

The Management Board may be dismissed prematurely for good cause (in analogous application of Section 27 AngG), of which it must be notified. In this case, the employment relationship ends at the time of dismissal.

If the Management Board member is dismissed for another important reason that does not constitute grounds for dismissal in accordance with Section 27 AngG, the employment relationship also ends at the time of dismissal, although in this case the Management Board member may be granted compensation for termination, which is limited to a maximum of 24 months' remuneration or a shorter remaining term of the employment contract in accordance with C Rule 27a of the Austrian Code of Corporate Governance (*Österreichischer Corporate Governance Kodex, ÖCGK*).

#### **4.2. Consequences of the termination of the mandate**

If, in the event of the scheduled expiry of a Management Board mandate, no new Management Board member has been appointed or a corresponding Management Board contract concluded at the time of the Management Board member's departure, the Supervisory Board may temporarily entrust the departing Management Board member with the Management Board activities for a maximum period of nine months and grant the remuneration agreed in the expiring Management Board contract.

If the employment contract ends during a financial year, the Management Board member is entitled to remuneration for the current month of termination. This does not apply in the event of justified dismissal or unjustified premature resignation.

In the event of resignation, the departing member of the Management Board is entitled to the variable remuneration component until the end of the month in which he or she leaves the Company or, in the event of justified dismissal or unjustified early resignation, until the day on which he or she leaves the Company.

The amount of the variable remuneration is based on the degree of target achievement set by the Supervisory Board at the end of the relevant financial year at the time of departure. If the total value of the variable remuneration calculated on this basis is lower than the payments on account already received, the Management Board member must repay the difference.

The Supervisory Board is entitled to reach a different agreement with the departing member of the Management Board regarding the variable remuneration to which they are entitled in individual cases, taking into account the circumstances of their departure and the economic situation of the Company.

In accordance with C-Rule 27a ÖCGK, compensation claims in the event of premature dismissal are limited to a maximum of 24 months' remuneration or the remaining term of the employment contract, whichever is shorter.

The members of the Management Board are subject to the company employee pension scheme in accordance with the Austrian Company Employee and Self-Employed Pension Act (*Betriebliches Mitarbeiter- und Selbständigenvorsorgegesetz, BMSVG*). The Company must pay contributions to a company pension fund at the statutory rate (currently 1.53%), based on the basic salary including special payments. There are no contractual agreements over and above this.

## **5. Temporary deviation from the remuneration policy**

A temporary deviation from points 3 and 4 of this remuneration policy is permitted in exceptional circumstances.

Exceptional circumstances include in particular

- a) significant changes in the legal or regulatory environment;
- b) a change in the basis for the assessment of a non-financial performance criterion, as a result of which target achievement can no longer be determined;
- c) the unforeseen resignation or dismissal of a member of the Management Board for good cause if it does not appear possible to fill the position with an equivalent person within the framework of this remuneration policy; or
- d) significant economic upheavals or changes or war or terrorist events.

In such cases, the Supervisory Board must pass a resolution on the existence of an exceptional circumstance and decide whether a deviation from the remuneration policy is necessary for the long-term development of the Company or to ensure its profitability. If the Supervisory Board determines that this is the case, it may enter into contractual obligations of

the Company towards members of the Management Board that deviate from the remuneration policy to the corresponding extent.

Any deviations must be reported to the Annual General Meeting, including an explanation of the underlying exceptional circumstances.

## **6. Significant changes to the remuneration policy**

The present remuneration policy does not contain any significant changes, in particular no structural changes, compared to the remuneration policy adopted for the first time by the 3<sup>rd</sup> Annual General Meeting on September 17, 2020.

Note:

*This is a working translation of the German language version and for convenience only. In the event of conflict with the German language version, the German language version shall prevail.*