

# Remuneration Policy

## Proposal to the General Meeting

### Introduction

This proposed remuneration policy (the "Policy") is prepared in order to amend the current remuneration policy of the Company in accordance with the new legal framework applicable to stock listed companies such as ours, namely the Belgian Code of Companies and Associations ("CCA"), the Corporate Governance Code 2020 ("CGC"), the Corporate Governance Charter of Mithra Pharmaceuticals SA (the "Company"), as amended in 2020 and the Directive (EU) 2017/828 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee, has prepared this remuneration policy proposal with a view of being competitive in the (employment) markets in which the Company operates, mainly biotech industry in Europe. The approach taken by the Company is to apply a remuneration policy which is overall balanced and allows tailoring individual remuneration packages to ensure a fair and competitive remuneration for the (job)market in which our key persons operate. The Company believes this adds to the long-term value creation for all our stakeholders.

As a commercial and clinical-stage biotechnology company, the Company aims at achieving a strategy involving discovering, developing, testing and commercializing (potential) product candidates. Successful implementation of this strategy requires intense long-term efforts of highly qualified persons with different backgrounds and qualifications. As such, this Policy is aimed at attracting and retaining highly qualified persons for executive and non-executive positions on our Board of Directors as well as executive management and to motivate them to contribute to our long term goals and strategy.

### Board of Directors

The remuneration of the non-executive Directors is determined by the shareholders' meeting upon proposal of the Board of Directors based on a recommendation from the Nomination and Remuneration Committee.

The level of remuneration should be sufficient to attract, retain and motivate Directors who have the profile determined by the Board. The Nomination and Remuneration Committee benchmarks Directors' compensation against peer companies to ensure that it is competitive. The level and structure of the remuneration of the members of the Board of Directors are determined based on their general and specific responsibilities and market practice.

For the sake of completeness, the Company can subscribe for appropriate insurance policies (and other similar arrangements) to cover the liability, activities and obligations of the members of the Board of Directors and other members of the personnel of the Company and its subsidiaries (as defined in article 1:27 of the CCA) to the fullest extent permitted by law.

#### (i) Principles

Only the **non-executive Directors** (whether or not independent) shall receive a fixed remuneration in consideration for their membership in the Board and, as the case may be, Committees.

Pursuant to provisions 7.5 and 7.6 of the CGC, the non-executive Directors are, in principle, not entitled to receive variable remunerations or stock-options, except upon application of the principle "comply or explain" in accordance with the CGC. Therefore, this derogation shall only be applicable upon specific recommendation of the Nomination and Remuneration Committee and a formal prior approval of the General Shareholders Meeting pursuant to Art. 7:92, al. 4, of the CCA. The proposal shall have to be duly motivated by the Nomination and Remuneration Committee in

light of the corporate interests of the Company and the Group as a whole in order for the General Shareholders' meeting to be able to decide accordingly.

Contrary to what is permitted for non-executive directors, **independent directors** are not allowed to receive any variable remuneration as per article 7:92, al. 4, of the CCA. The Nomination and Remuneration Committee recommends the level of remuneration for independent Directors, subject to approval by the Board and, subsequently, by the General Shareholders Meeting.

## (ii) Application

The Board of Directors proposes to the General Meeting for the remuneration package of the **non-executive Directors** (whether or not independent) to be as follows:

- (a) the chair of the Board of Directors is entitled to a fixed annual fee of EUR 80,000 in cash;
- (b) the non-executive Directors (other than the chair of the Board of Directors) are each entitled to a fixed annual fee of EUR 40,000 in cash;
- (c) the chair of the Risk and Audit Committee is entitled to an additional fixed annual fee of EUR 10,000 in cash;
- (d) the chair of the Nomination and Remuneration Committee is entitled to an additional fixed annual fee of EUR 10,000 in cash;
- (e) the members of the Risk and Audit Committee and the Nomination and Remuneration Committee (other than the chair of these Committees) are each entitled to an additional fixed annual fee of EUR 5,000 in cash; and
- (f) The fees provided for in paragraphs (c) to (e) are in addition to the fees provided for in paragraphs (a) and (b) (where applicable) and may be combined, depending on whether or not the eligibility criteria provided for in those paragraphs have been met. The remuneration of the non-executive Directors can be reduced *pro rata temporis* depending on the duration of the director's mandate, the mandate of the chair or the membership of a Committee during a given year. All amounts are exclusive of VAT and other similar charges. Should any derogation to those principles be considered, then changes to these fees will be submitted to the General Shareholders Meeting for approval.

Without prejudice to the powers granted by law to the General Shareholders Meeting, the Board sets and revises, from time to time, the rules and level of compensation for Directors carrying out a special mandate or sitting on one of the Committees and the rules for reimbursement of Directors' business-related out-of-pocket expenses. Remuneration of Directors will be disclosed to the Company's shareholders in accordance with applicable laws and regulations.

The Board fees are paid in quarterly instalments at the end of each subsequent calendar quarter.

By way of derogation to the principle 7.6 of the Code CGC, the Board of Directors suggests to the General Meeting not to offer to the **non-executive and executive Directors** part of their remuneration in shares. Indeed, the Company considers that the current level of remuneration sufficiently (i) meets the needs of the Company, (ii) reconciles the balance of interests (iii) allows the Directors to act and take decisions based on a long-term vision, and (iv) addresses the concerns of all actors. Additionally, the Board of Directors notes that some Directors are already shareholders of the Company and therefore that there is no need to offer shares to the remaining Directors as it would only increase the number of conflict of interests that the Company would be facing. This situation could be reassessed at a later date. More specifically regarding **independent Directors**, granting part of the remuneration in shares could jeopardize their independence which is not a result that the Company wishes to achieve. As the case may be however, the Board has the possibility in light of extraordinary circumstances or due to a changing environment to suggest otherwise to the General Shareholders meeting.

## (iii) Contract Terms

Since the General Meeting of 2019, the directors' mandates have a duration of 2 years which could go up to 6 years pursuant to the CCA depending on the corporate interests of the Company.

The Directors' mandate may be terminated "ad nutum" (at any time) without any form of compensation. There is no specific agreement between the Company and non-executive directors which waives or restrains the right of the Company to terminate "ad nutum" (at any time) the mandates of the directors.

## The Executive Management Team

The remuneration of the members of the Executive Committee is determined by the Board of Directors based on recommendations made by the Nomination and Remuneration Committee, further to a proposal made by the CEO to the Nomination and Remuneration Committee (except where his or her own remuneration is concerned).

The Nomination and Remuneration Committee takes into consideration the employment conditions of employees and general market conditions in order to determine the Executive Management Team's remuneration. Both the members of Executive Committee and employees' remunerations are market driven. The level and structure of the remuneration of members of the Executive Management Team shall be such that qualified and expert professionals can be recruited, retained and motivated, taking into account the nature and scope of their individual responsibilities.

For the sake of completeness, the Company can subscribe for appropriate insurance policies (and other similar arrangements) to cover the liability, activities and obligations of the members of the Board of Directors and other members of the personnel of the Company and its subsidiaries (as defined in article 1:27 of the CCA) to the fullest extent permitted by law.

### (i) Principle

An appropriate proportion of the remuneration package of a member of the Executive Management Team shall be structured so as to link rewards to corporate and individual performance (as set out in more details below), thereby aligning the interests of the members of the Executive Management Team with the interest of the Company, its shareholders and its other stakeholders.

The **executive** Directors and other members of the Executive Management Team may receive fix and variable remuneration in consideration for their management position. The criteria for granting variable remuneration to the CEO or any other member of the Executive Management Team shall be included in the contractual or other provisions governing the legal relationship between that person and the Company.

The variable remuneration can only be paid out if the criteria for the reference period have been met. If the aforementioned obligations are not complied with, the variable remuneration may not be taken into account for calculating the termination indemnity.

If the executive Directors or any member of the Executive Management Team are to receive an annual variable remuneration, the amount thereof shall be capped at 100% of the annual net remuneration of the concerned Director or member of the Executive Management Team. In case a commercially based specific milestone - nature of which to be determined by the Nomination and Remuneration Committee - is achieved, the variable amount of the remuneration shall be capped at 1% of the amount generated by the said commercially based specific milestone. In any case, the contractual framework containing those provisions in favour of the executive Directors or member of the Executive Management Team shall be reviewed for advice by the Nomination and Remuneration Committee and formally approved by the Board.

By way of derogation to the CGC, the Company **does not offer to executive Directors** and the members of the Executive Management Team part of their remuneration in shares. Indeed, the Company considers that the current level of remuneration sufficiently meets the needs of the Company, reconciles the balance of interests and addresses the concerns of all actors. As the case may be, the Board has the possibility in light of extraordinary circumstances or due to a changing environment to suggest otherwise to the General Shareholders meeting.

However, the Board of Directors recommends the General Meeting to offer to **executive Directors and members of the Executive Management Team** part of their remuneration in terms of stock option plans, subject to a vesting period and conditions, in order to interest them in long term business of the Company.

Furthermore it is specified that, pursuant to Article 20 of the Articles of Association of the Company, the following rules included in article 7:91 of the CCA shall not apply:

- i. variable remuneration for the CEO or any other member of the Executive Management Team must be based at least for 25% on performance criteria measured over a period of at least 2 years and for (another) 25% on performance criteria measured over a period of at least 3 years (these rules do not apply if the variable remuneration represents 25% or less of the total annual remuneration, whereby total annual remuneration refers to the total amount of the basic salary, the variable remuneration, pension payments and other remuneration components); and
- ii. shares can only be definitively acquired by the Directors, the CEO or any other member of the Executive Management Team, and stock options or other rights to acquire shares can only be exercised by the Directors, the CEO or any other member of the Executive Management Team at the earliest 3 years after they have been granted to them.

## (ii) Application

The remuneration Policy for the CEO and members of the Executive Team are based on some or all of the following fixed and variable components:

- (a) base fixed remuneration ;
- (b) variable annual cash remuneration;
- (c) long term share-based incentives (warrants);
- (d) bonus plan.

### *a. Base Fixed Remuneration*

Each member of the Executive Management Team is entitled to a base fixed remuneration designed to fit responsibilities, relevant experience, and competences, in line with market rates for equivalent positions.

### *b. Variable Annual Cash Remuneration*

For the time being, only some members of the Executive Management have variable remuneration in their contract based on the Company's performance. The amount of variable remuneration is capped as described above for both the CEO (on the recommendation of the Nominating and Compensation Committee and after approval by the Board) .

The individual performance of each member of the Executive Management is determined by an annual assessment made by the Board of Directors, upon recommendation of the Nomination and Remuneration Committee and of the CEO (except for himself), in order to evaluate whether they are entitled to their variable remuneration. Those individual objectives are aligned and consistent with the Company's strategic objectives and are destined to evolve to continue meeting the Company's needs, such as: successful clinical trial activity, achievement of regulatory milestones, external partnership, company funding, external visibility (...)

However, the Company can also offer, upon recommendation of the Nomination and Remuneration Committee, to the CEO and members of the Executive Management Team an exceptional bonus subject to certain one-off achievements or transactions related milestones, outside the regular bonus schemes. Such bonus can be under the form of cash. In the determination of the level of such bonuses, the tenure of the relevant executives with the Company, in addition to their individual and collective contribution to the one-off achievement or milestone, can be taken into account. The cash bonus can also be paid over time, so as to retain the key executives concerned by the payment. The structure of such exceptional bonus can deviate from the general principles set out above, while taking into account the interests of the Company, its shareholders and other stakeholders. In that respect, the Company considers that it is not necessary to amend the contractual relationship between Parties for the members of the Executive Management Team to be offered those bonuses as they would be of an exceptional nature.

Up until now, there is no possibility for the Company to reclaim the variable remuneration when contractually agreed. However, the Board of Directors undertakes to include this possibility further on and to amend the current contracts containing variable remuneration provisions to reflect this possibility.

### *c. Long term incentives – Share Option Plans*

The Company may from time to time offer to the members of the Executive Committee to participate to a share option plan at the discretion of the Board of Directors. The share options are usually issued by decision of the Board of Directors within the framework of the authorized capital (but could also be issued by decision of the Shareholders' Meeting).

On the date of this Policy, the Company has the following outstanding plans:

- 1,394,900 outstanding share options, issued by the Company on 5 November 2018 to the benefit of members of the staff, as well as consultants of the Company, subject to the terms and conditions that are determined by the Board of Directors, entitling their holders thereof to subscribe for 1 share upon exercise of 1 relevant share option (the "2018 Share Options");
- 390,717 outstanding share options, issued by the Company on 20 November 2020 to the benefit of members of the personnel of the Company, subject to the terms and conditions that are determined by the Board of Directors, entitling their holders thereof to subscribe for 1 share upon exercise of 1 relevant Share Option (the "2020 Share Options").

The share options are then offered to members of the Executive Committee by decision of the Board of Directors upon recommendation of the Nomination and Remuneration Committee. Each warrant gives his or her holder the right (but not the obligation) to subscribe, under the exercise conditions and subject to vesting periods as the case may be, during the exercise periods and against payment of the exercise price, to one Company's share.

The number of share options offered to each of the beneficiaries is freely determined by the Board of Directors, acting upon the recommendation of the Nomination and Remuneration Committee based on a benchmarking exercise. The offer of share options does not depend from variable objectives and is not qualified as variable remuneration.

Under our incentive Plans, share options are granted for a limited term. This term is determined by the Board of Directors, in compliance with the provisions of the CCA with a maximum of ten years. Shares obtained through the exercise of share options are freely transferrable.

The exercise price is equal to the fair market value of the Company's shares at the time of the offer. This value is determined by the Board of Directors in accordance the provisions of the respective plans.

For further details on the terms and conditions of our share option plans, we refer to the plans available on our website and as may be amended from time to time.

### (iii) Contract Term

The members of the Executive Committee are engaged based on a services agreement or an employment contract. The contracts are concluded under the following conditions:

- (a) The CEO, Bronzet management SRL, (David Horn Solomon, as permanent representative) performs services based on a consulting agreement with effective date on April 11<sup>st</sup>, 2023 and with indefinite term. Either Party may terminate this agreement at any time with a 6 months prior notice the first year of performance and a 12 months prior notice after.
- (b) The CFO, CMM&C SRL (Christophe Maréchal as permanent representative) performs services based on a consulting agreement with effective date on March 21<sup>st</sup>, 2016 and with indefinite term. Either Party may terminate this agreement at any time with a 6 months prior notice.
- (c) The CSO, GD Lifescience SRL (Graham Dixon as permanent representative) performs services based on a consulting agreement with effective date on May, 01<sup>st</sup> 2019 and with indefinite term. Either Party may terminate this agreement at any time with a 6 months prior notice.
- (d) The CCEAO, Novafontis SRL (Jean-Manuel Fontaine as permanent representative) performs services based on a consulting agreement with effective date on June 01<sup>st</sup> 2015 and with indefinite term. Either party may terminate the agreement at any time with a minimum notice of 4 months. The duration of this notice will be increased by 1 month for each additional year of collaboration, without exceeding 12 months.
- (e) The President of the Scientific Advisory Board, Eva Consulting SRL (Jean-Michel Foidart as permanent representative) performs services based on a consulting agreement with effective date on January 1<sup>st</sup>, 2017 and with an initial definite term of 2 years renewed twice for a period of 2 years expiring on January 1<sup>st</sup>, 2017. Either party may terminate this agreement at any time in case of grossly negligent behavior of the other party or in case of inability for periods exceeding 30 days of the consultant.
- (f) Xavier Paoli performs services under the terms of a French employment contract which commenced on September 1<sup>st</sup>, 2023. The contract includes a non-renewable 4-month trial period. During the trial period, either party may terminate the contract at any time. After that period, in the event of resignation, the contractual notice period is set at 3 months, and in the event of termination of the contract at the Company's initiative, the applicable notice period is 4 months. No notice is required in the event of dismissal for serious or gross misconduct.

There is no specific plan regarding supplementary pension or early retirement schemes put in place for the members of the Executive Committee.

In accordance with Article 7:92 of the CCA, which applies to agreements with the CEO or any other member of the

Executive Management Team entered into or extended any such agreement that includes a provision that provides for an amount of severance pay exceeding 12 months of remuneration, or, upon motivated assent of the Nomination and Remuneration Committee, exceeding 18 months, must be submitted for prior approval to the next Annual General Shareholders Meeting. At least 30 days prior to the publication of the convening notice of the next Annual General Shareholders Meeting, the proposal to grant such higher termination indemnity must be communicated to the works council (or to other designated bodies or persons representing the employees, in the case such council does not exist, i.e., the employee representatives in the committee for prevention and protection in the workplace or, in the absence of such committee, to the trade union delegation), which then may give its advice to the Annual General Shareholders Meeting, at the latest on the day of the publication of the convening notice. Such advice must be published on the website of the Company.

## Deviations from this Policy

The Board has the possibility and the authority to temporarily deviate from this Policy in case of exceptional circumstances, primarily those in which deviation is necessary to serve the long-term interests and sustainability of the company or to guarantee the viability of the company. Should there be a need to deviate from this remuneration Policy, the CEO will bring substantiated arguments to the Nomination and Remuneration Committee for recommendations and approval by the Board of directors. Any deviations from this policy will be described in the respective remuneration reports. In any case, in case of substantial deviation from this policy the prior approval of the General Meeting shall be requested, suspending all modifications until such approval has been granted.