

The Board of Directors' statement on remuneration

Pursuant to the Norwegian Public Limited Liability Companies Act, section 6-16 a, the Board presents the following statement regarding remuneration of Ultimovacs' Management to the General Meeting.

The enclosed guidelines will be presented for approval by the ordinary general assembly in Ultimovacs ASA in April 2020. The Board's statement on the determination of salaries and other remuneration to senior executives ('Management') in the Ultimovacs Group (the 'Company' consisting of Ultimovacs ASA and subsidiaries) confirms that these guidelines have been followed by the company for the financial year 2019, with one exception; Prior to the listing of the Company on the Oslo Stock Exchange the current option program was preceded by a synthetic stock program. This synthetic stock program was terminated at the time of the listing, without any payment to employees, and replaced by the current stock option program

MAIN PRINCIPLES OF MANAGEMENT REMUNERATION

The base Management salary must be competitive in order to attract and retain the most attractive managers. The salary level should not be of a size that could harm the Company's reputation, or significantly above the norm for employees with similar background and in similar positions in comparable companies. The salary level should, however, ensure that the Company can attract and retain executive employees with the desired expertise and experience. Any fringe benefits shall be in line with market practice and should not be substantial in relation to the basic salary.

The Board of Directors has chosen not yet to establish a separate compensation committee. Therefore, the Board of Directors will have the role and tasks that a separate committee would have had. The Board of Directors has acted as a compensation committee during 2019 and will continue to review the employee incentive plan, as well as the remuneration of the executive management.

The Board decides the salary and other compensation to the CEO within any boundaries set out in the guidelines on remuneration to the CEO and Management as approved by the Company's General Meeting. The CEO determines the remuneration of Management. The Board shall issue guidelines for the remuneration of the management team for approval by the General Meeting. The guidelines shall lay down the main principles for the Company's management remuneration policy. The Board shall annually carry out an assessment of the salary and other remuneration to the CEO.

Fixed salary

The fixed salary (annual gross salary before tax and before calculation of variable salary and other additional benefits) should reflect the individual's area of responsibility and be the main element of the managers' regular compensation.

Other benefits

Bonus

There is no bonus scheme in the Group, however, sign-on-fees and bonus may be applied on the Board's discretion.

Pension

CEO and Management in the Norwegian entity participate in a defined contribution pension plan with the same terms as all other employees in the Norwegian entity. The annual accrual is currently 6% of the annual base salary from 0 G to 7 G and 10% from 7G to 12 G (G = the basic amount in the National Insurance scheme in Norway, as of 1 May 2019 G = NOK 98,866). The Managing Director of the Swedish entity is entitled to a defined contribution pension plan where the annual accrual is currently 35% of the annual salary.

Share Options

The executive management takes part in the general share option incentive scheme which applies to all employees in the Group. The number of share options currently distributed to the executive management is listed in note 15 in the Annual Financial Statement for 2019. Main objectives of the share value based incentive scheme are to align interests of shareholders and management/employees (value creation and risk taking) and ensure competitive compensation for management/employees and motivation to stay (retention).

The share option program was approved by the General Assembly on 2 May 2019 and the Board was authorized to increase the Group's share capital in connection with share incentive arrangement by up to 10%.

The share option program includes all employees in the Group. Vesting requires the option holder still to be an employee in the Company. Key parameters in the option program currently include the following:

- an exercise price set as the volume weighted average of observed market price of the Company's shares the last 5 days prior to the issue of the options,
- 5 years duration of the options, and
- a vesting schedule of 25%/25%/50% after 1/2/3 years.

Separate arrangements may be made with individual employees.

The Board of Directors will review the option scheme annually and allocate share options within the framework approved by the General Assembly on 2 May 2019.

Severance pay/pay after termination of employment

In certain conditions, the CEO is entitled to 12 months' severance pay. For the new CEO starting in June 2020, the severance pay period will be extended to 18 months if the termination of the CEO takes place in connection with a change of control event in the Company.

The company's CFO is entitled to receive pay after termination of his employment with the Group equal to 9 months' base salary in addition to payment of his salary during his 3-month notice period.

There are no similar arrangements for any of the other employees of the Group with respect to termination of their employment.

Other benefits

The CEO and some individuals in the Management team get car allowance or coverage of costs for leasing of cars in private use.

The new CEO starting in June 2020 has an agreement whereby the Company will cover the lease for an apartment in Oslo up to a certain monthly amount.

Benefits to the Management Team may include certain other items such as group life insurance, health care insurance, travel insurance, etc. on customary terms.

The Management does not have any other separate fringe benefits of any significance.

Statement on the executive employee remuneration policy during the previous financial year

The executive compensation for the fiscal year 2019 has been in accordance with the above-mentioned information and the guidelines for 2020.

Oslo, 1 April 2020

The Board of Directors of Ultimovacs ASA