Minutes kept at the annual general meeting of **Orexo AB (publ)**, reg. no. 556500-0600, on April 21, 2022 in Uppsala.

§ 1

The annual general meeting was declared open by Rikard Lindahl from Advokatfirman Vinge as instructed by the board of directors.

§ 2

Rikard Lindahl from Advokatfirman Vinge was elected chairman of the meeting. It was noted that Rikard Lindahl had been instructed to keep the minutes at the meeting.

§ 3

The attached list, Appendix 1, was approved to serve as the voting list at the meeting.

§ 4

The agenda presented in the notice convening the meeting was approved to serve as the agenda for the meeting.

§ 5

It was resolved that the minutes of the meeting should be approved, together with the chairman, by Eric Svenningson, representing Arbejdsmarkedets Tillaegspension, Handelsbanken Norden Index Criteria, Handelsbanken Sverige Index Criteria and SPDR S and P International Small Cap ETF.

§ 6

It was established that the meeting had been duly convened.

§ 7

The managing director, Nikolaj Sørensen, held a speech including an account of the company's business during the business year 2021.

§ 8

The annual report and the auditor's report as well as the consolidated financial statements and the consolidated auditor's report for the financial year 2021 were presented. The company's auditor in charge Anna Svanberg reported on the audit for the past financial year.

§ 9

It was referred to the corporate governance report for the work of the board of directors during the business year 2021 and the work of the remuneration and audit committees.

§ 10

The income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet in the annual report were adopted.

§ 11

It was resolved, in accordance with the proposal of the board of directors, that there shall be no dividend for 2021 and that the company's result shall be carried forward.

§ 12

The members of the board of directors and the managing director were discharged from liability in respect of their management of the company's business during the financial year 2021.

It was noted that each person concerned, if registered in the voting list, did not participate in the resolution regarding themselves.

§ 13

It was resolved, in accordance with the nomination committee's proposal that the board of directors, until the end of the next annual general meeting, shall consist of eight board members with no deputy members and that the company shall appoint one auditor without deputy auditor.

§ 14

It was resolved, in accordance with the nomination committee's proposal, that remuneration to the board of directors shall, until the end of the next annual general meeting, amount to in total SEK 3,550,000 to be allocated as follows: SEK 900,000 to the chairman and SEK 300,000 to each of the other board members, and in total SEK 400,000 to be allocated to the members of the audit committee so that the chairman of the committee receives SEK 200,000 and SEK 200,000 are allocated in equal parts between the other members of the committee, and in total SEK 150,000 to be allocated to the members of the remuneration committee in equal parts between the members of the committee.

It was resolved, in accordance with the nomination committee's proposal, that the independent board members James Noble, Staffan Lindstrand, Fred Wilkinson, Mary Pat Christie, Charlotte Hansson, Christine Rankin and Michael J Matly shall receive an additional fee of SEK 1,050,000, subject to (i) the board member's acquisition of shares in Orexo for the entire part (after taxes) of such additional board fee as soon as possible following the annual general meeting's resolution and the pay-out of the additional board fee, and (ii) the board member's commitment not to sell the shares during the board member's entire tenure on the Orexo board. The additional board fee is to be allocated as follows: SEK 450,000 to the chairman, corresponding to 50 percent of the ordinary board fee to the chairman, and SEK 100,000 to each of Staffan Lindstrand, Fred Wilkinson, Mary Pat Christie, Charlotte Hansson, Christine Rankin and Michael J Matly, corresponding to 33 percent of the ordinary board fee to such board members. In the event that the board member, before the succeeding annual general meeting, is dismissed due to breach of his/her obligations as a board member or leaves the board at his/her own request, the board member must repay the entire additional board fee (after taxes). James Noble has not participated in the nomination committee's handling of the proposal insofar as it concerns himself.

It was resolved, in accordance with the nomination committee's proposal, that fees to the auditor shall be paid against approved accounts.

§ 15

It was resolved, in accordance with the nomination committee's proposal, to re-elect James Noble, Staffan Lindstrand, Henrik Kjær Hansen, Fred Wilkinson, Mary Pat Christie and Charlotte Hansson as members of the board of directors and elect Christine Rankin and Michael J Matly as new members of the board of directors, until the end of the next annual general meeting. James Noble was elected chairman of the board.

It was resolved, in accordance with the nomination committee's proposal, to re-elect Ernst & Young Aktiebolag as auditor for the period up until the end of the next annual general meeting.

§ 16

The board of directors' remuneration report for the financial year 2021 was presented, Appendix 2.

It was resolved to approve the board of directors' remuneration report.

§ 17

The board of directors' proposal for resolution regarding guidelines for remuneration to the management was presented, Appendix 3.

It was resolved in accordance with the board of directors' proposal.

§ 18

The nomination committee's proposal for resolution regarding the nomination committee was presented, Appendix 4.

It was resolved in accordance with the nomination committee's proposal.

§ 19

The board of directors' proposal regarding authorization for the board of directors to resolve to issue new shares was presented, Appendix 5.

It was resolved in accordance with the board of directors' proposal. It was noted that the proposal was passed unanimously.

§ 20

The board of directors' proposal regarding authorization for the board of directors to resolve to repurchase and transfer the company's own shares was presented, Appendix 6.

It was resolved in accordance with the board of directors' proposal. It was noted that the proposal was passed unanimously.

§ 21

The board of directors' proposal regarding adoption of a new performance-based long-term incentive program LTIP 2022 was presented, Appendix 7.

It was resolved in accordance with the board of directors' proposal. It was noted that the proposal was passed with the support of shareholders holding not less than nine-tenths of both the shares voted for and of the shares represented at the general meeting.

§ 22

The board of directors' proposal regarding adoption of a new performance-based long-term incentive program LTIP Stay-on 2022 was presented, Appendix 8.

It was resolved in accordance with the board of directors' proposal. It was noted that the proposal was passed with the support of shareholders holding not less than nine-tenths of both the shares voted for and of the shares represented at the general meeting.

§ 23

The annual general meeting in Orexo was declared closed.

[Separate signature page follows]

Signature page to minutes kept at the annual general meeting of Orexo AB on April 21, 2022

In fidem:	Approved:
Rikard Lindahl	Eric Svenningson

Appendix 1

Voting list

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Remuneration report 2021

Introduction

This report describes how the guidelines for executive remuneration of Orexo AB, adopted by the annual general meeting 2021, were implemented in 2021. The report also provides information on remuneration to the CEO and a summary of the company's outstanding share-related and share price-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board.

Further information on executive remuneration is available in note 10 (Employees and personnel costs) on pages 80-81 in the annual report 2021. Information on the work of the remuneration committee in 2021 is set out in the corporate governance report available on pages 101-111 in the annual report 2021.

Remuneration of the board of directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 10 on pages 80-81 in the annual report 2021.

Key developments 2021

The CEO summarizes the company's overall performance in his statement on pages 6-9 in the annual report 2021.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The company's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, executive remuneration shall be on market terms and may consist of the following components: fixed salary, variable remuneration, long-term incentive programs, pensions and other customary benefits. The variable cash remuneration shall be linked to financial or non-financial criteria. They may be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

The guidelines are found on pages 58-59 in the annual report 2021. During 2021, the company has complied with the applicable remuneration guidelines adopted by the general meeting. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The auditor's report regarding the company's compliance with the guidelines is available on www.orexo.com. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the general meetings of the company have resolved to implement long-term share-related incentive plans.

Table 1 – Total CEO remuneration in 2021 (kSEK)*

Name of director (position)	1 Fixed remuneration		2 Variable remuneration		3	4	5	6
	Base salary**	Other benefits***	One-year variable	Multi-year variable****	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration*****
Nikolaj Sørensen (CEO)	3,617	110	1,354	4,119	N/A	748	9,887	45/55******

* Except for Multi-year variable remuneration, the table reports remuneration earned in 2021. Multi-year variable remuneration is reported if vested in 2021, as set out in column 10 of Table 2 and column 8 of Table 3 below (as applicable). Disbursement of any payments may or may not have been made the same year.
** Including holiday pay of kSEK 147.4.
*** Company car and health insurance.
**** Vested share options and share awards as set out in in column 10 of Table 2 and in column 8 of Table 3 below.
***** Pension expense (column 4), which in its entirety relates to Base salary and is premium defined, has been counted entirely as fixed remuneration.
****** Pursuant to the company's remuneration guidelines adopted on the annual general meeting on April 13, 2021, the variable remuneration shall amount to a maximum of 40 percent of the annual fixed cash salary for the CEO. The variable remuneration reported in this column 6 of Table 1 exceeds 40 percent of the annual fixed cash salary for the CEO due to it including variable remuneration resolved by the general meeting.

Share-based remuneration

Outstanding share-related and share price-related incentive plans

The company has implemented one stock option program (LTIP 2011/2021) for the executive management.

LTIP 2011/2021

Each performance share shall give the right to acquire one (1) share in Orexo for payment of an exercise price corresponding to 100% of the volume weighted average price for the Orexo share during the ten trading days immediately prior to the allocation. The exercise price, determined as set out above, shall be rounded off to the nearest SEK 0.2, whereby SEK 0.10 shall be rounded off downwards. The right to acquire new shares through exercise of the performance shares shall, for each employee, be subject to vesting criteria. Of all performance shares allocated to a participant under the share program, 50% of the performance shares shall be vested according to time and internal operational criteria and 50% shall be vested according to share price performance and relative share performance. No performance shares shall be capable of being exercised following the 10th anniversary of the date of the shareholders' meeting adopting the share program. The LTIP 2011/2021 program expired on February 16, 2021 and 97,673 performance shares were exercised by the CEO.

The company has further implemented two share award programs (LTIPs 2018/2021 and 2019/2022) and four combined share award and employee stock option programs (LTIPs 2020/2023, LTIP Stay-On 2020/2023, LTIP 2021/2024 and LTIP Stay-on 2021/2024) for senior executives and key employees within the group, and for certain Global Management Team and US Leadership Team employees, respectively.

LTIP 2018/2021

The number of share awards that entitle to shares depends on the outcome of the performance conditions set by the board. The performance conditions focus on Orexo's financial and operational targets for 2018 ("Performance Target 1") and on the share-price development for the three-year vesting period ("Performance Target 2" and together the "Performance Targets"). Of each participant's granted share awards, 50% will pertain to Performance Target 1 and 50% will pertain to Performance Target 2. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the start of the program. The program started on 15 June 2018. The CEO has been granted 62,000 share awards. In total, 363,500 share awards have been granted, which corresponds to 1,05% of the shares in the company on a diluted basis.

LTIP 2019/2022

The number of share awards that entitle to shares depends on the outcome of the performance conditions set by the board. In addition to the condition that the holder is still employed by the Orexo group (“Performance Target 1”), the performance conditions focus on Orexo’s financial and operational targets for 2019 (“Performance Target 2”) and on the share-price development for the three-year vesting period (“Performance Target 3” and together the “Performance Targets”). Of each participant’s granted share awards, 20% will pertain to Performance Target 1, up to 40% will pertain to Performance Target 2 and up to 40% will pertain to Performance Target 3. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the start of the program. The program started on 15 June 2019. The CEO has been granted 25,800 share awards. In total, 228,750 share awards have been granted, which corresponds to 0,66% of the shares in the company on a diluted basis.

LTIP 2020/2023

The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the board. The performance conditions focus on the holder still being employed by the Orexo group (“Performance Target 1”) and on Orexo’s financial and operational targets for 2020 (“Performance Target 2” and together the “Performance Targets”). Of each participant’s granted share awards, approximately 33% (one third) will pertain to Performance Target 1 and up to approximately 67% (two thirds) will pertain to Performance Target 2. Of each Participant’s granted employee stock options, 100% will pertain to Performance Target 1, meaning that no Employee stock options will vest unless the performance target is met. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The program started on 8 June 2020. The CEO has been granted 23,030 share awards and 48,030 employee stock options. In total, 199,364 share awards and 447,448 employee stock options have been granted, which corresponds to 1,86% of the shares in the company on a diluted basis.

LTIP Stay-on 2020/2023

Qualification for participation in the program is conditional upon the participant (i) keeping shares from allocations in any of Orexo’s implemented LTIPs between 1 May 2020 and 31 July 2020 (“Opt-in 1”), or (ii) investing in new Orexo shares with part of or the entire annual cash bonus of the participant between 1 February 2021 and 30 April 2021 (“Opt-in 2”).The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the board. The performance conditions focus on the holder still being employed by the Orexo group (“Performance Target 1”) and on Orexo’s financial and operational targets for 2020 (“Performance Target 2” and together the “Performance Targets”). Of each participant’s granted share awards, 50% will pertain to Performance Target 1 and 50% will pertain to Performance Target 2. Of each Participant’s granted employee stock options, 100% will pertain to Performance Target 1, meaning that no employee stock options will vest unless the performance target is met. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The part of the program relating to Opt-in 1 may not start later than 31 August 2020 and consequently end no later than on 31 August 2023. The part of the program relating to Opt-in 2 may not start later than 31 May 2021 and consequently end no later than on 31 May 2024. The CEO has been granted 4,230 share awards and 4,230 employee stock options. In total, 13,409 share awards and 13,409 employee stock options have been granted, which corresponds to 0,08% of the shares in the company on a diluted basis.

LTIP 2021/2024

The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the board. The performance conditions focus on the holder still being employed by the Orexo group ("Performance Target 1") and on Orexo's financial and operational targets for 2021 ("Performance Target 2" and together the "Performance Targets"). Of each participant's granted share awards, approximately 33% (one third) will pertain to Performance Target 1 and up to approximately 67% (two thirds) will pertain to Performance Target 2. Of each Participant's granted employee stock options, 100% will pertain to Performance Target 1, meaning that no Employee stock options will vest unless the performance target is met. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The program started on 15 June 2021. The CEO has been granted 28,800 share awards and 67,300 employee stock options. In total, 284,770 share awards and 664,180 employee stock options have been granted, which corresponds to 2,7% of the shares in the company on a diluted basis.

LTIP Stay-on 2021/2024

Qualification for participation in the program is conditional upon the participant (i) keeping shares from allocations in any of Orexo's implemented LTIPs between 1 May 2021 and 31 July 2021 ("Opt-in 1"), or (ii) investing in new Orexo shares with part of or the entire annual cash bonus of the participant between 1 February 2022 and 30 April 2022 ("Opt-in 2").The number of share awards and employee stock options that entitle to shares depends on the outcome of the performance conditions set by the board. The performance conditions focus on the holder still being employed by the Orexo group ("Performance Target 1") and on Orexo's financial and operational targets for 2021 ("Performance Target 2" and together the "Performance Targets"). Of each participant's granted share awards, 50% will pertain to Performance Target 1 and 50% will pertain to Performance Target 2. Of each Participant's granted employee stock options, 100% will pertain to Performance Target 1, meaning that no employee stock options will vest unless the performance target is met. The allotment of shares that each participant later may receive depends on achievement of the Performance Targets. Vesting period means the three-year period from the award date. The part of the program relating to Opt-in 1 may not start later than 31 August 2021 and consequently end no later than on 31 August 2024. The part of the program relating to Opt-in 2 may not start later than 31 May 2022 and consequently end no later than on 31 May 2025. The CEO has been granted 0 share awards and 0 employee stock options. In total, 3,037 share awards and 3,037 employee stock options have been granted, which corresponds to 0,02% of the shares in the company on a diluted basis.

Table 2 – Share option plans (CEO)

Name of director (position)	The main conditions of share option plans							Information regarding the reported financial year*					
								Opening balance	During the year		Closing balance		
	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	6 Exercise period	7 Exercise price (SEK)	8 Share options held at beginning of year	9 Share options awarded	10 Share options vested	11 Share options subject to performance condition	12 Share options awarded and unvested	13 Share options subject to retention period
Nikolaj Sørensen (CEO)	LTIP 2011/2021	2011-2021	2011-10-17	2016-10-17	2021-02-16	2016-10-17 – 2021-02-16	29.0	97,763	0	97,763***	0	0	0
	LTIP 2011/2021	2011-2021	2013-05-03	2018-05-03	2021-02-16	2018-05-03 – 2021-02-16	51.2	97,860	0	97,860****	0	0	0
	LTIP 2020/2023	2020-2023	2020-06-08	2023-06-08	2023-06-29	2023-06-08 – 2023-06-29	78.61	43,800	0	0	43,800	43,800	43,800
	LTIP Stay on 2020/2023	2020-2023	2020-08-03	2023-08-03	2024-08-31	2024-08-03 – 2024-08-31	55.9	4,230	0	0	4,230	4,230	4,230
	LTIP 2021/2024	2021-2024	2021-06-15	2024-06-15	2024-06-15	2024-06-15	45.3	0	67,300**	0	67,300	67,300	67,300
Total								**243,653**	**67,300**	**195,623**	**115,330**	**115,330**	**115,330**

* In 2021, 97,763 options were exercised regarding LTIP 2011/2021, where the CEO holds 97,763 options. In LTIP 2021/2024, the CEO was awarded 67,300 options in 2021.
** The aggregate market value of the underlying shares at the time of the award is SEK 2,685,270 and the aggregate exercise price is SEK 3,048,690 for LTIP 2021/2024.
*** The aggregate market value of the underlying shares at the time of the exercise is SEK 4,956,854 and the aggregate exercise price (strike price) is SEK 2,835,127 for LTIP 2011/2021.
**** Options not exercised due to market share price exceeds exercise price

Table 3 – Share award plans (CEO)

Name of director (position)	The main conditions of share award plans					Information regarding the reported financial year*					
						Opening balance	During the year		Closing balance		
	1 Name of plan	2 Performance period	3 Award date	4 Vesting date	5 End of retention period	6 Share awards held at beginning of year	7 Awarded	8 Vested	9 Subject to performance condition	10 Awarded and unvested at year end	11 Shares subject to retention period
Nikolaj Sørensen (CEO)	LTIP 2018/2021	2018-2021	2018-06-15	2021-06-14	2021-06-14	62,000	0	41,230**	0	0	0
	LTIP 2019/2022	2019-2022	2019-06-15	2022-06-15	2022-06-15	25,800	0	0	25,800	25,800	25,800
	LTIP 2020/2023	2020-2023	2020-06-08	2023-06-08	2023-06-29	18,800	0	0	18,800	18,800	18,800
	LTIP Stay on 2020/2023	2020-2023	2020-08-03	2024-08-03	2024-08-03	4,230	0	0	4,230	4,230	4,230
	LTIP 2021/2024	2021-2024	2021-06-15	2024-06-15	2024-06-15	0	28,800***	0	28,800	28,800	28,800
Total						**110,830**	**28,800**	**41,230**	**77,630**	**77,630**	**77,630**

* In 2021, LTIP 2018/2021 vested, whereupon shares (41,230) were transferred to the CEO. No changes occurred regarding LTIP 2019/2022, where the CEO holds 25,800 share awards. No changes occurred regarding LTIP 2020/2023, where the CEO holds 25,800 share awards. In LTIP 2021/2024, the CEO was awarded 28,800 share awards in 2021. Not all share awards were vested due to the outcome of the performance targets.
** Value: SEK 1,911,423 calculated as the market price per share at vesting (SEK 46.36) multiplied by the number of awards (41,230) for LTIP 2018/2021.
*** Value: SEK 1,149,120 calculated as the market price per share at the time of award (SEK 39.90) multiplied by the number of awards (28,800) for LTIP 2021/2024 and SEK 238,572 calculated as the market price per share at the time of award (SEK 56.40) multiplied by the number of awards (4,230) for LTIP Stay-on 2020/2023.

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to deliver the company's strategy and to encourage behaviour which is in the long-term interest of the company. In the selection of performance measures, the strategic objectives and short-term and long-term business priorities defined and measured in the Business Scorecard for 2021 have been taken into account. The non-financial performance measures further contribute to alignment with sustainability as well as the company values.

*Table 4(a) - Performance of the CEO in the reported financial year: variable cash remuneration**

Name of director (position)	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3 a) Measured performance and b) actual award/ remuneration outcome
Nikolaj Sørensen (CEO)	Finance Goals	40%	a) 100 % b) kSEK 541.6
	Business Processes – Initiatives with defined targets	30%	a) 100 % b) kSEK 406.2
	Customers & Society – Defined targets regarding Zubsolv and DTx	20%	a) 95 % b) kSEK 270.8
	People & Organization – Number and severity of compliance issues and staff engagement score in annual employee survey	10%	a) 100 % b) kSEK 135.4

*Based on the company's Balanced Scorecard for 2020.

Table 4(b) - Performance of the CEO in the reported financial year: share-based incentives

Name of director (position)	Name of plan	1 Description of the criteria related to the remuneration component	2 Relative weighting of the performance criteria	3 a) Measured performance and b) actual award/ remuneration outcome
Nikolaj Sørensen (CEO)	LTIP 2011/2021	Time-vested performance shares, based on elapsed time since the allotment	50 %	a) 100 % b) kSEK 948*
		Share price-vested performance shares, Performance target 1, Development of Orexo's share price Performance target 2, Fulfillment of the company's operational performance and time	50 %	a) 77,5 % b) kSEK 1,220*
	LTIP 2018/2021 – Share awards**	Performance target 1, Fulfilment of the financial and operational targets for the financial year 2020 as established by the board of directors and relates to the company's key KPIs as per Balanced Scorecard	50 %	a) 100 % b) kSEK 1,466**
		Performance target 2, Development of Orexo's share price during the period from the 2018 Annual General Meeting to April 11, 2021	50 %	a) 33 % b) kSEK 484**
	LTIP 2021/2024 – Share awards**	Performance target 1, Being employed upon vesting	33 %	a) Achieved b) N/A***
		Performance target 2, Fulfilment of the financial and operational targets for the financial year 2021 as established by the board of directors and relates to the company's key KPIs as per Balanced Scorecard	67 %	a) 64 % b) N/A***
	LTIP 2021/2024 – Employee stock options**	Performance target 1, Being employed upon vesting	100 %	a) Achieved b) N/A***

* Total value is kSEK 2,169 for exercised 97,763 shares with an exercise price of SEK 29. The share price at the vesting amounted to SEK 51.20 with the benefit value amounting to SEK 22.20/share.
** The total value is kSEK 1,950 for exercised 41,230 shares with an exercise price of SEK 47.30. The program includes both share rights and employee stock options, see the description of the program under the section "Outstanding share-related and share price-related incentive programs" above.
*** Performance period still running.

Comparative information on the change of remuneration and company performance

Table 5 – Change of remuneration and company performance over the last five reported financial years (RFY) (kSEK)

	RFY 2021	RFY 2020
CEO remuneration	**9,887**	**10,678**
Group operating profit	**-214,084**	**19,900**
Average remuneration on a full time equivalent basis of employees* of the parent company	**698**	**681**

* Excluding members of the group executive management.

Appendix 3

The board of directors' proposal for resolution regarding guidelines for remuneration to the management

The board of directors proposes that the annual general meeting resolves to approve the board of directors' proposal concerning principles and guidelines for the remuneration of the company's executive management in accordance with what is stated below.

The executive management of Orexo falls within the provisions of these guidelines. Executive management refers to board members, the CEO and other members of the executive management, which comprised seven persons by the end of 2021. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2022. These guidelines do not apply to any remuneration decided or approved by the general meeting.

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

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

The company's business strategy is the following.

Orexo has developed from being an R&D stage company to becoming a profitable fully integrated specialty pharmaceutical company with its own commercial business in the US. From a strong operational and financial platform, Orexo is aiming to become a leader in the treatment of mental illness and substance use disorder. To achieve this, the commercial business will be broadened through business development, M&A and launch of proprietary pharmaceuticals and digital therapies.

Orexo's objectives and strategies onwards is to broaden the US commercial platform to leverage scale and expand sales, further accelerate Orexo US performance and EBIT contributions as well as to launch at least one new product from the pipeline within three years.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the executive management a competitive total remuneration.

Long-term share-related incentive plans have been implemented in the company. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. The long-term share-related incentive plans for certain senior executives and employees within the Orexo group and for Group Management Team and US Leadership Team employees, respectively, proposed by the board of directors and submitted to the annual general meeting 2022 for approval are excluded for the same reason. The proposed plans substantially correspond to existing plans for senior executives and employees. The current plans include certain executives and employees within the Orexo group. The performance criteria used to assess the outcome of the plans are distinctly linked to the business strategy and thereby to the company's long-term value creation, including its sustainability. These performance criteria currently comprise the share price development, the surpassing of a certain index or the meeting of certain financing and operating objectives, and thereby organic growth and product development. Further, the plans are conditional upon certain holding periods.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

Orexo shall offer terms of employment that are in line with market rates so that the company can recruit and retain skilled personnel. Remuneration to the executive management shall comprise a fixed salary, variable remuneration, long-term incentive programs, pensions and other customary benefits. Remuneration is based on the individual's commitment and performance in relation to previously established goals, both individual goals and goals for the entire company. Individual performance is continuously evaluated.

Fixed salary is generally reviewed on an annual basis and shall be based on the qualitative performance of the individual. The fixed salary of the executive management shall be in line with market conditions.

The executive management may be offered cash bonuses. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. Variable remuneration shall take into account the individual's level of responsibility and degree of influence. The size of variable remuneration is based on the percentage of predetermined and measurable criteria which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promoting the executive's long-term development. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The remuneration committee is responsible for the evaluation of the variable cash remuneration to the CEO and the other executives. For financial objectives, the evaluation shall be based on the latest financial information made public by the company. The variable remuneration shall amount to a maximum of 40 percent of the annual fixed cash salary for the CEO, up to 30 percent of the annual fixed cash salary for other members of the executive management in Sweden and up to 60 percent of the annual fixed cash salary for members of the executive management employed in the US subsidiary. The majority of the variable remuneration shall be based on the sales development and the financial results at group and subsidiary level. The percentage rate in relation to US employees reflects the subsidiary's significance for the group's earnings as well as an American labor market that is requiring an increased share of variable remuneration in order to attract and retain key employees. Furthermore, the board of directors shall have the option of allocating further variable non-recurring remuneration to the management when the board deems it to be appropriate. Such allocation of non-recurring remuneration may, after consolidation with other variable remuneration, amount to a maximum of 70 percent of the annual fixed cash salary.

The CEO and the other members of the executive management are covered by defined contribution pension plans, including health insurance (Sw. *sjukförsäkring*). Variable cash remuneration shall not qualify for pension benefits except to the extent required by mandatory collective agreement provisions applicable to the executive. The pension premiums paid by the company to the CEO amount to 20 percent of the annual fixed cash salary and amount to not more than 25 percent of the annual fixed cash salary for other members of the executive management team.

The employment agreement with the CEO may be terminated with six months' notice. Employment agreements with the other members of the executive management may be terminated with a notice of between zero and six months. The CEO is entitled to severance pay equivalent to six months' salary if employment is terminated by the company. The other members of the executive management are entitled to severance pay equivalent to between 3 and 12 months' salary if employment is terminated by the company. Upon notice from the executive, there is no right to severance pay.

In addition, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

Executives may be awarded customary other benefits, such as company car and travel between the place of residence and the workplace. Such other benefits may amount to not more than 20 percent of the fixed annual cash salary.

The board is entitled, if it assesses that this is warranted in an individual case, to assign company work to a board member over and above the board assignment, in which case the board member may be granted reasonable 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. Executives who are expatriates to or from Sweden may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the expat arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such benefits may not in total exceed 30 percent of the fixed annual cash salary.

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

The decision-making process to determine, review and implement the guidelines

The board of directors has established a remuneration committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for executive remuneration. 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 are adopted by the general meeting.

The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the remuneration committee are independent of the company and its executive management. The CEO and other members of the executive 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.

Derogation from the guidelines

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation 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, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Appendix 4

The nomination committee's proposal for resolution regarding the nomination committee

The nomination committee proposes that the meeting resolves that the company shall have a nomination committee consisting of a representative of each of the three largest shareholders, based on the number of votes held, together with the chairman of the board. If any of the three largest shareholders declines to appoint a member to the nomination committee, additional shareholders are, by order of size, to be offered appointment until three members are appointed. The names of the members of the nomination committee and the names of the shareholders they represent shall be made public not later than six months before the annual general meeting and be based on shareholding statistics provided by Euroclear Sweden AB per the last banking day in August 2022. Unless the members of the nomination committee agree otherwise, the member representing the largest shareholder, based on the number of votes held, shall be appointed chairman of the nomination committee. If a shareholder representative no longer represents the owner or leaves the nomination committee before its work is completed, the shareholder shall be entitled to appoint a new member of the nomination committee. A shareholder who has appointed a member of the nomination committee has the right to remove such member and appoint a new member of the nomination committee. In the event a shareholder that has appointed a member is no longer one of the three largest shareholders, based on the number of votes held, the appointed member shall resign and be replaced by a new member in accordance with the above procedure. Unless special circumstances apply, no changes should be made in the composition of the nomination committee as a result of minor changes in voting rights or changes in voting rights which occur later than two months before the annual general meeting. Changes in the composition of the nomination committee shall be made public as soon as possible.

The nomination committee shall prepare and submit proposals to the general meeting on chairman of the meeting, board members, chairman of the board, board fees to each of the board members and the chairman as well as remuneration for committee work, if any, fees to the company's auditor, and, when applicable, proposal regarding election of new auditor. Further, the nomination committee shall prepare and propose principles for the composition of the nomination committee to the annual general meeting 2023. The nomination committee shall be entitled to charge the company with costs for consultants and other expenses necessary for the nomination committee to carry out its duties.

Appendix 5

The board of directors' proposal regarding authorization for the board of directors to resolve to issue new shares

The board of directors proposes that the annual general meeting authorizes the board of directors to resolve to issue new shares on one or several occasions until the next annual general meeting, with or without preferential rights for the shareholders, against cash payment or against payment through set-off or in kind, or otherwise on special conditions. However, such issue of shares must never result in the company's issued share capital or the number of shares in the company at any time, being increased by more than a total of 10 per cent. The purpose of the authorization is to enable the board to make corporate acquisitions, product acquisitions or to enter into collaboration agreements, or to raise working capital or broaden the shareholder base.

The CEO shall be authorized to make such minor adjustments to this resolution that may be necessary in connection with the registration thereof.

The board of directors' proposal regarding authorization for the board of directors to resolve to repurchase and transfer the company's own shares

The board of directors proposes that the annual general meeting authorizes the board of directors to resolve to repurchase, on one or several occasions until the next annual general meeting, as many own shares as may be purchased without the company's holding at any time exceeding 10 per cent of the total number of shares in the company. The shares shall be purchased on Nasdaq Stockholm and only at a price per share within the price range applicable, i.e. the range between the highest purchase price and the lowest selling price.

The board of directors also proposes that the annual general meeting authorizes the board of directors to resolve, on one or several occasions until the next annual general meeting, to transfer (sell) own shares. Transfers may be carried out on Nasdaq Stockholm at a price within the price range applicable, i.e. the range between the highest purchase price and the lowest selling price. Transfers may also be made in other ways, with or without preferential rights for the shareholders, against cash payment or against payment through set-off or in kind, or otherwise on special conditions. Upon such transfers, the price shall be established so that it is not below market terms. However, a discount to the stock market price may apply, in line with market practice. Transfers of own shares may be made of up to such number of shares as is held by the company at the time of the board of director's resolution regarding the transfer.

The purpose of the authorization to repurchase own shares is to promote efficient capital usage in the company, to provide flexibility as regards the company's possibilities to distribute capital to its shareholders and for use in the context of the company's incentive plans. The purpose of the authorization to transfer own shares is to enable the board to make corporate acquisitions, product acquisitions or enter into collaboration agreements, or to raise working capital or broaden the shareholder base or for use in the context of the company's incentive plans.

The board of director's statement in accordance with chapter 19 section 22 of the Swedish Companies Act is made available together with the proposal.

The CEO shall be authorized to make such minor adjustments to this resolution that may be necessary in connection with the registration thereof.

Appendix 7

The board of directors' proposal regarding adoption of a new performance-based long-term incentive program LTIP 2022

The board of directors proposes that the annual general meeting resolves to implement a new performance-based long-term incentive program for not more than 130 selected employees within the Orexo group ("**LTIP 2022**").

LTIP 2022 is a three-year performance-based program. Under LTIP 2022, the participants will be granted, free of charge, (i) performance-based share awards ("**Share Awards**"), and (ii) performance-based employee stock options ("**Employee Stock Options**"), entitling to a maximum of 1,921,138 shares in Orexo, in accordance with the terms stipulated below. The Share Awards entitle to a maximum of 576,542 shares in Orexo and the Employee Stock Options entitle to a maximum of 1,344,596 shares in Orexo.

The rationale for the proposal

LTIP 2022 substantially corresponds with the performance based long-term incentive program adopted at the annual general meeting 2021 (LTIP 2021). LTIP 2022 is intended for certain senior executives and employees within the Orexo group. The board of directors of Orexo believes that an equity incentive program is an important part of a competitive remuneration package to be able to attract, retain and motivate qualified employees to the Orexo group. With reference thereto, the board of directors has decided to propose the adoption of a program corresponding to the program adopted at the annual general meeting 2021 (LTIP 2021). LTIP 2022 is based on performance-based Share Awards and Employee Stock Options and adapted to the current needs of the Orexo group.

The purpose of LTIP 2022 is to attract, retain and motivate employees of the Orexo group, provide a competitive remuneration package and to align the interests of the senior executives and employees with the interests of the shareholders. The board of directors is of the opinion that this strengthens the interest for Orexo's business and also stimulates company loyalty in the future. In light of the above, the board of directors believes that the implementation of LTIP 2022 will have a positive effect on the development of the Orexo group and consequently that LTIP 2022 is beneficial to both the shareholders and the company.

Conditions for Share Awards and Employee Stock Options

The following conditions shall apply for the Share Awards and the Employee Stock Options.

- The Share Awards and the Employee Stock Options shall be granted free of charge to the participants as soon as possible following the annual general meeting 2022 and no later than on 30 June 2022. Out of the granted Share Awards and Employee Stock Options, 30 percent shall constitute Share Awards and 70 percent shall constitute Employee Stock Options.
- Each Share Award entitles the holder to receive one share in the company free of charge, except for the appropriate taxes, three years after the granting of the Share Award (the vesting period), provided that the holder, with some exceptions, still is employed by the Orexo group.

- Each Employee Stock Option entitles the holder to receive one share in the company upon payment of the strike price, three years after granting of the Employee Stock Option (the vesting period), provided that the holder, with some exceptions, still is employed by the Orexo group. The strike price shall be fixed to 100 percent of the volume-weighted average price for the Orexo share during the ten trading days preceding the date of the annual general meeting 2022.
- A prerequisite for entitlement to receive shares on the basis of Share Awards is that Performance Targets 1 and/or 2 have been satisfied pursuant to the terms and conditions specified below.
- A prerequisite for entitlement to receive shares on the basis of Employee Stock Options is that Performance Target 1 has been satisfied pursuant to the terms and conditions specified below.
- The number of Share Awards and Employee Stock Options encompassed by LTIP 2022 is to be re-calculated in the event that changes occur in Orexo's equity capital structure, such as a bonus issue, merger or consolidation of shares, new issue, reduction of the share capital or similar measures.
- To make the participants' interest equal with the shareholders', Orexo will compensate the participants for distributed dividends, if any, during the vesting period by increasing the number of shares that each Share Award and each Employee Stock Option, respectively, entitles to after the vesting period.
- The Share Awards and the Employee Stock Options are non-transferable and may not be pledged.
- The Share Awards and the Employee Stock Options can be granted by the parent company and any other company within the Orexo group.

Performance Conditions

The Share Awards are to be divided according to two different performance conditions encompassed by LTIP 2022. The performance conditions focus on the holder still being employed by the Orexo group ("**Performance Target 1**") and Orexo's financial and operational targets for 2022 ("**Performance Target 2**"). Of each participant's granted Share Awards, approximately 33 percent (one third) will pertain to Performance Target 1 and up to approximately 67 percent (two thirds) will pertain to Performance Target 2.

The Employee Stock Options are to be divided according to one performance condition encompassed by LTIP 2022, which is Performance Target 1. Of each participant's granted Employee Stock Options, 100 percent will pertain to Performance Target 1, meaning that no Employee Stock Options will vest unless the performance target is met.

The allotment of shares that each participant later may receive depends on achievement of the established performance targets as described below.

Performance Target 1 (for Share Awards and Employee Stock Options): This target pertains to the holder still being employed by the Orexo group upon vesting.

Performance Target 2 (for Share Awards): This target pertains to the fulfilment of the financial and operational targets for the financial year 2022 as established by the board of directors and relates to Orexo's key KPIs as for example revenue, profitability and achieved milestones, etc. Performance achievement of individual targets is weighted into an overall average performance achievement. The outcome will be measured lineally; meaning that from zero to 100 percent of the Share Awards will vest depending on the overall average rate of performance of the financial and operational targets. All Share Awards will vest and entitle to one share each if 100 percent of the overall average performance is achieved. When calculating the overall performance achievement, individual targets may account for a maximum of 120 percent achievement, but the overall average performance is capped at 100 percent. If performance achievement falls below 80 percent for an individual target, this individual target accounts for zero in the calculation of the overall average achieved.

The board of directors will present the rate of achievement of Performance Target 2 in the annual report for 2022.

Allocation

The participants are divided into two allocation categories: (i) CEO and other members of group management; (ii) other personnel. The maximum number of Share Awards and Employee Stock Options that a participant may be granted in LTIP 2022 depends on the category to which the participant belongs.

To ensure that the value of the share-based remuneration does not reach an unintended level in relation to other remuneration, the value of the Share Awards and Employee Stock Options granted to the CEO and group management must not, at the time of the grant, exceed a value equal to the person's current annual base salary. For other personnel the value must not exceed 33 percent of the annual base salary.

The board of directors shall resolve upon the final allocation of the Share Awards and Employee Stock Options as soon as possible after the annual general meeting. Several factors will be considered in order to secure recruitment, retention and motivation when deciding upon individual allocations including position within Orexo, individual performance and total value of current remuneration package. Individual allocation cannot exceed the above-mentioned limit for the category that the individual belongs to. Out of the allocated Share Awards and Employee Stock Options, 30 percent will constitute Share Awards and 70 percent will constitute Employee Stock Options.

The share price that is to form the basis for calculating the number of Share Awards and Employee Stock Options is to correspond to the average last price paid during a given period of trading. This period comprises the first ten days of trading immediately following the date of the 2022 annual general meeting. The share price is then divided by the individual granting value in order to arrive at the total number of Share Awards and Employee Stock Options granted per participant.

Preparation and administration

The board of directors shall be responsible for preparing the detailed terms and conditions of LTIP 2022, in accordance with the mentioned terms and guidelines. To this end, the board of directors shall be entitled to make adjustments to meet foreign regulations or market conditions. The board of directors may also make other adjustments if significant changes in the Orexo group, or its operating environment, would result in a situation where the decided terms and conditions for LTIP 2022 no longer are appropriate. Prior to finally determining allotment of shares on the basis of Share Awards and Employee Stock Options, the board of directors will assess whether the outcome of LTIP 2022 is reasonable. This assessment will be conducted in relation to the company's financial earnings and position, conditions in the stock market and other circumstances. Should the board of directors not consider the outcome to be reasonable, the number of shares to be allotted will be reduced.

Preparation of the proposal

LTIP 2022 has been initiated by the board of directors of Orexo and has been structured in consultation with external advisers based on an evaluation of prior incentive programs and best market practices. LTIP 2022 has been prepared by the remuneration committee and reviewed at meetings of the board of directors.

Scope and costs of the program

LTIP 2022 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the Share Awards and Employee Stock Options should be expensed as personnel costs over the vesting period and will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security costs will be expensed in the income statement during the vesting period.

Assuming a share price at the time of implementation of SEK 20.00, that Performance Target 1 is achieved and that Performance Target 2 is achieved at 50 percent, including a share price increase of 30 percent during the vesting period, the annual cost for LTIP 2022 including social security costs is estimated to approximately SEK 30.7 million before tax. The corresponding annual cost with full achievement of Performance Target 1 and Performance Target 2, including a share price increase of 60 percent during the vesting period, is estimated to approximately SEK 50.9 million before tax.

LTIP 2022 will have marginal effects on Orexo's key ratios since delivery of shares shall be made by way of transfer of Orexo's repurchased shares as is described under section "Delivery under LTIP 2022" below.

Since delivery of shares under LTIP 2022 shall be made by way of transfer of Orexo's repurchased shares, LTIP 2022 entails no dilution of the shareholding of the company. The maximum level of dilution for all other outstanding long-term incentive programs in the company amounts to 0 percent, since delivery of shares shall be made by way of transfer of Orexo's repurchased shares.

Information on Orexo's existing incentive programs can be found in the 2021 annual report, note 10 and 24, as well as on the company's website www.orexo.com.

Delivery under LTIP 2022

The board of directors proposes that delivery of shares under LTIP 2022 shall be made by way of transfer of Orexo's repurchased shares. In addition, the board of directors proposes that delivery may also be satisfied through payment of a cash amount that is equal to the value of the Orexo share on the date of vesting less the applicable strike price for any Employee Stock Options.

The board of directors' proposal regarding adoption of a new performance-based long-term incentive program LTIP Stay-on 2022

The board of directors proposes that the annual general meeting resolves to implement a new performance-based long-term incentive program for certain Global Management Team ("**GMT**") employees and US Leadership Team ("**USLT**") employees within the Orexo group ("**LTIP Stay-on 2022**"). LTIP Stay-on 2022 is proposed to include up to approximately 13 GMT and USLT employees within the Orexo group.

LTIP Stay-on 2022 is a three-year performance-based program. Under LTIP Stay-on 2022, the participants will be granted, free of charge, (i) performance-based share awards ("**Share Awards**"), and (ii) performance-based employee stock options ("**Employee Stock Options**"), entitling to a maximum of 56,000 shares in Orexo, in accordance with the terms stipulated below. The Share Awards entitle to a maximum of 28,000 shares in Orexo and the Employee Stock Options entitle to a maximum of 28,000 shares in Orexo.

The rationale for the proposal

LTIP Stay-on 2022 substantially corresponds with the performance based long-term incentive program adopted at the annual general meeting 2021 (LTIP Stay-on 2021). LTIP Stay-on 2022 is intended for certain GMT and USLT employees within the Orexo group and qualification for participation in LTIP Stay-on 2022 is conditional upon the participant either keeping shares from allocations in Orexo's other on-going long-term incentive programs (the "**implemented LTIPs**") or investing in new Orexo shares with part of or the entire annual cash bonus of the participant. The board of directors of Orexo believes that an equity incentive program is an important part of a competitive remuneration package to be able to attract, retain and motivate qualified employees to the Orexo group. The board of directors further believes that LTIP Stay-on 2022 constitutes an important incentive for GMT and USLT employees to keep shares in the company. With reference thereto, the board of directors has decided to propose the adoption of a program corresponding to the program adopted at the annual general meeting 2021 (LTIP Stay-on 2021). LTIP Stay-on 2022 is based on performance-based Share Awards and Employee Stock Options and adapted to the current needs of the Orexo group.

The purpose of LTIP Stay-on 2022 is to attract, retain and motivate employees of the Orexo group, provide a competitive remuneration package and to align the interests of GMT and USLT employees with the interests of the shareholders. The board of directors is of the opinion that this strengthens the interest for Orexo's business and also stimulates company loyalty in the future. In light of the above, the board of directors believes that the implementation of LTIP Stay-on 2022 will have a positive effect on the development of the Orexo group and consequently that LTIP Stay-on 2022 is beneficial to both the shareholders and the company.

Conditions for Share Awards and Employee Stock Options

The following conditions shall apply for the Share Awards and the Employee Stock Options.

- Qualification for participation in LTIP Stay-on 2022 is conditional upon the participant (i) keeping shares from allocations in any of Orexo's implemented LTIPs between 1 May 2022 and 31 July 2022 ("**Opt-in 1**"), or (ii) investing in new Orexo shares with part of or the entire annual cash bonus of the participant between 1 February 2023 and 30 April 2023 (“**Opt-in 2**”).

- Under Opt-in 1, the Share Awards and the Employee Stock Options shall be granted free of charge to the participants as soon as possible after 31 July 2022 and no later than on 31 August 2022.
- Under Opt-in 2, the Share Awards and the Employee Stock Options shall be granted free of charge to the participants as soon as possible after 30 April 2023 and no later than on 31 May 2023.
- Out of the granted Share Awards and Employee Stock Options, 50 percent shall constitute Share Awards and 50 percent shall constitute Employee Stock Options. Every five (5) shares kept in accordance with Opt-in 1 and every five (5) shares acquired in accordance with Opt-in 2, respectively, entitle the participant to one (1) Share Award and one (1) Employee Stock Option.
- Each Share Award entitles the holder to receive one share in the company, free of charge, except for the appropriate taxes, three years after the granting of the Share Award (the vesting period), provided that the holder, with some exceptions, still is employed by the Orexo group.
- Each Employee Stock Option entitles the holder to receive one share in the company upon payment of the strike price, three years after the granting of the Employee Stock Option (the vesting period), provided that the holder, with some exceptions, still is employed by the Orexo group. The strike price shall be fixed to 100 percent of the volume-weighted average price for the Orexo share during the ten trading days preceding the date of the annual general meeting 2022.
- A prerequisite for entitlement to receive shares on the basis of Share Awards is that Performance Targets 1 and/or 2 have been satisfied pursuant to the terms and conditions specified below.
- A prerequisite for entitlement to receive shares on the basis of Employee Stock Options is that Performance Target 1 has been satisfied pursuant to the terms and conditions specified below.
- The number of Share Awards and Employee Stock Options encompassed by LTIP Stay-on 2022 is to be re-calculated in the event that changes occur in Orexo’s equity capital structure, such as a bonus issue, merger or consolidation of shares, new issue, reduction of the share capital or similar measures.
- To make the participants’ interest equal with the shareholders’, Orexo will compensate the participants for distributed dividends, if any, during the vesting period by increasing the number of shares that each Share Award and each Employee Stock Option, respectively, entitles to after the vesting period.
- The Share Awards and the Employee Stock Options are non-transferable and may not be pledged.
- The Share Awards and the Employee Stock Options can be granted by the parent company and any other company within the Orexo group.

Performance Conditions

The Share Awards are to be divided according to two different performance conditions encompassed by LTIP Stay-on 2022. The performance conditions focus on the holder still being employed by the Orexo group (“**Performance Target 1**”) and Orexo’s financial and operational targets for 2022 (“**Performance Target 2**”). Of each participant’s granted Share

Awards, 50 percent will pertain to Performance Target 1 and up to 50 percent will pertain to Performance Target 2.

The Employee Stock Options are to be divided according to one performance condition encompassed by LTIP Stay-on 2022, which is Performance Target 1. Of each participant's granted Employee Stock Options, 100 percent will pertain to Performance Target 1, meaning that no Employee Stock Options will vest unless the performance target is met.

The allotment of shares that each participant later may receive depends on achievement of the established performance targets as described below.

Performance Target 1 (for Share Awards and Employee Stock Options): This target pertains to the holder still being employed by the Orexo group upon vesting.

Performance Target 2 (for Share Awards): This target pertains to the fulfilment of the financial and operational targets for the financial year 2022 as established by the board of directors and relates to Orexo's key KPIs as for example revenue, profitability and achieved milestones, etc. Performance achievement of individual targets is weighted into an overall average performance achievement. The outcome will be measured lineally; meaning that from zero to 100 percent of the Share Awards will vest depending on the overall average rate of performance of the financial and operational targets. All Share Awards will vest and entitle to one share each if 100 percent of the overall average performance is achieved. When calculating the overall performance achievement, individual targets may account for a maximum of 120 percent achievement, but the overall average performance is capped at 100 percent. If performance achievement falls below 80 percent for an individual target, this individual target accounts for zero in the calculation of the overall average achieved.

The board of directors will present the rate of achievement of Performance Target 2 in the Annual Report for 2022.

Allocation

Every five (5) shares kept in accordance with Opt-in 1 and every five (5) shares acquired in accordance with Opt-in 2, respectively, entitle the participants of LTIP Stay-on 2022 to one (1) Share Award and one (1) Employee Stock Option. Out of the allocated Share Awards and Employee Stock Options, 50 percent will constitute Share Awards and 50 percent will constitute Employee Stock Options.

In relation to allocation under Opt-in 1, the board of directors shall resolve upon the final allocation of the Share Awards and Employee Stock Options as soon as possible after 31 July 2022. In relation to allocation under Opt-in 2, the board of directors shall resolve upon the final allocation of the Share Awards and Employee Stock Options as soon as possible after 30 April 2023.

Preparation and administration

The board of directors shall be responsible for preparing the detailed terms and conditions of LTIP Stay-on 2022, in accordance with the mentioned terms and guidelines. To this end, the board of directors shall be entitled to make adjustments to meet foreign regulations or market conditions. The board of directors may also make other adjustments if significant changes in the Orexo group, or its operating environment, would result in a situation where the decided terms and conditions for LTIP Stay-on 2022 no longer are appropriate. Prior to finally determining allotment of shares on the basis of Share Awards and Employee Stock Options, the board of directors will assess whether the outcome of LTIP Stay-on 2022 is reasonable. This assessment will be conducted in relation to the company's financial earnings and position, conditions in the stock market and other circumstances. Should the board of directors not consider the outcome to be reasonable, the number of shares to be allotted will be reduced.

Preparation of the proposal

LTIP Stay-on 2022 has been initiated by the board of directors of Orexo and has been structured in consultation with external advisers based on an evaluation of prior incentive programs and best market practices. LTIP Stay-on 2022 has been prepared by the Remuneration Committee and reviewed at meetings of the board of directors.

Scope and costs of the program

LTIP Stay-on 2022 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the Share Awards and Employee Stock Options should be expensed as personnel costs over the vesting period and will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the company's cash flow. Social security costs will be expensed in the income statement during the vesting period.

Assuming a share price at the time of implementation of SEK 20.00, that Performance Target 1 is achieved and that Performance Target 2 is achieved at 50 percent, including a share price increase of 30 percent during the vesting period, the annual cost for LTIP Stay-on 2022 including social security costs is estimated to approximately SEK 1.1 million before tax. The corresponding annual cost with full achievement of Performance Target 1 and Performance Target 2, including a share price increase of 60 percent during the vesting period, is estimated to approximately SEK 1.7 million before tax.

LTIP Stay-on 2022 will have marginal effects on Orexo's key ratios since delivery of shares shall be made by way of transfer of Orexo's repurchased shares as is described under section "Delivery under LTIP Stay-on 2022" below.

Since delivery of shares under LTIP Stay-on 2022 shall be made by way of transfer of Orexo's repurchased shares, LTIP Stay-on 2022 entails no dilution of the shareholding of the company. The maximum level of dilution for all other outstanding long-term incentive programs in the company amounts to 0 percent, since delivery of shares shall be made by way of transfer of Orexo's repurchased shares.

Information on Orexo's existing incentive programs can be found in the 2021 annual report, note 10 and 24, as well as on the company's website www.orexo.com.

Delivery under LTIP Stay-on 2022

The board of directors proposes that delivery of shares under LTIP Stay-on 2022 shall be made by way of transfer of Orexo's repurchased shares. In addition, the board of directors proposes that delivery may also be satisfied through payment of a cash amount that is equal to the value of the Orexo share on the date of vesting less the applicable strike price for any Employee Stock Options.