

PHOTOCURE ASA

GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES AND BOARD OF DIRECTORS

ANNUAL GENERAL MEETING 2024

Approved by the board of directors 29 April 2024

These guidelines are prepared by the board of directors in Photocure ASA ("**Photocure**" or the "**Company**") in accordance with the Norwegian Public Limited Liability Companies Act (the "**Companies Act**") section 6-16a, and to align with the amended EU Shareholder Rights Directive. The guidelines are for consideration at the annual general meeting on 23 May 2024, according to the Companies Act section 5-6 (3).

These guidelines apply to the board of directors, CEO and other members of the Executive Leadership Team who report directly to the CEO, currently a total of 6 employees including the CEO (collectively, "**Senior Executives**"). The guidelines apply to the financial year 2024 and until new guidelines are adopted by the general meeting.

1 HOW THE GUIDELINES ADVANCE THE COMPANY'S BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

Photocure is a global leader in photodynamic technology and in treatment and diagnosis of bladder cancer. The Company's mission is to deliver transformative solutions to improve the lives of bladder cancer patients. To achieve this, Photocure's strategy is to maximize its commercial presence and the opportunity of its flagship brand Hexvix®/Cysview® in bladder cancer. In addition, the Company will continue to explore alone or in partnership with others new product opportunities that is complementary to the Company's commercial activities and expertise. More information regarding the Company's strategic priorities can be found in the Company's annual report and on the Company's website (www.photocure.com).

To successfully implement its strategy and safeguard the long-term interests of the Company, the Company must be able to recruit, develop and retain Senior Executives with relevant competence, expertise and advanced leadership skills. It is therefore important that the Company offers its Senior Executives terms that provide motivation and are in line with the market level, and that are also well balanced and based on the Senior Executives' competence, responsibility and performance. At the same time, it is fundamental for the Company that the policy for the executive remuneration ensures financial sustainability and that the overall level of remuneration does not entail an unreasonable burden on the Company's liquidity and equity.

The remuneration guidelines seek to provide a clear framework for remuneration for Senior Executives, so that an environment that promote the Company's strategy and long-term goals can be developed and contribute to increased shareholder value.

1.1 Peer group

In order to ensure market competitiveness of the remuneration the board aims that the level of total remuneration of Senior Executives is consistent with the position of the Company relative to the peer group that is relevant to the Company. The peer group of the Company will each time consist of a group of European and U.S. commercial stage listed companies active in Life Sciences, taking into account inter alia commercial status, products, number of employees, revenue and market capitalization. This peer group reflects the Company's operating areas and the markets most relevant in relation to the recruitment and retention of top talent. The

companies in the peer group should be reviewed in relation to material changes of these guidelines as relevant for the peer group reference.

2 MAIN PRINCIPLES FOR EXECUTIVE MANAGEMENT POLICY

Senior Executives' remuneration in Photocure and group companies shall be determined based on the following main principles:

2.1 Remuneration shall be market competitive, but not leading

Senior Executives' remuneration shall, as a general guideline, be suited to attract and retain skilled leaders in order to enhance value creation in the Company and support the alignment of interests between management and shareholders. Total remuneration should, as a general rule, be at level with remuneration for Senior Executives in comparable industries, businesses and positions in the region in which the individual manager resides.

2.2 Remuneration shall be motivational and drive value creation for shareholders

Senior Executives' remuneration shall be structured to drive motivation and encourage improvements in results and shareholder value.

2.3 Remuneration shall be transparent and acceptable both internally and externally

The remuneration system shall not be unduly difficult to explain to the general public and should not involve disproportional complexity for the administration.

2.4 Remuneration shall be flexible, allowing adjustments over time

To be able to offer competitive remuneration, the Company must have a flexible system that can accommodate changes as the Company and markets evolve.

3 TYPES OF REMUNERATION AND PRINCIPLES REGARDING BENEFITS OFFERED IN ADDITION TO BASE SALARY

In general, the remuneration consists of five elements:

1. base salary,
2. short term incentives,
3. long term incentives,
4. pension benefits,
5. benefits in kind and other benefits.

The composition of Senior Executive remuneration based on these five elements is further described in this section 3.

3.1 Base salary

The base salary shall be the main element of the Senior Executives' remuneration. The base salary shall be reviewed at least annually. Factors considered include the individual's skills, performance, and experience, the responsibilities of the job role, general salary adjustment in the Company, external market data amongst peers in relevant countries and regions, company performance and external economic environment.

3.2 Variable remuneration

The variable remuneration, short term and long term, shall be linked to value generation for shareholders over time. The variable remuneration shall be determined by the achievement of individual and companywide key performance indicators and goals. Instrumental is that Senior Executives, both individually and as a team, can influence achievement of the key performance indicators and goals. The long term incentives shall be tied to the development of the share price of the Company.

3.2.1 Short term incentive / cash bonus scheme

The board of directors may grant cash bonuses to Senior Executives. Any cash bonus schemes established shall be reviewed at least annually. Bonus schemes shall be tied to the achievement of strategic, operational and financial goals for the Company as determined by the board of directors, adherence to compliance matters as well as achievement of personal goals. The relevant Senior Executive shall have a possibility to influence the goals of which the bonus shall be tied to. Through such a structure, the incentives in the bonus scheme shall contribute to advance the long-term goals for the Company. The goals for Senior Executives under any bonus scheme established shall in general be approved by the board of directors in accordance with Section 7 of these guidelines, upon implementation of the relevant bonus scheme.

Any bonus agreement with the Chief Executive Officer of the Company shall be limited to up to 50% of base salary, while bonus agreements for other members of the Senior Executives team may provide for bonuses in the range from 20% to 40% of their base salary. Target and maximum awards shall be equal.

The following shall apply for the Senior Executives team for any bonus schemes established:

- At least 70% of the bonus shall be tied to Company key performance indicators at company level. Goals related to revenue growth and earnings, strategic business development and ESG shall be included in the key performance indicators.
- Up to 30% of the bonus shall be tied to individual key performance indicators for the business area relevant for the individual executive, that are considered to contribute to long-term growth in shareholder value.
- The CEO and the CFO may be measured on Company performance only.

For the Chief Executive Officer and the Chief Financial Officer the board of directors may decide to establish a stretch cash bonus scheme. Such stretch cash bonus scheme may be applicable when the Company has achieved results that are significantly above the overall business plan and targets in the general bonus plan. Any stretch bonus scheme shall be tied to the achievement of strategic, operational and financial goals for the Company as determined by the board of directors. Any stretch bonus scheme for the Chief Executive Officer of the Company shall not exceed 50% of base salary and any stretch bonus scheme for the Chief Financial Officer shall not exceed 20% of base salary. Stretch bonuses may be granted for each financial year for the duration of these guidelines or until revised by the general meeting.

In addition to bonus schemes as described above in this section 3.2.1, the board of directors may grant cash incentives to Senior Executives that are triggered if the Company enters into or completes certain objectives defined for the individual bonus (an "**Event Bonus**"). Event Bonuses may be granted on an individual basis to Senior Executives to the extent (i) it is defined within the scope of work of the Senior Executive to use its best endeavours to ensure that the Company meets goals as resolved by the board or that strategic transactions for its shareholders

may be completed and (ii) the Senior Executive is important in such events or otherwise is able to influence such processes. Event Bonuses shall be defined in agreement with the Senior Executive.

Members of the board of directors are not eligible for cash bonuses under the incentives described above.

3.2.2 Long term incentive / share incentive scheme

The board of directors may implement equity-settled, performance-based compensation plans (option programs) for its Senior Executives and selected personnel. Skilled employees are Photocure's most important resource for success. The Company is dependent on recruiting and retaining competent employees to promote the Company's business strategy, long-term interests and sustainability. Any option program implemented shall be established as a contribution to achieving this.

Option programs shall be designed to create an ownership culture to ensure alignment between shareholders and senior employees of the Company. In particular, the Company needs flexibility to adjust compensation structure to the regions where it operates, mainly continental Europe and U.S. Currently, less than 3% of total Company revenues is generated in Norway and less than 20% of total Company employees are residing in Norway.

Senior Executives and selected employees may be eligible for option awards, including new hires, as decided by the board of directors. Awards shall be on a discretionary basis taking into account performance, organizational level and position, importance of retention, and location. Any option program established shall have a performance-based remuneration element reflecting the underlying long term value creation of the Company. The board of directors shall, amongst others, take into consideration the Company's goals, strategies and performance as well as targeted individual performance for each participant.

Company goals shall mainly be financial and related to growth and profitability and may e.g. be related to revenue growth and EBITDA, strategic business development and ESG. Individual performance goals shall be position specific and designed to support achievement of Company goals.

Senior Executives shall as a main rule be measured as follows:

- CEO and CFO: Company goals 100%
- Other Senior Executives: Company goals 70% / Individual goals 30%

Further terms for any options for each individual, including any limits, shall be determined by the board of directors within the board of director's authorizations as resolved by the Company's general meeting. The board of directors shall exercise discretion as to who will receive an equity award in any given year. This decision shall be based on recommendations made by the compensation committee. Awards shall normally be granted on an annual basis based on Company performance and within the authorization approved at the Company's annual general meeting. The number of outstanding options shall not exceed 9% of the Company's total outstanding shares at any point in time.

Any option program established shall be based on the following principles:

- a. Options shall be granted annually with a strike price based on the weighted average share price 30 trading days before day of grant with an additional premium of 10% on top of the calculated average price. Grants may also be made ad hoc to ensure the Company's interest in having functional incentives and retention plans in effect, or in connection with new recruitments.

- b. The option strike price may be subject to adjustments at the discretion of the board of directors, including in the event of share split, combination of shares, dividend payment and/or other distribution.
- c. The share options shall vest annually over periods of minimum three and up to five years as decided by the board of directors. The number of options that may vest each year is decided by the board of directors, however so that no more than 50% of the options in each grant may vest after one year. Annual vesting of options granted other than in connection with the annual grant may have vesting periods that align with the vesting period of the annual grant for that relevant financial year.
- d. Options may vest in case of certain events, including but not limited a change of control or a take-over bid pursuant to chapter 6 of the Norwegian Securities Trading Act, corporate restructurings, termination of employment in agreement with the board of directors, and otherwise for other events in line with market practice, if included as part of the terms of the options prior to such events taking place.
- e. Shares held as a result of exercise of options by Senior Executives should be subject to a lock-up period for at least 2 years after exercise, subject to the holder remaining a Senior Executive and excluding shares sold to cover costs including purchase amount and tax for the relevant options. In the event of a change of control or a take-over bid pursuant to chapter 6 of the Norwegian Securities Trading Act, all shares held as a result of exercising options may be sold.
- f. Any non-exercised options shall expire at the latest 7 years after grant.
- g. In case of termination of employment, all options unvested as well as vested but not exercised at the time of expiry of employment shall lapse, unless the board of directors decides otherwise. If the option holder is dismissed, unvested options as well as vested but not exercised options shall lapse upon dismissal, unless the board of directors decides otherwise.
- h. Option terms may and should normally include rights for the Company to require that the option holder re-deliver any options, and if deemed appropriate any shares held as a result of exercise of options, if the option grant or delivery of shares are made based on incorrect information, misleading information from the Senior Executive or in case of the termination of the employment of the Senior Executive as a 'bad leaver'.
- i. The board of directors shall determine other terms and conditions for options, that shall be included in agreements or option terms confirmed by the option holder in connection with the grant.

The board of directors may alter, reduce or eliminate the granting of any options as well as exercise of any issued options in accordance with its terms, including to decide on cash compensation as replacement for any cancelled options, based on the overall situation of the Company or other special circumstances.

Members of the board of directors are not eligible for share incentives as set out in these guidelines, but may be granted shares, options or other remuneration structures related to the Company's equity to the extent proposed by the Company's nomination committee and/or as resolved by the general meeting of the Company.

3.3 Pension benefits

Photocure shall maintain a defined contribution pension scheme according to the mandatory requirements in Norway. Currently, the pension scheme applies to all Norwegian employees. The contributions are 6% of the employee's ordinary salary up to 7.1 times the basic amount (G) of the Norwegian National Insurance scheme, and thereafter 16% up to 12 times G. The national insurance cover pension for salaries to 7.1 G.



Photocure ASA employees in other European countries than Norway may have individual defined contribution pension plans according to local regulations and their employment agreements. Photocure Inc matches its employee's contribution to the 401(k)-plan dollar for dollar up to 4% of salary for the employees that elect to join the plan. There is a salary maximum set by the IRS, which shall apply.

Photocure may also enter into pension agreements with Senior Executives in the form of un-funded pensions for salaries exceeding coverage by insurance. For Norwegian based Senior Executives Photocure may establish a contribution based operating pension scheme with provisions corresponding to 16% of salary above 12 times G. In the event of resignation, full pension rights shall be conditional upon at least five years' employment, while less than 3-years' employment carries no rights. The pension schemes may also provide coverage in the event of disability.

Pension rates and reference amounts as determined by third parties may change during the term of these guidelines without any further corporate resolutions in Photocure.

3.4 Benefits in kind and other benefits

Senior Executives will normally be given the benefits in kind that are common market practice, i.e., telephone expenses, a laptop, free broadband connection, newspapers and car allowance if applicable. There are no special restrictions on the type of other benefits that can be agreed on, but costs related to such benefits shall not normally exceed 5% of the employee's base salary.

It may be used other variable elements in the remuneration or awarded other special benefits than those mentioned above, provided that this is considered expedient for attracting and/or retaining a Senior Executive. No special limitations have been placed on the type of benefits that can be agreed, but costs related to such benefits shall not normally exceed 5% of the employee's base salary.

4 CONDITIONS FOR DISMISSAL AND SEVERANCE SCHEMES

Conditions for dismissal shall be set out in individual employment agreements for Senior Executives. The Company's CEO shall normally have an agreement that enables the Company to request that the CEO resign immediately if this is considered to be in the Company's interest. If such agreement is not entered into, defined notice periods shall be agreed for the CEO, as well as for other employee Senior Executives. There are no specific limitations on notice periods that may be agreed, but the board of directors shall, inter alia, take into consideration the Company's need to be able to maintain a management of the Company that meets its operational requirements, avoid incurring additional cost in transition periods, ensuring an expedient transfer of know how in relation to reorganizations, and compliance with applicable laws and regulations.

The board of directors may enter into agreements on severance pay with Senior Executives. Agreements with the CEO and CFO may correspond to an amount equal to up to 24 months of their respective base salary and bonuses, at time of termination, and a lump sum related to a health care premium for 24 months of coverage. Other Senior Executives may be granted severance pay at a similar basis but limited to a 12-month basis for calculation of amounts. Severance schemes shall in general be sought to be formulated in a way that they are acceptable internally and externally. An agreement on severance pay shall, if this is relevant, normally be entered into when establishing employment relationships, but may in special cases also be agreed upon termination of employment. Agreements on severance pay may be entered into where it is deemed necessary to meet the Company's needs in order to ensure that the composition of Senior Executives at all times.

The board of directors shall determine further terms and regulations applicable for agreements on severance pay, including conditions related to the relevant persons being a good leaver or a bad leaver, as further defined by the board of directors.

5 LOANS AND GUARANTEES

No loans shall be granted, and no securities shall be provided for members of the Senior Executives' team, the board of directors, employees or other persons in elected corporate bodies.

6 REMUNERATION TO SENIOR EXECUTIVES IN OTHER PHOTOCURE COMPANIES

All companies in the Photocure group are to follow the main principles for the determination of Senior Executives' salaries and remuneration as set out in these guidelines. Photocure aims at coordinating management remuneration policy and the schemes used for variable benefits throughout the group.

7 PREPARATION AND DECISION-MAKING PROCESS FOR ESTABLISHING, REVIEWING AND IMPLEMENTING THE GUIDELINES

The board of directors has established a compensation committee. The compensation committee shall monitor and evaluate the application of the guidelines, variable remuneration programs for Senior Executives that are ongoing and those that were concluded during the year, as well as remuneration structures and levels within the Company and the group. For each financial year, the board of directors shall prepare a remuneration report and make this available to shareholders on the Company's website at least three weeks prior to the annual general meeting.

The duties of the compensation committee include preparing the board of directors' resolution on proposed guidelines for remuneration of Senior Executives, as well as any deviation as further set out in section 12 in these guidelines. The board is to prepare proposed new guidelines at least every four years and submit the proposal for decision at the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting.

Remuneration to the CEO and CFO shall be decided by the board of directors in line with approved policies following preparation and recommendation by the compensation committee. Remuneration to other Senior Executives shall be decided by the CEO in line with approved policies and after consultation with the compensation committee if deemed necessary.

The members of the compensation committee are independent in relation to the management. The CEO and other members of the management shall not participate in the board of directors' discussions on matters related to remuneration that concerns them.

8 CONSIDERATION OF SALARY AND TERMS OF EMPLOYMENT FOR OTHER EMPLOYEES

In preparing the board of directors' proposal for these guidelines for remuneration, the board of directors and the compensation committee also have considered the remuneration arrangements in place for the Company's wider workforce.

Compensation for employees follows the same principles and performance measures applied to Senior Executives. The Company offers local market-based compensation and career opportunities to attract the best talent. When determining compensation, managers consider how the employee's pay compares to local market levels alongside other factors such as the individual's experience and sustained performance. For all levels below Senior Executive level, employees are in addition to base salary entitled benefits, and may also receive a bonus, pension and other allowances depending on employment law and market practice. Option awards may also be granted to other employees.

Information on payment and employment conditions in the group forms part of the compensation committee's and the board of directors' basis for decision when assessing whether the guidelines and restrictions set out in these are reasonable.

9 BOARD OF DIRECTORS' REMUNERATION

The Company does not have employees that are also members of the board of directors.

The general meeting determines each year the board remuneration based on the nomination committee's proposal.

Members of the board of directors may be engaged to provide professional services in addition to the work provided as a director. Such services shall be provided in accordance with arm's length principles and be documented in written agreements between the board member and the Company.

10 ANNUAL REMUNERATION REPORT

Pursuant to Section 6-16b of the Norwegian Public Limited Liability Companies Act, a report on salaries and other remuneration to Senior Executive personnel will be presented at each Annual General Meeting. The report shall be made available on the Company's website.

11 RECLAIMING PERFORMANCE-RELATED PAY

The Company shall have the right to demand the repayment of any performance-related remuneration that has been paid on the basis of information that were self-evidently incorrect, or as the result of misleading information supplied by the individual in question.

12 DEVIATION FROM THESE GUIDELINES

The principles in these guidelines are binding for the Company from the time they are adopted by the general meeting.

In extraordinary circumstances involving significant events for the Company that require efforts by existing Senior Executives substantially beyond their normal tasks or the recruitment of business-critical personnel, the board of directors may decide to deviate from the guidelines in individual cases. Such deviation must be based on objective grounds (i) with a view to the shared interests of the shareholders and the Company in retaining and providing incentives for existing key personnel or recruitment of key personnel during extraordinary situations, and (ii) must be deemed necessary by the board of directors in the situation in question and for the Senior Executive in

question. Hence, the board of directors may deviate from these guidelines in consideration both of long-term interests in retaining existing or new key personnel and to incentivize Senior Executives inter alia in processes that require additional efforts and/or that has a potential impact on the relevant executive's employment depending on the process outcome.

When considering a deviation from these guidelines, the compensation committee shall consider the deviation based on the circumstances as set out above and present its consideration and proposal to the board of directors.

It is in the board of directors' sole discretion to decide whether there is an extraordinary situation requiring deviation from the guidelines. When making such an assessment, the board of directors shall ensure that the deviation is in the Company's interests. The board of directors may, in such a situation, deviate from any of the provisions herein. However, the board of directors may not deviate from the guidelines regarding remuneration of the board of directors. Such deviations must be proposed and presented to the general meeting for a general vote.

A written explanation of any deviation from the guidelines is required and shall be included in the annual report on salaries, which is presented to the annual general meeting for an advisory vote in the following year. The compensation committee prepares the board of directors' assessments of matters concerning remuneration, including deviations from these guidelines.

Oslo, 29 April 2024

The board of directors of Photocure ASA