

Proposal on guidelines for remuneration to senior executives

Scope and applicability of the guidelines

These guidelines comprise the persons who are part of Cyxone AB's ("**Cyxone**" or the "**Company**") group management (including the CEO). The guidelines also encompass any remuneration to members of the board of directors, in addition to board remuneration.

These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2022. For senior executives who carry out their assignments on a consultancy basis, the guidelines shall be applied in applicable parts. These guidelines do not apply to any remuneration resolved by the general meeting, such as e.g. board remuneration and share-based incentive programs.

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

Cyxone is a biotech company that develops disease modifying therapies for diseases such as rheumatoid arthritis and multiple sclerosis as well as treatments for virally induced acute respiratory disorders in convenient administration forms. In brief, Cyxone's business strategy is to develop therapeutics that markedly improve the quality of life for patients based on recent understandings of the disease mechanism. Cyxone is well positioned to become an important player in the commercially attractive field of disorders of the immune system, and Cyxone's goal is to out-license projects to strong partners after Phase 2 clinical trials to maximize their potential. For more information about Cyxone's business strategy, see Cyxone's latest annual report.

A successful implementation of Cyxone's business strategy and safeguarding of Cyxone's long-term interests, including its sustainability, require that the Company is able to recruit and retain highly competent senior executives with a capacity to achieve set goals. In order to achieve this, Cyxone must offer a competitive total remuneration on market terms, which these guidelines enable.

Types of remuneration, etc.

The remuneration shall be on market terms and be competitive, and may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. For the individual senior executive, the level of remuneration shall be based on factors such as work duties, competence, experience, position and performance. Additionally, the general meeting may – irrespective of these guidelines – resolve on, e.g. share and share price-related remuneration.

For employments governed by rules other than Swedish, pension benefits and other benefits 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.

Fixed salary

The CEO and other senior executives shall be offered a fixed annual cash salary. The fixed salary shall be determined by taking into consideration the individual's competence, area of responsibility and performance. In general, a review should be made annually. For senior executives who carry out their assignments on a consultancy basis, consultancy fees shall be paid in accordance with approved invoicing principles.

Variable cash remuneration

In addition to fixed salary, the CEO and other senior executives may, according to separate agreements, receive variable cash remuneration. Variable cash remuneration covered by these guidelines is intended to promote Cyxone's business strategy and long-term interests, including its sustainability.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one or several years. Variable cash remuneration may, for the CEO, amount to a maximum of 100 percent of the fixed annual salary, and for other senior executives, a maximum of 100 percent of the fixed annual salary. Variable cash remuneration shall not qualify for pension benefits, save as required by mandatory collective bargaining agreements.

The variable cash remuneration shall be linked to one or several predetermined and measurable criteria, which can be financial, such as managing budget goals, or non-financial, such as reached milestones in studies. By linking the goals in a clear and measurable way to the remuneration of the senior executives to Cyxone's financial and operational development, they contribute to the implementation of the company's business strategy, long-term interests and sustainability.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated and determined when the measurement period has ended. Cyxone's board of directors, or the Remuneration Committee if it has been created by Cyxone to complete these tasks, is responsible for such evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company. The board of directors shall have the possibility to, in whole or in part, reclaim variable cash remuneration paid on incorrect grounds.

Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining senior executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 percent of the fixed annual salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the board of directors. If Cyxone's board of directors has created a Remuneration Committee, then the Remuneration Committee shall be responsible for the preparation of such resolution by the board of directors.

Pension benefits

Pension benefits, including health insurance, shall be defined contribution, insofar as the senior executive is not covered by defined benefit pension under mandatory collective bargaining agreements. Premiums for defined contribution pensions, including health insurance, may amount to a maximum of 50 percent of the fixed annual salary.

Other benefits

Other benefits may include life insurance, medical insurance and a company car. Premiums and other costs relating to such benefits may amount to a total of not more than 20 percent of the fixed annual salary.

Termination of employment and severance payment

Upon termination of an employment by Cyxone, the notice period may not exceed twelve months. Severance pay, in addition to fixed salary and other remuneration during the notice period, may not exceed an amount corresponding to the fixed annual cash salary for twelve months. Upon termination by the senior executive, the notice period may not exceed six months.

Additional remuneration may be paid for non-compete undertakings in order to compensate for loss of income. Such remuneration shall only be paid in so far as the previously employed senior executive is not entitled to severance pay. The remuneration shall be based on the fixed annual salary at the time of termination of employment and amount to not more than 60 percent of the fixed annual salary at the time of termination of employment, save as otherwise provided by mandatory collective bargaining agreements, and shall be paid during the time as the non-compete undertaking applies, however not for more than twelve months following termination of employment.

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 Cyxone have been taken into consideration by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Consultancy fees to the members of the board of directors

To the extent a member of the board of directors renders services for the Company, in addition to his or her assignment as a member of the board of directors, an additional consultancy fee on market terms may be paid to the member of the board of directors, or to a company controlled by such member of the board of directors, provided that such services contribute to the implementation of Cyxone's business strategy and the safeguarding of Cyxone's long-term interests, including its sustainability.

Preparation and decision-making progress

Cyxone's board of directors, or the Remuneration Committee if such has been created by Cyxone's board of directors to complete these tasks, has i.a. as a duty of preparing resolution to propose guidelines for remuneration to senior executives. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines have been adopted by the general meeting. Cyxone's board of directors, or the Remuneration Committee if such has been created by Cyxone's board of directors to complete these tasks, shall also monitor and evaluate programs for variable remuneration for the senior executives as well as the current remuneration structures and compensation levels in the company. The CEO and other members of the senior 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.

Deviation from these guidelines

The board of directors may temporarily resolve to deviate from these guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation 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, an eventual Remuneration Committee's tasks include preparing the board of directors' resolutions in remuneration-related matters, which include any resolutions to deviate from these guidelines.

Malmö in April 2022

The Board of Directors of Cyxone AB (publ)