

## **Statement regarding the determination of salary and other remuneration to Executive Management**

### **1. The Company's salary policy for the executive management**

#### **1.1 Context for the policy**

This remuneration policy describes the principles for the remuneration of the members of the board of directors and the members of the executive management team of Vistin Pharma ASA. The board and the executives are considered "leading persons" at Vistin Pharma ASA. The policy describes the decision-making process for remuneration to these leading persons and outlines the total remuneration by components.

The purpose of the Company's remuneration policy is to attract and retain personnel with the competence that the company requires with a view to achieve Vistin Pharma's goal of becoming a leading and a profitable producer of selected API's for the international pharmaceutical market. The policy defines basic principles on how salaries and other forms of compensation is used as a tool to attract, motivate, develop, and retain the competence needed in the board and the executive management team.

#### **1.2 Regulatory landscape**

The remuneration policy complies with the requirements defined in sections 6-16a of the Norwegian Limited Liabilities Companies Act ("Allmennaksjeloven"), implementing the amendments to the EU Directive on shareholder rights (Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement). It also complies with the Norwegian Regulation on guidelines and report on remuneration for senior executives ("Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer») and the relevant chapters of the Norwegian Code of Practice for Corporate Governance issued in October 2021.

The policy will be submitted for approval at the annual general meeting in 2023 and will apply to remuneration earned from 1 January 2023. In accordance with the Limited Liability Companies Act § 6-16b an annual report with an overview of paid and outstanding salaries and other remuneration to leading persons shall be prepared.

## **2. REMUNERATION TO THE BOARD OF DIRECTORS**

### **2.1 REMUNERATION OF THE BOARD OF DIRECTORS – main principles**

Remuneration of Board members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the business. The remuneration needs to be sufficient to attract both Norwegian and foreign Board members with the right expertise and competence.

## **2.2 The decision-making process**

Director's fees are determined by the general meeting based on recommendations from the nomination committee. The nomination committee is elected by the general meeting and consists of a chairperson and one member. Their recommendations are based on the board of directors' responsibility, expertise, and the complexity of the business.

## **2.3 Remuneration composition**

The compensation shall be a fixed annual amount and shall be determined by the Annual General Meeting based on a proposal from the Election Committee.

# **3. REMUNERATION TO THE COMPANY'S EXECUTIVE MANAGEMENT TEAM**

## **3.1 The Company's salary policy for the executive management – main principles**

The purpose of the Company's remuneration policy is to attract and retain personnel with the competence that the Group requires with a view to achieve Vistin Pharma's goal of becoming a leading and a profitable producer of selected API's for the international pharmaceutical market. The general policy is to pay fixed salaries and pensions, while at the same time offering bonuses, or other types of remuneration, which aligns the interest of senior management and the shareholders of the Company.

## **3.2 The decision-making process**

The board of Vistin Pharma ASA is responsible to ensure that the compensation of the executive management team is in line with the remuneration policy. The Company has a separate remuneration committee appointed by the Board of Directors. The present remuneration committee consists of Øyvind Brøymer (Chairman) and Bettina Banoun. The CEO, and other representatives of the senior management, regularly participates in the remuneration committee's meetings. The remuneration committee functions as an advisory body for the Board of Directors and its main duties and responsibilities are to:

- i. Review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the performance of the CEO considering these goals and set the compensation level for the CEO based on this evaluation. In determining the long-term incentive component of the CEO compensation, if any, the Committee may consider the Company's performance and relative shareholder return, the value of similar incentive awards given to CEO's at comparable companies and the awards given to the CEO in past years.
- ii. Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans.
- iii. Assist the Board in developing and evaluating potential candidates for executive positions and oversee the development of executive succession plans.
- iv. Review and approve Senior Executive employment agreements, severance arrangements and change in control agreements and provisions when, and if, appropriate, as well as any special supplemental benefits.
- v. Review major organizational and staffing matters.

### **3.3 Salaries and other remuneration**

#### *Fixed salary*

It is the Company's policy that salaries to the CEO and senior management primarily shall take the form of a fixed monthly salary, reflecting the level of the position and experience of the person concerned and the results achieved.

#### *Short term incentive plan (STIP / Bonuses)*

The Group has a system of annual performance-based bonuses for all employees. The maximum bonus payable to the CEO is 40% the annual salary. The maximum bonus payable to other members of the Executive Management team is 30% of the annual salary, depending on individual employment contracts. The Board of Directors evaluates and determines annually the bonus system for Vistin Pharma, based on recommendations from the remuneration committee. The bonuses are linked to the achievement of certain targets for financial results, as well as other personal performance targets (KPI's) which are defined at the beginning of the financial year. The bonus targets shall reflect both short-term financial parameters, and operational and strategic performance targets that are expected to give a positive long-term financial effect.

#### *Pension plan*

Principally, pension plan shall be the same for senior management as what is generally agreed for other employees. The Group has a defined contribution plan for all employees. Under this plan the Group contributes 5.5% of the salary between 1G and 7.1G, and 15%, for the salary between 7.1G and 12G. The CEO has an additional "top-hat" to cover salary above 12G, as well as an early retirement plan from the age of 62.

#### *Notice period*

The CEO has a 24-month termination benefit in the case of involuntary termination of his employment. The remaining executive management team has three months termination period.

#### *Long Term Incentive Plan (LTIP)*

Vistin has established, and the Annual General Meeting approved in 2022 a long-term incentive plan (LTIP). The executive management, in total, can purchase shares for up to MNOK 6, at a 25% discount, with three years of binding time. The General meeting also approved a loan facility of MNOK 6 for purchase of shares. The loan facility has a duration of three years and can only be used as financing for purchasing of shares in the company.

### **4. DEVIATIONS FROM THE POLICY**

In order to serve the interests and strategy of Vistin Pharma, the board may in exceptional circumstances, based on a recommendation from the compensation committee, deviate from Section 3 of this policy. Any such deviation must be described in the remuneration report following the deviation.

### **5. APPROVAL AND PUBLICATION**

This policy will be presented for approval at the company's annual general meeting 22 May 2023. Subject to shareholder approval, it will take effect from 2023. The policy is published and available on the company's website. Further information on the function of the remuneration committee can be found in the instructions to the remuneration committee, included on the Company's website.