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 anyother company within the Oncopeptides group.
- In the event of a public take-over offer, asset sale, liquidation, merger or anyother 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, 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.