



CNMV
Markets Directorate General
C/ Edison 4
28006 Madrid

Madrid, May 14, 2020

In accordance with article 227 of the recast Spanish Securities Market Act (*texto refundido de la Ley del Mercado de Valores*), is hereby reported the following:

OTHER RELEVANT INFORMATION

According to a decision adopted today by its Board of Directors, Pharma Mar, S.A. has agreed to call the Ordinary General Shareholders' Meeting to be held at the registered office located in Colmenar Viejo (Madrid), Polígono Industrial La Mina, Avenida de los Reyes No. 1, on June 18, 2020 at 12:00 p.m. on second call, as it is not foreseeable to meet the quorum required to hold the meeting at first call that has been scheduled on June 17, 2020 at 12:00 p.m., in the same place. The announcement of the call for the aforementioned Ordinary General Shareholders' Meeting of Pharma Mar, S.A. is attached, which is published today on the Company's corporate website (www.pharmamar.com) and will be published tomorrow in the newspaper "ABC".

Also attached are the proposed resolutions of the Board of Directors that will be submitted to the approval of the aforementioned General Meeting, and the Remuneration Policy for the Directors of Pharma Mar, S.A. for the period 2020-2022, which is proposed for approval in item Eighth of the Agenda. As a consequence of the proposal for approval of this new remuneration policy, which, if approved by the General Meeting, would be immediately applicable and would replace and withdraw, regarding the years 2020 and 2021, the Remuneration Policy of the Company's Directors for the period 2019-2021, the Board of Directors has approved today a new Annual Directors' Remuneration Report corresponding to the 2019 financial year, which replaces the one approved by the Board of Directors and communicated to the CNMV on February 26, 2020. The new Annual Remuneration Report corresponding to the 2019 financial year, which has been proposed to the General Shareholders' Meeting for consultative vote in item Seventh of the Agenda, has also been forwarded to the CNMV today through the process enabled for this purpose, and is available to the public on the corporate website of Pharma Mar, S.A.

The aforementioned documents, together with the remaining documentation relating to the Ordinary General Shareholders' Meeting indicated in the notice of call, are available to shareholders at the registered office (Avda. de los Reyes 1, 28770 Colmenar Viejo (Madrid)), at the offices of the Company located in Madrid (Plaza del Descubridor Diego de Ordás, No. 3, 5th floor, (CP 28003)) and on the Company's corporate website (www.pharmamar.com).

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PHARMA MAR, S.A.

Annual General Shareholders Meeting

The Board of Directors of PHARMA MAR, S.A. (the “**Company**”) has resolved to call the Annual General Shareholders Meeting, to be held at its registered office in Colmenar Viejo (Madrid), Polígono Industrial La Mina, Avenida de los Reyes number 1, on 18 June 2020, at 12:00 p.m. on second call, since it is not expected that quorum will be met for the first call, which is also called by this notice at the same place and time, on June 17, 2020. The place for the aforementioned General Meeting has been determined by the Board of Directors in accordance with the provisions of Article 22 of the Company's Corporate Bylaws.

The General Meeting will discuss and approve, as the case may be, the following resolutions:

AGENDA

I. ITEMS SUBMITTED FOR VOTING

First.- Annual Financial Statements, allocation of results and corporate management:

1.1. To review and, as the case may be, approve the Annual Financial Statements and Management Reports of Pharma Mar, S.A. and of its Consolidated Group for the fiscal year ended December 31, 2019.

1.2. To review and, as the case may be, approve the separate report on the status of consolidated non-financial information for the fiscal year ended December 31, 2019. This report is referred to in section 7 of article 49 of the Commercial Code, which forms part of the Management Report of the Pharma Mar Group.

1.3. To review and, as the case may be, approve the proposed application of the Company's results for the year ended December 31, 2019.

1.4. To review and, as the case may be, approve the corporate management during the fiscal year 2019.

Second.- To reelect of the Statutory Auditors of the Company and its Consolidated Group.

Third.- To authorize the Board of Directors, with express power of substitution, to buyback treasury stock, by the Company and / or by its subsidiary companies, under the terms provided by current legislation, with express power to proceed its transfer or amortization with reduction of the share capital number, leaving without effect, in the amount not used, the delegation agreed by the General Shareholders' Meetings of previous years.

Fourth.- To consolidate and cancel the shares comprising the share capital at the time this resolution is implemented to be exchanged for newly-issued shares in the proportion of one (1) new share for every twelve (12) pre-existing shares. Capital reduction by share redemption. Amendment of article 6 of the corporate bylaws. Delegation of powers.

Fifth.- To approve a Plan for the year 2021 of free delivery of shares of the treasury stock of Pharma Mar, S.A. to the employees and executives of the Group companies in order to promote their participation in the share capital and encourage their permanence in the Group.

Sixth.- Examination and, where appropriate, approval of an extraordinary and selective bonus in favor of the Chairman of the Board of Directors on the occasion of the transaction with Jazz Pharmaceuticals, Plc.

Seventh.- To submit the Annual Report on Compensation of Directors of Pharma Mar, S.A. for fiscal year 2019 to an advisory vote (Art. 541.4 of the Spanish Capital Corporations Law).

Eighth.- To approve Pharma Mar, S.A.'s Directors' Compensation Policy for 2020-2022.

Ninth.- To authorize the Board of Directors to interpret, remedy, supplement, implement, execute and develop the resolutions adopted by the General Meeting, both to record such resolutions in a public deed and to substitute the powers entrusted thereto by the General Meeting.

II. INFORMATIONAL ITEMS

Tenth.- To report to the General Meeting, in accordance with the provisions of Article 528 of the Spanish Capital Corporations Law, regarding any amendments to the Board of Directors Regulations.

SUPPLEMENT TO THE MEETING NOTICE AND PROPOSED RESOLUTIONS

In accordance with the provisions of Article 519 of the Spanish Capital Corporations Law, shareholders representing at least 3% of share capital may: (i) request that a supplement to this General Meeting notice be published, including one or more Agenda items, provided that the new items are accompanied by a justification or, as the case may be, a justified proposed resolution; and (ii) submit justified proposed resolutions on topics included or to be included on the Agenda.

These rights may be exercised through attestable notice (which shall include the relevant documentation evidencing their status as a shareholder), which must be received at the registered office of the Company (Avda. de los Reyes, 1, 28770 Colmenar Viejo, Madrid), addressed to the General and Board Secretary, within five days following publication of this meeting notice. The supplement referred to in section (i) above shall be published at least fifteen days before the date set for the General Meeting. The Company shall also ensure that all such proposed resolutions as referred to in paragraph (ii) above, as well as any accompanying documentation, if any, are sent to the remaining shareholders in accordance with Article 518 d) of the Spanish Capital Corporations Law.

RIGHT TO ATTEND, RIGHT OF REPRESENTATION AND PUBLIC REQUEST FOR PROXY

The shareholders are hereby informed that shareholders who, individually or collectively, hold at least 100 shares, may attend the General Meeting, provided their shares have been registered in their name in the appropriate book entry record five days before the General Meeting is set to be held and provided this is evidenced via the relevant attendance card or certificate issued by any of the entities participating in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR), or in any other manner permitted by the regulations in force.

Every shareholder with a right to attend the General Meeting in accordance with the provisions of the Corporate Bylaws may exercise such right by granting a proxy to any person, who does not necessarily have to be a shareholder. Proxies shall be granted in writing or, as the case may be, through

long-distance communication, in accordance with the provisions of the Corporate Bylaws and General Meeting Regulations and shall be granted specifically for each Meeting, notwithstanding provisions of law applicable in the case of family representation or granting of general powers of attorney. In any case, for both voluntary and legal proxies, as well as for public proxy requests, only one proxyholder may be present at the General Meeting.

A proxy is always revocable. Personal attendance at the General Meeting shall have the effect of revocation.

If the represented shareholder issued instructions, the proxy shall cast their vote in accordance therewith and shall be required to save said instructions for a period of one year from the date the General Meeting was held.

Proxies may represent more than one shareholder, subject to no restriction on the number of shareholders represented. When a proxy represents various shareholders, the proxy may cast votes in a different direction when so required based on the instructions provided by each of the shareholders.

In any case, the number of shares represented shall be included for the purposes of establishing the valid quorum of the General Meeting.

In the case of public proxy requests, the document granting the proxy shall include or attach a copy of the agenda, as well as the request for instructions on exercising the voting right and an indication of the direction that the proxy shall vote in the event that specific instructions are not provided. A public request shall be deemed to exist when one single person holds a proxy for more than three shareholders.

Such delegation may also include items that, although not included on the agenda in the meeting notice, may be addressed at the meeting as permitted by law.

If no voting instructions are available due to the fact that the General Meeting is resolving on matters that by law do not have to be included on the agenda, the proxy shall cast the vote in the direction deemed most favorable to the interests of the shareholder represented thereby.

If the represented shareholder provided instructions, the proxy may vote in a different direction in the event of circumstances that were ignored at the time the instructions were sent and if voting with the instructions could harm the interests of the represented party.

In the last two cases, the proxy shall immediately notify the represented shareholder in writing, explaining the reasons for his/her vote.

If the proxy document received by the Company does not identify a proxy, the shareholder shall be deemed to have granted the proxy to the Chairman of the Board of Directors, to its Vice Chairman (or to its Deputy Vice Chairman, if any) or to the Board Secretary, in this order, in the event of absence or, if no instructions were provided in the proxy, of conflict of interest.

Likewise, in the event the proxy received, without voting instructions, was granted to any individual referred to in the preceding paragraph or to any other Director and said individual was subject to a conflict of interest, the proxy shall be understood granted to the relevant party of the remaining individuals mentioned in said paragraph (also following, in the event of absence or if any such individuals have a conflict of interest, the order in which they were listed), unless instructions to the contrary are provided by the represented shareholder. The documents granting the proxies to the

Company's directors or Board Secretary shall include instructions on the direction of the vote and, if no such instructions are provided, the shareholder shall be deemed to have issued specific instructions to the proxyholder to vote in favor of the proposals made by the Board of Directors on the Agenda items listed in the meeting notice and against all proposed resolutions not made by the Board of Directors. Furthermore, the proxy granted to the directors or to the Board Secretary shall extend to those matters which, even if not appearing on the meeting Agenda, may be submitted to voting at the General Meeting, unless the represented shareholder instructed otherwise.

In any case, if there are no voting instructions, the new proxy shall vote in the direction deemed most favorable to the interests of the Company and the represented shareholder.

For the purposes of Articles 523 and 526 of the Spanish Capital Corporations Law, it is hereby stated that the Chairman of the Board of Directors and all other Directors have a conflict of interest with First Item section 1.4, Seventh Item and Eighth Item on the Agenda. In addition, the Chairman of the Board of Directors is in a situation of conflict of interest in relation to Sixth Item on the Agenda. Furthermore, the Directors may have a conflict of interest in the event that, as permitted by law, any of the proposals referred to in sections b) (removal, resignation or termination) or c) (exercise of socially responsible corporate actions) of Article 526.1 of the Spanish Capital Corporations Law are submitted to the General Meeting. In the event of a conflict of interest and where the situation has not been resolved by the represented shareholder via specific instructions, the relevant provisions set forth in the preceding paragraphs of this meeting notice shall apply.

RIGHT TO INFORMATION

From the time the meeting notice is published up until the General Meeting is held, the following texts and documents will be available to the shareholders and bondholders at the registered office (Avda. de los Reyes, 1, 28770 Colmenar Viejo, Madrid), at the Company's offices in Madrid, (Plaza del Descubridor Diego de Ordás, núm. 3, planta 5ª, (CP 28003)) and on the Company's website (www.pharmamar.com), and they may otherwise request that the following be immediately delivered thereto, free of charge:

- (i) Individual Annual Financial Statements of Pharma Mar, S.A., Management Report, and relevant audit report corresponding to year 2019.
- (ii) Annual Financial Statements of the Consolidated Group, the Group's Management Report and the Auditor's Report corresponding to year 2019.
- (iii) The separate Report related to the Group's Non-Financial Information Statement for the fiscal year 2019, which is part of the Group's Management Report, together with the corresponding Verification Report issued by PricewaterhouseCoopers Auditores, S.L.
- (iv) Full text of the meeting notice and proposed resolutions corresponding to all the items on the Agenda of the General Meeting corresponding to matters for voting. As they are received, the proposed resolutions presented by the shareholders in accordance with the provisions of Article 519 of the Spanish Capital Corporations Law will also be included.
- (v) Directors' report in relation to the Third item on the Agenda.
- (vi) Directors' report in relation to the Fourth item on the Agenda.

- (vii) Annual Corporate Governance Report for fiscal year 2019, which is included in the management report, in a separate section.
- (viii) Annual Report on Directors' Compensation for fiscal year 2019, as provided in Article 541 of the Spanish Capital Corporations Law.
- (ix) Report of the Appointments and Compensation Committee on the proposal of Pharma Mar, S.A. Directors' Remuneration Policy 2020-2022.
- (x) Pharma Mar, S.A. Directors' Remuneration Policy 2020-2022.
- (xi) Audit Committee's Report on independence of the external auditor.
- (xii) Report on the Audit Committee's operations.
- (xiii) Report on the Appointments and Compensation Committee's operations.
- (xiv) The modifications introduced in the Board of Directors' Regulations of Pharma Mar, S.A. since the last General Meeting was held.
- (xv) The total number of shares and voting rights of the Company as of the publication date of this General Meeting notice.
- (xvi) Form of attendance, proxy and distance voting card.
- (xvii) Rules on distance voting and proxies.

In view of the situation generated by the COVID-19 pandemic, the Company recommends that those shareholders who wish to obtain the aforementioned documents not appear in person at the registered office or offices of the Company and download them from the Company's website.

In accordance with the provisions of Articles 197 and 520 of the Spanish Capital Corporations Law, up until the fifth day before the date on which the Meeting is to be held, the shareholders may submit, in writing, questions or requests for information or clarifications related to the Agenda items, audit report or publicly available information provided by the Company to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) since 26 June 2019, on which date the last General Meeting was held. This right to information may be exercised, in writing, by post to Pharma Mar, S.A.'s address (addressed to the GENERAL SHAREHOLDERS MEETING, JUNE 2020) in Madrid (Plaza del Descubridor Diego de Ordás, núm. 3, planta 5ª, Madrid, 28003) or in Colmenar Viejo (Avda. de los Reyes, 1, 28770 Colmenar Viejo, Madrid), or by delivery to the aforementioned addresses, as well as through long-distance communications through the Company's website (www.pharmamar.com) in the manner described therein.

Any other supplemental information related to the General Meeting notice that has not been expressly provided herein may be found on the Company's website (www.pharmamar.com). From the time of publication of this meeting notice up until the General Meeting is held, all documents and information, as legally required, shall be continually made available on said website.

ELECTRONIC SHAREHOLDER FORUM

In accordance with Article 539.2 of the Spanish Capital Corporations Law, the Company, as from the time of publication of this meeting notice, has opened an Electronic Shareholder Forum on its website (www.pharmamar.com). The regulations for use of this forum were approved by the Board of Directors at its meeting held on 28 April 2016. Instructions for accessing and using the Electronic Forum are provided on said website.

VOTING AND PROXY BY LONG-DISTANCE COMMUNICATION METHODS IN ADVANCE OF THE GENERAL MEETING

The shareholders may grant a proxy or cast their vote using long-distance communication methods in advance of the General Meeting:

1. Vote or proxy by electronic means

Electronic voting and granting of proxies shall be made using the [Electronic Voting and Proxy Platform](#) software, which may be accessed on the website (www.pharmamar.com) by following the relevant instructions provided in the software for each action. For such purpose, the shareholders shall hold a recognized electronic certificate in force and issued by the Spanish Mint (FNMT) or other certifying agency as listed on the Company's website and shall evidence their status as a shareholder as specified in said platform. Only electronic votes and proxies granted in compliance with the conditions set forth on the website and which are received by the Company within the period established for such purposes in section 3.3, *infra*, shall be deemed valid, as soon as the shareholder status of the shareholder casting the vote or granting the proxy has been confirmed.

2. Vote or delegation by delivery or post

2.1 Vote by post. In order to cast a distance vote by postal service, shareholders must complete and sign the "Distance Voting by Post" section on the attendance, proxy or distance voting card issued in paper format by the entity participating in IBERCLEAR in which they have their shares deposited. After having filled out and signed the attendance, proxy and distance voting card in the "Distance Voting by Post" section, the shareholders may send the card via post or an equivalent courier service to the following address: Pharma Mar, S.A. (GENERAL SHAREHOLDERS MEETING JUNE 2020) Plaza del Descubridor Diego de Ordás 3, 5ª Planta, (28003) Madrid. Shareholders may also deliver the filled-out and signed card to the entity participating in IBERCLEAR at which they have deposited their shares, although they must make sure that the entity forwards the card to the Company in due time (within the period established in section 3.3, *infra*) and form.

In the event that the attendance card issued by the entity participating in IBERCLEAR does not include the section dedicated to "Distance Voting by Post," shareholders who wish to cast a distance vote by post must download and print out a hardcopy of the "Distance Attendance, Proxy and Voting Card by Post" from Company's website www.pharmamar.com, which they must fill out and sign, together with the original attendance card issued by the participating entity in IBERCLEAR. Once both cards have been filled out and signed, the shareholder shall send the cards by post or equivalent courier services to the address and in the manner provided for in the preceding paragraph.

Given the situation generated by the COVID-19 pandemic, the Company advises that it is possible that the attendance, proxy and vote cards sent by postal mail are not received before the period established in this call and, consequently, the holders of these cards cannot exercise their rights as shareholders.

2.2. Proxy by post. In order to delegate a proxy by postal service, shareholders must complete and sign the proxy section of the attendance card issued in paper format by the entity participating in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U (IBERCLEAR). Proxies granted to any director of the Company shall be sent directly to the Company at the following address: Pharma Mar, S.A. (GENERAL SHAREHOLDERS MEETING, JUNE 2020) Plaza del Descubridor Diego de Ordás 3, 5ª Planta, (28003) Madrid, or may be delivered to the entity participating in IBERCLEAR in which the shareholder has his/her shares deposited, ensuring that said entity forwards the card to Pharma Mar, S.A. in due time (within the period established in section 3.3, *infra*) and form.

3. Common rules on exercising the right to vote and grant a proxy by post and electronic means

3.1. Implementing regulations. In addition to the provisions of this meeting notice, the rights to vote and grant a proxy through electronic means or by post shall be exercised in accordance with the rules approved by the Board of Directors at its meeting on 14 May 2020, which are listed on the Company's website (www.pharmamar.com) under the section titled "Distance Voting and Proxies."

3.2. Verification of shareholder identity. The validity of the votes and proxies granted by means of distance communication shall be subject to verification of the information provided by the shareholder against the file provided by IBERCLEAR or by any other means that enable the Company to verify their shareholder status and the number of shares held thereby.

3.3. Deadline for receipt by the Company of long-distance proxies and votes. In order to be valid, votes and proxies granted via either post or electronic means must be received by the Company before midnight (12:00 A.M.) on the day immediately preceding the date on which the General Meeting is to be held in first call. Otherwise, the proxy shall be deemed not to have been granted and the vote not cast.

3.4. Priority rules for attendance, votes and proxies by means of long-distance communication. Personal attendance at the Shareholders Meeting by shareholders who have granted a proxy or already cast their vote via long-distance means will render the proxy or vote cast via long-distance means null and void. Votes cast by any means of distance communication shall invalidate any distance proxy granted by any means, whether prior to receipt of the vote by the Company, in which case the proxy shall be deemed revoked, or after receipt of the vote by the Company, in which case the proxy shall be deemed not to have been granted. If a shareholder casts various votes, the most recent vote cast before the Meeting is held shall prevail, and all prior votes received shall be deemed invalid. If a shareholder has granted several proxies, the most recent proxy granted before the Meeting is held shall prevail, and all other previously granted proxies shall be deemed invalid.

3.5. Distance Proxies. The proxyholder can only exercise the proxy by attending the Shareholders Meeting in person.

ASSISTANCE AND VOTING BY TELEMATIC MEANS

In view of the situation generated by the COVID-19 pandemic, and in accordance with the provisions of article 16 of the Corporate Bylaws, the Board of Directors has decided to enable the possibility of attending the General Meeting by telematic means in order to safeguard the health and safety of shareholders, employees and other persons involved in the preparation and holding of the General Meeting. This will allow shareholders and representatives to connect in real time and participate remotely on the same day that the General Meeting is held.

1. Exercise by shareholders and representatives of their right to attend through electronic assistance

1.1. Prior registration and identification. The shareholder (or, as the case may be, his representative) who wishes to attend the General Meeting electronically, must previously register from 12:00 noon on June 12, 2020 and no later than 11:59 p.m. on June 16 2020, by accessing the link "Telematic Assistance" included in the section "Ordinary General Meeting Shareholders 2020" of the heading "Shareholders and investors", and follow the instructions and complete the necessary data for registration. After this time, no previous registration will be accepted for the exercise of the right of telematic assistance.

To carry out the prior registration, the shareholder (or, where appropriate, his/her representative) must prove his/her identity by any of the following means:

- The National Electronic Identity Document.
- A recognized, valid and valid electronic user certificate, in accordance with the provisions of Law 59/2003, of December 19, on electronic signatures, and issued by the Spanish Public Certification Authority (CERES) under the National Factory of Currency and Stamp.
- By means of the user / password credentials that the shareholder or representative will receive at their email address after verification of their identity and status as a shareholder (or, where appropriate, representative) through a special registration form available at the link "Telematic assistance" described above.

In the event that the shareholder is a legal entity, in order to be able to register and attend the General Meeting electronically, the empowered person who will complete the registration process on behalf of the legal entity shareholder must prove their status as a shareholder by sending (i) the DNI, NIE or Passport of the signer of the delegation card; and (ii) enough power to empower you to sign it on behalf of the legal person.

In the event that the shareholder, whether a natural or legal person, wishes to attend the General Meeting electronically by means of a representative, the latter must send before 23.59 hours on June 16, 2020, through the link "Telematic Assistance" described above, a copy of your DNI, NIE or Passport, as well as a copy of the delegation card in which the "Delegation" section of the registered attendance card is filled in together with the identification documentation of the represented shareholder.

The Company reserves the right to request the shareholders or their representatives the additional means of identification that it considers necessary to verify their status as shareholder or representative and guarantee the authenticity of the vote.

1.2. Exercise of the right to telematic assistance. The shareholder (or, as the case may be, his/her representative) who has registered to attend the General Meeting electronically, must connect to the site enabled on the corporate website between 9:00 am and 11:00 am on the day of holding the General Meeting, and proving their identity through (i) the National Electronic Identity Document; (ii) an electronic certificate of recognized, valid and current user, in accordance with the provisions of Law 59/2003, of December 19, on electronic signature, and issued by the Spanish Public Certification Authority (CERES) dependent on the National Mint and Stamp Factory; or (iii) by means of the user / password credentials that the shareholder and the representative will receive at their email address after verification of their identity through the special registration form available in the section intended for this purpose in the corresponding computer application.

After 11:00 am on the day the General Meeting is held, no connection will be allowed to exercise the right to telematic attendance.

The General Meeting is scheduled to be held on second call, in which case only shareholders or registered representatives who complete the connection process on June 18, 2020 may attend, intervene, request information, make proposals and vote at the General Meeting of Shareholders. Shareholders or representatives who have connected electronically on June 17, 2020 on first call without reaching the necessary quorum of attendance for its constitution must connect again to be able to appear as assistants on June 18, on second call.

Likewise, the interventions, requests for information and proposals made during the registration by shareholders or representatives registered as telematic assistants but who do not connect on the day of the General Meeting, as provided for in the first paragraph of this section 1.2, will not be considered as attending shareholders or representatives, nor will they be taken into consideration.

The telematic assistance of the shareholders and their registered representatives will be subject to verification by the Company, from the closing of the prior registration period until the date of the Meeting, of the status of shareholder of the owner of shares registered in the corresponding registry bookkeeper of annotations in account five days before the date of the General Meeting. Registered shareholders who lose such status and their representatives may not electronically access the holding of the General Meeting.

In case of divergence between the number of shares communicated by the shareholder or representative who attends and casts their vote remotely and that which appears in the accounting record indicated above, for the purposes of the constitution and voting quorum it will be considered valid the number of shares recorded in said record.

2. Exercise by shareholders and representatives of their rights of intervention, information, proposal and vote through electronic assistance

2.1. The shareholders or their representatives, duly registered in accordance with the procedure indicated in the previous section, who attend the General Meeting electronically, may: (i) intervene at the General Meeting; (ii) make requests for information or clarification; (iii) make proposals for resolutions on those matters that, in accordance with the Law, not appearing on the Agenda may be proposed during the holding of the General Meeting. Interventions, requests for information or proposals may be made:

- (i) In the same act of registration, in which case the shareholder or his representative may send the interventions or questions that they wish to formulate following the instructions that appear in the aforementioned section on the Company's website.
- (ii) From the connection of the shareholder or his registered representative and up to the moment of constitution of the General Meeting.

2.2. The attendee by telematic means who wishes his intervention to be recorded literally in the minutes of the Meeting must indicate this clearly and expressly in the text of the meeting.

2.3. Requests for information or clarification made by attendees electronically will be answered orally during the General Meeting or in writing during the seven days following the Meeting, in accordance with the provisions of the Spanish Capital Corporations Law.

2.4. Shareholders or their duly registered representatives, who attend telematically, may vote on the proposals relating to items on the Agenda, or those corresponding to items which, not initially included, may be incorporated during the course of the General Meeting, through the aforementioned corporate website and in accordance with the corresponding voting form. In any event, the process of voting by electronic means on all proposals submitted to the General Meeting shall end at the time when the voting period for the proposed resolutions is declared by the bureau to have ended.

2.5. Shareholders or representatives who attend the General Meeting electronically may record the reservations they deem appropriate regarding the constitution of the General Meeting.

2.6. The electronic attendance of the shareholder will be equivalent to the attendance in person at the Ordinary General Shareholders' Meeting. The telematic assistance of the shareholder or its representative will invalidate the vote or the delegation made previously by any other procedure established by the Company.

PARTICIPATION OF NOTARY PUBLIC AT GENERAL MEETING

The Board of Directors has agreed to require the presence of a Notary Public to draft the minutes for the Meeting, in accordance with the provisions of Article 203 of the Spanish Capital Corporations Law.

PROTECTION OF PERSONAL DATA

The personal data submitted by the shareholders to Pharma Mar, S.A. to exercise their rights of attendance, delegation and vote in the General Meeting, participation in the Electronic Shareholder Forum, as well as for the fulfillment of any other legal obligations deriving from the call or celebration of the General Meeting, or which are furnished by banking institutions and stock brokers and dealers with whom said shareholders have their shares deposited, through the entity legally qualified to carry out the book-entry records (IBERCLEAR), shall be processed for the purposes of managing, complying and controlling the existing shareholder relationship regarding the convening and holding of the General Meeting (including, without limitation, the convening and celebration of the General Meeting and its broadcasting). These data will be processed by Pharma Mar, S.A, as the data controller, being the legal basis of legitimation the Spanish Capital Corporations Law.

These data will be provided to the Notary Public exclusively in relation to drawing up the notarial deed containing the minutes of the General Shareholders Meeting.

In case the attendance or delegation card includes personal data referring to individuals other than the owner, the shareholder must have the consent of the holders for the transfer of personal data to Pharma Mar, S.A. and inform them of the points set out in this call regarding the processing of personal data.

In compliance with Recommendation 7 of the Good Governance Code of Listed Companies approved by the CNMV in February 2015, it is noted that the development of all or part of the General Meeting may be recorded and broadcasted on Pharma Mar, S.A. website (www.pharmamar.com). By accessing to the site of celebration of the General Meeting, the assistant gives his consent for the capture and reproduction of images of his person, although only the capture and reproduction of images of the assistant staff at the presidential table is foreseen.

The data of the shareholder and, where appropriate, of the legal representative, will be processed by Pharma Mar, S.A. as long as the status of shareholder is maintained, and subsequently kept together with the audiovisual recording data, solely for the treatment of potential liabilities that may arise from said condition, for the limitation periods for said liabilities, as provided for in the applicable law.

The holders of the data will be able to exercise their rights of access, rectification, opposition to the treatment or deletion, as well as, in certain circumstances, limitation to processing and portability of the data collected by Pharma Mar, S.A. Said rights may be exercised by submitting written notice to Pharma Mar, S.A., Plaza del Descubridor Diego de Ordás, núm. 3, planta 5ª, Madrid (28003). In accordance with the applicable regulations, the holders of the data will also have the right to withdraw, at any time, the consent given and to file a claim within the Spanish Data Protection Agency.

The shareholders shall inform their representatives of the points contained in previous paragraphs, guaranteeing that they have their consent. Likewise, they must comply with any other requirements that may be applicable for the correct transfer of personal data to Pharma Mar, S.A., without it having to perform any additional action in terms of information or consent.

ADDITIONAL INFORMATION RESULTING FROM THE CURRENT PUBLIC HEALTH RISK SITUATION

Faced with the situation generated by the COVID-19 pandemic, and with the aim of safeguarding the health and safety of shareholders, employees and other persons involved in the preparation and holding of the General Meeting, the Board of Directors has decided to adopt the following special measures in relation to this General Meeting:

- (i) Shareholders are recommended not to attend the General Meeting in person. In this sense, as described in this announcement of call, this year the Company has enabled the possibility of telematic attendance in real time at the General Meeting, which joins the representation and voting procedures through means of remote communication already available at previous General Meetings. Likewise, shareholders who are physically attending the General Meeting are requested to respect the recommended security measures and, where appropriate, imposed by the health authorities to prevent the spread of COVID-19.
- (ii) The Meeting will be broadcast live via streaming through the corporate website (www.pharmamar.com). It is reported that this retransmission is not considered telematic attendance, and its follow-up is not calculated as assistance within the computation of quorum and without being able to intervene in the meeting.
- (iii) The President will only invite or authorize the attendance to the General Meeting of the internal and external collaborating personnel essential to make possible the holding of the General Meeting.
- (iv) The members of the Board of Directors must physically attend the General Meeting in the terms established in article 180 of the Spanish Capital Corporations Law and in article 7.2 of the General Meeting Regulations. In the event that, as a consequence of the situation derived from the declaration of alarm status or the measures adopted to avoid health risks, any or all of the directors could not - or would not be recommended - physically move to the venue of the General Meeting, the members of the Board of Directors may fulfill this obligation by attending the meeting by audio conference or video conference.

The Company will continue to closely monitor the evolution of the situation, and especially the fact that the restrictions or recommendations of the public authorities regarding the mobility of people or regarding meetings of more than a certain number of people that affect everything or part of the national territory may de facto limit the right of all or part of the shareholders to attend, personally or through a representative, the General Meeting at the place scheduled for its holding. In such a circumstance, the Board could decide, in order to avoid discriminatory situations between shareholders, that the General Meeting be held exclusively telematically. In this case, the shareholders will be informed by means of the publication of a complementary announcement to the call that specifies the regime of celebration of the General Meeting with a minimum notice of five calendar days to the date of the same.

THE GENERAL MEETING IS EXPECTED TO BE HELD IN SECOND CALL ON 18 JUNE 2020 AT THE PLACE AND TIME INDICATED HEREIN ABOVE, UNLESS THE SHAREHOLDERS ARE OTHERWISE NOTIFIED IN THE DAILY PRESS.

Colmenar Viejo (Madrid), 14 May 2020
Secretary of the Board of Directors
Mr. Juan Gómez Pulido

Annual General Shareholders' Meeting



Proposed Resolutions

submitted by the Board of Directors

to the decision

of the **General Shareholders' Meeting**

COLMENAR VIEJO (MADRID), 17 – 18 JUNE 2020



PROPOSED RESOLUTION TO AGENDA ITEM 1

Annual Financial Statements, allocation of results and corporate management:

1.1. To review and, as the case may be, approve the Annual Financial Statements and Management Reports of Pharma Mar, S.A. and of its Consolidated Group for the fiscal year ended December 31, 2019.

1.2. To review and, as the case may be, approve the separate report on the status of consolidated non-financial information for the fiscal year ended December 31, 2019. This report is referred to in section 7 of article 49 of the Commercial Code, which forms part of the Management Report of the Pharma Mar Group.

1.3. To review and, as the case may be, approve the proposed application of the Company's results for the year ended December 31, 2019.

1.4. To review and, as the case may be, approve the corporate management during the fiscal year 2019.

1.1. To review and, as the case may be, approve the Annual Financial Statements and Management Reports of Pharma Mar, S.A. and of its Consolidated Group for the fiscal year ended December 31, 2019.

To approve, under the terms set forth in the relevant statutory provisions, the Annual Financial Statements (Balance Sheet, Income Statement, Statement of Changes in Net Equity, Cash Flow Statement and Notes to the Financial Statements) and Management Report of Pharma Mar, S.A. for fiscal year ended December 31, 2019, as well as the Annual Financial Statements (Balance Sheet, Income Statement, Statement of Changes in Net Equity, Cash Flow Statement and Notes to the Financial Statements) and Management Report of its Consolidated Group -except for the non-financial information included in the latter, which is subject to the approval of the General Shareholders' Meeting as a separate point- for the same period.

It is expressly stated that the aforementioned accounting documents have been audited by PRICEWATERHOUSECOOPERS Auditores S.L., whose report, together with all other documents forming part of the Annual Financial Statements, has been made available to shareholders in due course.

1.2. To review and, as the case may be, approve the separate report on the status of consolidated non-financial information for the fiscal year ended December 31, 2019. This report is referred to in section 7 of article 49 of the Commercial Code, which forms part of the Management Report of the Pharma Mar Group.

To approve the separate report on the status of consolidated non-financial information for the fiscal year ended December 31, 2019. This report is referred to in section 7 of article 49 of the Commercial Code, which forms part of the Management Report of the Pharma Mar Group.

The status of the non-financial information contained in the aforementioned report has been verified by PRICEWATERHOUSECOOPERS Auditores, S.L., and has been made available to shareholders in due course.

1.3. To review and, as the case may be, approve the proposed application of the Company's results for the year ended December 31, 2019.

To approve the proposal for the application of the result for the year ended December 31, 2019 prepared by the Board of Directors at a meeting held on February 26, 2020 and, consequently, distribute the profit for the year 2019, which amounts to SEVENTEEN MILLION SIX HUNDRED FIFTY EIGHT THOUSAND FOUR HUNDRED THIRTEEN EUROS AND SEVENTY-TWO CENTS (€ 17,658,413.72), in the following terms:

(i) To dividends to be distributed among the shares of the Company with the right to receive it at any time: €8,905,971.48. This is equivalent to distributing a fixed dividend of 0.04 euros gross per share for all of the 222,649,287 shares into which the Company's share capital is divided on the date of preparation of the annual accounts.

(ii) To compensate the negative results account from previous years: €8,752,442.24.

The ordinary dividend proposed by the Board of Directors consists of an amount of 0.04 gross euros for each of the shares of the Company with the right to receive it on the date on which the corresponding payment is made, an amount from which the withholding tax that is applicable.

Consequently, the final amounts destined to the distribution of the dividend and to compensate the negative results account from previous years may not coincide with those referred to in sections (i) and (ii) above, and will be determined at the time of the dividend distribution, in depending on the Company's outstanding shares and those held in treasury stock at that time.

The dividend will be paid on June 30, 2020, through Banco Santander, S.A. in accordance with the operating rules of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, SAU (IBERCLEAR).

1.4. To review and, as the case may be, approve the corporate management during the fiscal year 2019.

To approve the corporate management by the Board of Directors of Pharma Mar, S.A. for fiscal year 2019.

PROPOSED RESOLUTION TO AGENDA ITEM 2

To reelect of the Statutory Auditors of the Company and its Consolidated Group.

Having ended the one-year period for which PRICEWATERHOUSECOOPERS Auditores S.L. was reelected as Auditor of the Company and its Consolidated Group, to reelect as Auditor of the Company and its Consolidated Group for a period of one year to said company, with registered offices in Madrid, Paseo de la Castellana 259-B, and holding Spanish Tax ID (C.I.F.) B-79031290, and registered in the Special Registry of Statutory Auditors under number S0242.

This resolution was proposed by the Audit Committee and subsequently confirmed by the Board of Directors of Pharma Mar, S.A.

PROPOSED RESOLUTION TO AGENDA ITEM 3

To authorize the Board of Directors, with express power of substitution, to buyback treasury stock, by the Company and / or by its subsidiary companies, under the terms provided by current legislation, with express power to proceed its transfer or amortization with reduction of the share capital number, leaving without effect, in the amount not used, the delegation agreed by the General Shareholders' Meetings of previous years.

Pursuant to the provisions of Article 146 and related provisions and of Article 509 of the Spanish Capital Corporations Law, it is resolved to authorize the Company's Board of Directors (as well as its subsidiaries), with the express power of substitution in the Executive Committee, in the Chairman or in the Vice Chairman of the Board of Directors, to acquire, during a period of five years from the date of the General Shareholders' Meeting, at any time and as many times as deemed appropriate and by any means permitted by law, the Company's shares, as well as subsequently transfer or amortize them, in accordance with the following provisions and requirements in addition to those provided by the legal provisions in force:

(a) Means of acquisition

Acquisitions shall be made through sale and purchase transactions, swap transactions or other means permitted by law, including through securities lending.

(b) Maximum limit

Company shares with a par value, in aggregate with shares already held by the Company and its subsidiaries, that does not exceed 10% of the Company's subscribed capital from time to time.

(c) Acquisition price when onerous

- (i) Maximum acquisition price: 10% higher than the trading price of the Company's shares in the Spanish Stock Exchange Interconnection System at the time of acquisition.
- (ii) Minimum acquisition price: par value of the Company's shares.

It is agreed to authorize the Company's Board of Directors (and the boards of its subsidiaries), for the period and in accordance with the terms established in the preceding paragraphs to the extent applicable and at arm's length, to acquire the Company's shares using loans.

It is expressly authorized that treasury stock acquired may be used in whole or in part towards (i) its disposal; (ii) their amortization through the consequent reduction of capital; (iii) its delivery to employees, executives or directors (for the purposes provided in Article 146 of the Spanish Capital Corporations Law); and (iv) reinvestment plans for dividends or similar instruments.

To leave without effect the unimplemented portion of Resolution Fourth of the General Shareholders' Meeting held on 26 June 2019, also governing authorization to acquire treasury stock. For clarification purposes, this authorization has been executed and, therefore, remains in force, with respect to the maximum number of

shares subject to the Buy-back program approved by the Board of Directors at its meeting on March 25, 2020, representing approximately 3% of the Company's share capital on the date of the aforementioned resolution of the Board of Directors.

Additionally, it is agreed to reduce the share capital, in order to amortize the Company's own shares that it may keep in its balance sheet (either as a result of its acquisition under the authorization of the General Shareholders' Meeting under this agreement or others), charged to profits or free reserves and for the amount that is convenient or necessary at any time, up to a maximum nominal amount equivalent to that of said treasury shares.

Lastly, it is agreed to delegate the following powers to the Board of Directors:

- (i) To execute the preceding capital reduction agreement, one or more times and within a maximum period of five years, from the date of the General Shareholders' Meeting, carrying out as many procedures, procedures and authorizations as necessary or required by the Capital Companies Law and other applicable provisions and, especially, for, within the term and the limits indicated for said execution, to set the date or dates of the specific reduction or reductions in capital, its opportunity and convenience, taking into account the market conditions, the price, the economic and financial situation of the Company, its treasury, reserves and evolution of the company and any other aspect that influences such decision;
- (ii) to specify the amount of the capital reduction;
- (iii) to determine the destination of the amount of the reduction, either to an unavailable reserve, or to freely available reserves, providing, where appropriate, the guarantees and complying with the legally required requirements;
- (iv) to adapt Article 6 of the Bylaws to the new amount of share capital; and
- (v) to request the exclusion from trading of the amortized securities and, in general, adopt as many agreements as necessary, for the purposes of said amortization and subsequent capital reduction, appointing the persons who may intervene in their formalization.

PROPOSED RESOLUTION TO AGENDA ITEM 4

To consolidate and cancel the shares comprising the share capital at the time this resolution is implemented to be exchanged for newly-issued shares in the proportion of one (1) new share for every twelve (12) pre-existing shares. Capital reduction by share redemption. Amendment of article 6 of the corporate bylaws. Delegation of powers.

1.- Share consolidation

It is hereby resolved to consolidate and cancel all the shares comprising the Company's share capital at the time this resolution is passed to be exchanged for newly-issued shares in the proportion of one (1) new share for every twelve (12) pre-existing shares, increasing the unit par value of the shares from 0.05 euros to 0.60 euros, without any change in the Company's total share capital amount.

The new issued and outstanding shares will be ordinary shares, represented by book entries, and the company Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("Iberclear") and its participating entities will be responsible for recording the book entries.

The new shares will be of the same series and class and will have the same economic and voting rights as the current shares, in proportion to their par value.

1.1 Effective Date and Exchange Procedure

Execution of the consolidation resolution (reverse split) and the ensuing bylaw amendments will be made public through announcements in the Official Mercantile Registry Bulletin, on the Company's website and, if considered necessary, in a newspaper of national circulation and in the listing bulletins of the Spanish Stock Exchanges.

The share exchange will take effect on the date set by the Board of Directors ("**Effective Date**") once the consolidation resolution and the ensuing bylaw amendments have been registered in the Company's registration sheet. The Effective Date will be disclosed through the relevant notice of privileged or other relevant information.

Shareholders who have standing as such at the close of the markets on the trading day following the Effective Date pursuant to the book entries maintained by Iberclear and its participating entities will be entitled to receive one (1) new share for every twelve (12) existing shares, with such exchange being made automatically. The new shares will be delivered to the shareholders on the second trading day following the Effective Date.

The share exchange will be carried out in accordance with the procedures established for securities represented book entries, through the corresponding participating entities, in accordance with the instructions issued for such purpose by Iberclear and, in the event an agent has been appointed, by the agent.

1.2 Treatment of Fractional Shares

Any shareholders who, after applying the exchange ratio resulting from the consolidation, are holders of a number of shares not a multiple of twelve (12) may acquire or transfer the necessary shares to obtain a number of shares that is a multiple of the number established in the exchange ratio.

If at the close of the markets on the trading day following the Effective Date as described above any shareholder still holds a number of shares not a multiple of twelve (12), the Company itself will acquire the excess shares. The Board of Directors may appoint an agent if deemed necessary, granting the agent a mandate to acquire excess shares and make the corresponding payments on behalf of the Company.

The acquisition price will be equal to the listing price at the close of the trading day prior to the Effective Date, without the sale transaction involving any additional cost for the shareholders owning said excess shares, with the exception of any expenses or brokerage fees that may be collected from their respective custodians and/or stock brokers.

The amount required to purchase the excess shares will be paid by the Company or by the agent, if so appointed, to the participating entities of Iberclear for payment into the accounts of the shareholders who have their Company shares deposited with such entities. This payment will be made by the Company or the agent and is expected to be made on the second trading day following the Effective Date.

The acquisition of shares by the Company to purchase the fractional shares resulting from the exchange ratio will be carried out by the Board of Directors, authorized by the General Shareholders Meeting to buyback treasury shares, approved under Agenda Item Three.

1.3 Application for Admission to Official Trading

Upon registration with the Mercantile Registry of the public deed formalizing the consolidation of the currently outstanding shares and the exchange thereof for newly-issued shares with a modified par value, the pre-existing shares shall be simultaneously delisted and the new shares shall be admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, on which the stock is listed through the Stock Exchange Interconnection System (Continuous Market), and the necessary procedures and actions shall be carried out and the necessary documents filed with the competent authorities for admission to trading of the new shares issued as a result of the resolution adopted.

It is expressly stated that the Company is bound by those rules in force or which may be laid out in the future on Securities Markets and, in particular, on admission, listing and delisting. For these purposes, pursuant to Articles 1.4.e) and 1.5.d) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, the obligation to publish a prospectus does not apply, as the new shares are issued to replace shares of the same class that were already issued, and the issuance does not involve an increase in issued capital.

2.- Capital Reduction

Prior to executing the share consolidation referred to in Section 1 of this resolution, it is hereby agreed that the Company's share capital will be reduced by 0.15 euros by redeeming three (3) treasury shares, each with a par value of 0.05 euros.

The purpose of this capital reduction is to allow for the grouping of the number of shares to allow for the share consolidation in accordance with the provisions of Section 1 of this resolution, such that the total number of pre-existing shares to be grouped is a multiple of the one established in the exchange ratio, i.e., twelve (12).

The capital reduction will be charged to unrestricted reserves, through the allocation of a reserve for redeemed capital in an amount equal to the par value of the redeemed shares, which will only be available subject to the same requirements as those required for the reduction of share capital, in application of the provisions of

Article 335.c) of the Spanish Capital Corporations Law. Consequently, in accordance with said provision, the Company's creditors will not have the right of opposition referred to in Article 334 of the Spanish Capital Corporations Law in relation to the capital reduction.

Consequently, following the capital reduction and immediately before carrying out the share consolidation in accordance with the provisions of Section 1 of this resolution, the share capital is established at an amount of 11,132,464.20 euros, divided into 222,649,284 ordinary shares, each with a par value of 0.05 euros.

The capital reduction must in any case be carried out within six (6) months from the date of this resolution.

3.- Amendment of Article 6 of the Corporate Bylaws

Once the capital reduction provided for in Section 2 and the share consolidation and exchange provided for in Section 1 above have been carried out, Article 6 of the Bylaws, on share capital, will be amended in order to reflect the new par value and number of shares issued. This amendment will be made as follows:

ARTICLE 6. The share capital is eleven million one hundred and thirty-two thousand four hundred and sixty-four euros and twenty cents (€11,132,464.20), represented by eighteen million five hundred and fifty-four thousand one hundred and seven (18,554,107) shares, each with a par value of sixty cents (€0.60), fully subscribed and paid-in. Share capital may be increased or decreased by resolution of the General Shareholders Meeting subject to relevant applicable provisions. Unpaid subscriptions must be made at the time determined by the Board of Directors, within a period of five years from the date of the resolution approving a capital increase. The form and other circumstances of the payment shall be governed by the provisions of the resolution approving the capital increase. The demand for payment of any unpaid subscriptions shall be notified to the affected parties or be advertised in the Official Mercantile Registry Bulletin. At least one month must lapse between the notification or advertisement date and the payment date.

4.- Delegation of Powers to the Board of Directors

It is hereby agreed that the Board of Directors will be delegated, as extensively as permitted by law, and with the power of substitution in favor of the Executive Committee or the Chairman or Vice-Chairman of the Board of Directors, the powers to (i) execute these resolutions within a period of six (6) months and to set the terms and conditions for the share consolidation and exchange and for the capital reduction within the limits established by the General Shareholders Meeting, including, in particular, the power to select the Effective Date, or to decide not to execute these resolutions if the Board of Directors, on a reasoned basis, believes that doing so could be detrimental or contrary to the Company's interests, in which case such information shall be disclosed as a notice of privileged or other relevant information; and (ii) notwithstanding any existing delegations or powers of attorney, to carry out any actions and formalities that may be necessary or appropriate to ensure the execution and success of the share consolidation, increase in par value and capital reduction, including in particular, but not limited to, the following powers:

- (a) to draft, notify and manage any document, publication or certification required in relation to the process of share consolidation and capital reduction;
- (b) to amend Article 6 of the Company's Bylaws, on share capital, to adapt such provision to execution of the share consolidation and capital reduction;
- (c) to carry out all necessary procedures to ensure the new shares are registered in Iberclear's accounting records in accordance with the legally established procedures;
- (d) to process, at the time deemed appropriate, applications and management before the Spanish Securities Market Commission, the Governing Companies for the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, the Stock Exchange Society, Iberclear and any other body, organization, or public or private registry, national or foreign, of the admission to trading of all the shares comprising the share capital on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, as well as their contracting through the Stock Exchange Interconnection System (Continuous Market) and the simultaneous delisting of pre-existing shares that have been canceled, as well as to carry out such

procedures, actions, declarations or steps as necessary or convenient for the purposes of, *inter alia*, obtaining authorization, verification and listing of the share;

- (e) to draft and publish any announcement relating to the share consolidation and capital reduction as necessary or convenient, including notices of privileged or other relevant information, announcement in the Official Mercantile Registry Bulletin, announcement on the Company's website, and releases in the press or in the listing bulletins of the Spanish Stock Exchanges;
- (f) to carry out such actions as necessary or convenient to execute and deliver the share consolidation and capital reduction before any public or private entities and organizations, Spanish or foreign, including actions relating to the declaration, supplementation or correction of defects or omissions that could prevent or hinder the full effectiveness of the above resolutions;
- (g) to determine, where appropriate, which entities shall participate in the process, coordinating the operation (in particular, appointing and granting a mandate to an agent in the terms expressed above) and, in general, all criteria to be followed in the process;
- (h) to draft and sign any commitments, agreements, contracts or any other type of documents, in the terms deemed appropriate, with any entity related in any way to the operation;
- (i) to execute any public and private documents that may be appropriate for full or partial execution of the share consolidation and capital reduction, including the power to carry out any acts that may be appropriate in relation to the above resolutions in order to ensure registration in the Mercantile Registry and in any other registers, including, in particular but not limited to the powers to appear before a notary public to execute the public deeds and notarial acts necessary or convenient for this purpose; to correct, rectify, ratify, interpret or complement the resolutions and to formalize any other public or private document that may be necessary or convenient to ensure full registration of the resolutions passed by the General Shareholders Meeting, without requiring a new resolution;
- (j) to make any payments in relation to the share consolidation and acquisition of excess shares, as well as the payment of any expense or fee, in particular those related to registration of the share consolidation and capital reduction in the Mercantile Registry, agent and lawyers fees, and any other tax or expense that may arise in relation to the share consolidation and capital reduction; and
- (k) in general, the power to carry out any acts and execute any public or private documents that may be necessary or appropriate in the opinion of the Board of Directors or, as the case may be, its appointee(s), for the full effectiveness and compliance with the foregoing resolutions.

PROPOSED RESOLUTION TO AGENDA ITEM 5

To approve a Plan for the year 2021 of free delivery of shares of the treasury stock of Pharma Mar, S.A. to the employees and executives of the Group companies in order to promote their participation in the share capital and encourage their permanence in the Group

In order to promote the participation of the employees and managers of the Group companies in the share capital of Pharma Mar, SA, and encourage their permanence in the Group, it was agreed to approve a plan of free delivery of the treasury stock of Pharma Mar, S.A. (hereinafter, the "Plan") for year 2021 by the Group companies, under the same conditions for all employees and managers.

The Plan will be directed and offered under equal conditions to all employees and managers who are taxpayers of the Personal Income Tax of the following companies of the Pharma Mar Group: Pharma Mar, S.A., Sylentis, S.A. Sociedad Unipersonal and Genomica, S.A. Sociedad Unipersonal.

The shares destined for the Plan will come from the treasury stock of Pharma Mar, S.A. that is owned at the time of execution of the Plan.

The Board of Directors will design and apply the Plan based on the conditions and within the limits established below.

1.- BENEFICIARIES, CONTENT OF THE PLAN AND SUBJECTIVE LIMITS

- 1.1.- BENEFICIARIES. The employee or manager, to be a beneficiary of the Plan, must be active at the time of its execution, have a minimum of six (6) months as an employee or manager at any of the Group companies as of December 31, 2020 and have communicated to your current employing company the maximum amount of your salary that you wish to apply to the purchase of treasury shares of Pharma Mar, SA at normal market price.
- 1.2.- CONTENT OF THE PLAN. Simultaneously and in addition to the purchase of treasury shares of Pharma Mar, S.A. For the employee or manager with part of his salary, each employer company will deliver to the employee or manager under the Plan, simultaneously with said purchase, a number of free shares of the treasury stock of Pharma Mar, S.A. which will be equal to the whole number, rounded by default, as a result of applying a percentage (hereinafter the "Percentage"), previously determined by the Board of Directors of Pharma Mar, S.A. which will be equal for all employees or managers, to the number of shares actually purchased with said part of their salary, which, if applicable, will have to have been adjusted and reduced against the maximum amount requested if the value of the free shares to be delivered to the Employee or manager exceeds the subjective maximum limits mentioned in section 1.3 below or the number of free shares to be delivered to all Group employees or managers as a whole exceeds the maximum limit in section 2 below.
- 1.3.- SUBJECTIVE LIMITS. The market value of the free shares delivered to each employee or manager will be limited to a maximum of 12,000 euros and, together with the other remuneration in kind received in 2021, may not exceed 30% of their total salary payments in accordance with the Article 26.1 of the Workers' Statute Law.

The members of the Board of Directors of Pharma Mar, S.A. will not be considered as beneficiaries, even if they occupy management positions in any of the Group companies.

2.- OBJECTIVE SCOPE

Up to a maximum of 500,000 shares, free or not, will be awarded in the Plan for all employees and managers of the Group companies.

If the resulting total number of shares to be delivered, after the application to each employee or manager, where appropriate, of the subjective limits of section 1.3 above, exceeds said maximum limit of 500,000 shares, the excess will be prorated, proportionally reducing the number of shares to be received by each employee or manager, reducing in equal proportion those purchased with their salary, so that, without modification of the Percentage, the number of shares to be delivered as a whole does not exceed the maximum figure indicated.

3.- OTHER CONDITIONS

The Board of Directors will determine the Percentage mentioned in 1.2 above, which will be the same for all employees and managers and will be communicated together with the offer of the Plan so that each employee or manager can adopt the decision they deem most convenient.

The Board of Directors will establish the appropriate conditions so that the Plan also fulfills its purpose of loyalty to its beneficiaries, setting the terms of permanence necessary to be able to dispose of the actions, as well as the consequences of the beneficiary's failure to comply with the conditions of the Plan, which They may include the loss of all or part of the free shares delivered.

Likewise, the Board may determine the guarantees that the beneficiaries must constitute on the delivered shares, in order to ensure compliance with the Plan.

The Board of Directors is also authorized to delegate in favor of the Executive Committee or the director or person that it deems appropriate, the powers conferred by virtue of this agreement that are legally delegable.

This proposed resolution has been promoted by the Appointments and Compensation Committee and subsequently assumed by the Board of Directors.

PROPOSED RESOLUTION TO AGENDA ITEM 6

Examination and, where appropriate, approval of an extraordinary and selective bonus in favor of the Chairman of the Board of Directors on the occasion of the transaction with Jazz Pharmaceuticals, Plc.

That the Appointments and Compensation Committee has proposed to the Board of Directors to grant an extraordinary and punctual bonus to certain executives and employees of the Company who have been key to the signing last December 2019 of the exclusive license agreement signed between the Company and Jazz Pharmaceuticals Ireland Limited, a company owned by Jazz Pharmaceuticals Plc., to market in the United States the anti-tumor compound lurbinectedin for recurrent small cell lung cancer (the "Agreement").

After examining the proposal of the Appointments and Compensation Committee and in view of the importance for the Company of signing the Agreement, as evidenced in the aforementioned proposal, the Board of Directors proposes to the General Shareholders' Meeting of the Company, approve the following extraordinary and punctual bonus in favor of Mr. José María Fernández Sousa-Faro, Chairman of the Company's Board of Directors:

- (i) 889,710 euros (equivalent to 100% of their gross fixed remuneration for the fiscal year 2019) for the subscription of the Agreement; and, as the case may be,
- (ii) 889,710 euros (equivalent to 100% of his gross fixed remuneration for the fiscal year 2019), if the lurbinectedin compound is approved, conditioned or not, by the FDA (United States Food and Drug Administration) in the framework of the accelerated approval procedure requested by the Company.

Payment of the extraordinary bonus will be made in cash. The Company will set the terms and the rest of the terms of the bonus in a letter of extraordinary bonuses to be signed between the Company and the Chairman of the Board of Directors.

PROPOSED RESOLUTION TO AGENDA ITEM 7

To submit the Annual Report on Compensation of Directors of Pharma Mar, S.A. for fiscal year 2019 to an advisory vote (Art. 541.4 of the Spanish Capital Corporations Law).

To approve, on an advisory basis, the Annual Report on Compensation of Directors of Pharma Mar, S.A. for fiscal year 2019, the full text of which was made available to the shareholders, together with all other documents related to the General Shareholders' Meeting, as from the time the notice of call was published. A copy of said text is attached to the minutes as a Schedule.

PROPOSED RESOLUTION TO AGENDA ITEM 8

To approve Pharma Mar, S.A.'s Directors' Compensation Policy for 2020-2022.

To approve, in accordance with the provisions of Article 529 novodecies of the Spanish Capital Corporations Law, Pharma Mar, S.A.'s Directors' Compensation Policy for fiscal years 2020, 2021 and 2022, which will replace and invalidate, in relation to the fiscal years 2020 and 2021, the Directors' Compensation Policy for the period 2019-2021 that was approved by the General Shareholders' Meeting of the Company on June 28, 2018.

The text of Pharma Mar, S.A.'s Directors' Compensation Policy for the fiscal years 2020, 2021 and 2022 has been made available to shareholders since the publication of the notice of call for the Meeting together with the specific report of the Appointments and Compensation Committee, which is incorporated into the minutes as an Annex.

PROPOSED RESOLUTION TO AGENDA ITEM 9

To authorize the Board of Directors to interpret, remedy, supplement, implement, execute and develop the resolutions adopted by the General Meeting, both to record such resolutions in a public deed and to substitute the powers entrusted thereto by the General Meeting.

Notwithstanding the authorizations granted in the preceding resolutions, authorize the Board of Directors, with the fullest powers required by law, with express power of substitution in favor of the Executive Committee or any Director or individual as deemed appropriate, to interpret, remedy, supplement and implement all of the above resolutions adopted by the General Meeting.

Empower the Chairman of the Board of Directors, Mr. José María Fernández Sousa-Faro; the Vice Chairman of the Board of Directors, Mr. Pedro Fernández Puentes; the Secretary of the Board of Directors, Mr. Juan Gómez Pulido; and the Vice Secretary of the Board of Directors, Ms. María Concepción Sanz López, such that any of them, indistinctly, may record the resolutions passed by the General Meeting in this session in a public deed and may execute any public and private documents necessary or convenient in order to implement said resolutions, including the power to apply for the partial registration, amendment and remedy of the content thereof to the extent necessary to bring them in line with the verbal or written requirements of the Mercantile Registry or of any other administrative bodies or authorities. Furthermore, the aforementioned individuals are expressly authorized, on the same joint and several basis, to make the required registration of annual financial statements and other applicable documents with the Mercantile Registry.



Pharma Mar, S.A.'s Directors' Compensation Policy for 2020-2022

1.- Introduction

In accordance with the provisions of Article 529 novodecies of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*) (implemented by Law 31/2014, of 3 December, amending the Spanish Capital Corporations Law for the improvement of corporate governance), Article 14 of the Board of Directors Regulations of Pharma Mar, S.A. (hereinafter "**Pharma Mar**" or the "**Company**") establishes that the Appointments and Compensation Committee has the authority to submit the directors' compensation policy to the Board of Directors, who shall submit said policy to the approval of the General Shareholders' Meeting.

Accordingly, the Board of Directors has, at the proposal of the Appointments and Compensation Committee, resolved to submit this Directors' compensation policy of Pharma Mar for fiscal years 2020-2022 (the "**Compensation Policy**"), the contents of which comply with the aforesaid article of the Spanish Capital Corporations Law, to the General Shareholders' Meeting. If approved by the General Shareholders' Meeting, the Compensation Policy will replace and invalidate, with respect to 2020 and 2021 fiscal years, the directors' compensation policy for the Company for the 2019-2021 period, which was approved by the General Shareholders' Meeting of the Company on June 28, 2018 within the seventh item on the agenda. Any modification or replacement of the Compensation Policy contained in this document during the period 2020-2022 shall require a new approval of the General Shareholders' Meeting in accordance with the law in force.

The Compensation Policy makes a distinction between the compensation system for directors in their condition as such and the compensation system for executive directors performing executive duties. Compensation of directors for their condition as such is compatible with all other professional or labor compensation items to which the directors may be entitled by virtue of other executive or advising duties that, as the case may be, they perform for the Company and which are separate from the supervisory and collective decision-making duties inherent in their position as directors.

2.- General Principles of the Compensation Policy

The Compensation Policy seeks to bring the policy in line with the interests of its shareholders, prudent risk management, and moderation and balance, taking into account at all times that the quality and commitment of its Board members is essential in order to successfully implement the Company's strategy. Compensation should incentivize dedication without compromising independence.



In order to achieve this, the general principles of the compensation policy for directors in their condition as such are as follows:

- External competitiveness: motivating compensation that helps attract and retain directors while simultaneously ensuring their independence.
- Internal fairness: compensation that rewards directors for their level of responsibility and effective dedication.
- Lack of variable compensation components, thus encouraging unbiased decision making.
- Moderation: by analyzing market benchmarks.
- Transparency.

In addition, the principles applied in the compensation policy for executive directors, for performance of their executive duties, are as follows:

- Alignment of the executive directors' compensation policy with the Company's strategy.
- The different compensation components have been developed such that fixed compensation represents a significant part of total compensation and variable compensation rewards the achievement of the strategic goals of the Company and its Group.
- Alignment with the compensation established in comparable companies (as regards both size and sector of activity).

The aforementioned compensation principles comply with the provisions established generally for capital corporations in the new Article 217.4 of the Capital Corporations Law on the reasonableness of the compensation of board members and the adequacy of compensation in light of the Company's size, relevance and financial position. These principles are also aimed at promoting profitability and sustainability in the long term of the Company, while simultaneously preventing excessive assumption of risk and compensation for unfavorable results.

3.- Compensation policy for directors in their condition as such for 2020-2022 (paragraph 1, Art. 529 septdecies Spanish Capital Corporations Law)

Compensation components:

The Compensation Policy establishes that directors shall be compensated for their condition as such (i) by virtue of fixed annual compensation and (ii) through allowances for attendance at the meetings of the Board of Directors and its Committees.



In this regard, Article 37 of the Company's Bylaws establishes the following:

"The compensation system for Directors in their condition as such shall include fixed annual compensation and attendance allowances for attending the meetings of the Board of Directors or its Committees.

The Board of Directors shall set annual fixed compensation for each Director, taking into account for such purpose the Director's respective duties and responsibilities, including as the chairman or as a member of any Committees, or as the Coordinating Director, as well as all other objective circumstances deemed relevant.

The Board shall also set the amount of attendance allowances for attending the meetings of the Board and its Committees."

As compensation for their condition as Company director, each Board member shall receive fixed annual compensation aimed at sufficiently compensating them for the responsibility and dedication required in their position.

Those directors who also serve as members of the various Committees (Executive Committee, Audit Committee and Appointments and Compensation Committee) shall receive additional fixed compensation for their dedication to said Committees, with higher weightings for the Chairman of the Audit Committee and of the Appointments and Compensation Committee. Compensation received by members of the Executive Committee shall take into account the additional activities and duties undertaken by its members.

The position of coordinating director shall also receive fixed annual compensation.

Directors shall receive an attendance allowance to compensate for their personal and effective attendance at the meetings of the Board of Directors and its Committees.

In addition, Article 37 of the Company's Bylaws establishes the following:

"It is expressly authorized that compensation of some or all of the members of the Board of Directors may include the delivery of Company shares or share option rights, or may be linked to share value, if so determined by the General Meeting, which shall set the maximum number of shares that may be allocated to this scheme in each fiscal year; the exercise price or method for calculating the exercise price of the share options; the share value that, as the case may be, is used as a benchmark; and the term of the plan. The General Meeting may delegate the determination of any aspects related to this type of compensation to the Board of Directors.



The Company shall also contract a civil liability insurance policy for the Directors and executives."

The Compensation Policy does not establish for any director a compensation system linked to share value or that involves the delivery of shares or share option rights.

The Company has contracted a civil liability insurance policy for the directors and executives. In 2019 the total amount of this insurance premium amounted to 182 thousand euros. For 2020, at the date of preparation of this Compensation Policy, it is not expected to make any changes to the clauses of the subscribed policy, therefore, it is estimated that the premium to be paid will be similar to that paid in 2019.

4.- Compensation policy for directors performing executive duties for 2020-2022 (paragraph 1 Art. 529 octodecies Spanish Capital Corporations Law).

Article 37 of the Company's Bylaws establishes the following in this regard:

"The additional compensation to be received by Directors for carrying out executive duties, including severance pay for early removal and any other amounts to be paid by the Company as insurance premiums or contributions to savings systems, must be in compliance with the compensation policy approved by the General Meeting."

This compensation is independent from compensation applicable thereto by virtue of their general monitoring and group decision making duties arising from their status as a director – including compensation received for serving as the Chairman of the Board of Directors, or as a member or other officer on any of its Committees– of the Company or any Group company.

The compensation system applicable to Pharma Mar's executive directors was developed in conformity with the mercantile law in force and with the Bylaws. Said system includes the following provisions:

4.1. Fixed compensation

The fixed compensation of the executive directors is closely linked to their responsibility, professional experience and leadership within the organization and is in line with that provided in the market for comparable companies, both in terms of size and sector of activity.

The Appointments and Compensation Committee, comprised exclusively of non-executive directors, is responsible for, in accordance with Article 14 of the Board of Directors Regulations, proposing individual compensation and other contracting conditions for executive



directors of the Company to the Board of Directors, as well as for ensuring compliance therewith.

The contract governing the performance of the Executive Chairman's duties and responsibilities is commercial in nature and includes those clauses generally found in these types of contracts. Said contract was approved by the Board of Directors of Zeltia, S.A. on 26 February 2015 at the proposal of the Appointments and Compensation Committee, in which Pharma Mar was thereby subrogated as a result of the merger by absorption between Zeltia and Pharma Mar.

Fixed compensation of the Executive Chairman for 2020 amounts to 896.8 thousand euros. In fiscal years 2021 and 2022 said amount is expected to be revised in accordance with the evolution of the Consumer Price Index for the preceding year (2020 and 2021, respectively).

As regards the Executive Vice Chairman, fixed compensation for performing its executive duties, currently under an employment contract (compensation independent from that received for performing general monitoring and group decision making duties as a mere director –including compensation for membership on the Board of Directors or as a member or other officer on any of the Committees of the Company or its Group companies) for fiscal year 2020 will be 266.9 thousand euros. In fiscal years 2021 and 2022 said amount is expected to be revised in accordance with the evolution of the Consumer Price Index for the preceding year (2020 and 2021, respectively).

4.2. Short-Term variable compensation

Only the Executive Chairman shall receive short-term variable compensation in 2020, 2021 and 2022.

Variable compensation, when based on indicators that directly reflect the positive performance of the Company, ensures that compensation of top executives is aligned to the Company's success.

The maximum short-term variable compensation for the Executive Chairman in 2020 may be up to 50% of the fixed compensation established for said fiscal year, meaning a potential maximum of 448,4 thousand euros. In 2021 and 2022, maximum variable compensation will maintain the same potential maximum percentage of 50%, which will be applied to the fixed salary for the relevant fiscal year.

Variable compensation in each fiscal year is calculated based on quantitative and qualitative indicators, which are assigned a specific weighting.

Said annual variable compensation includes two tranches. The first tranche is regulated and includes quantitative targets that refer to sales figures, income, etc. The second tranche is discretionary and will be determined by the Board of Directors in view of criteria referring to strategic momentum, focus of R&D investments, attendance at international conferences, presentations and roadshows, creating shareholder value and/or other criteria that may be considered indicative of their individual performance and of the Company's performance.

On an annual basis, the Board of Directors, at the proposal of the Appointments and Compensation Committee, establishes the indicators to be applied in the fiscal year and the weighting of each indicator in the overall calculation of variable compensation. Likewise, at the end of the fiscal year, the Appointments and Compensation Committee assesses achievement of the previously established targets. This assessment is submitted to the approval of the Company's Board of Directors.

In 2020, 2021 and 2022, 20% of the total variable compensation percentage (50%) will pertain to the rule-based tranche and 30% to the discretionary tranche.

4.3. Other compensation elements

The Executive Chairman and Executive Vice Chairman are the beneficiaries of a life insurance-savings insurance policy. This involves a defined contribution. The Company makes an annual contribution of €12,000 for each one of the Executive Directors. The contingencies covered include retirement and death.

As regards the Executive Chairman, the Company undertakes, during the validity of its contract for the provision of executive services, to make an annual contribution of €12,000. Upon termination of the aforementioned contract, the Company will stop making such contributions, although accumulated capital (which as of December 31, 2019 amounted to 318 thousand euros) will be held in favor of the Executive Chairman until such time as an insured event occurs (death or retirement), unless the termination thereof was a result of (a) the unilateral voluntary withdrawal of the Executive Chairman, not followed by the immediate retirement thereof, or (b) a serious breach of the Executive Chairman's obligations that has been legally declared as such, in which cases the accumulated capital shall pertain to the Company rather than the insured.

As regards the Executive Vice Chairman, the Company shall continue to make annual contributions as long as said Executive Vice Chairman continues to provide the services to the Company (excluding those services provided in its condition as a director) or to its subsidiaries and up until his/her retirement, regardless of the directors age at the time of retirement. The accumulated capital pertaining to the insured (which as of December 31, 2019 amounted to 342 thousand euros) shall be held to its benefit until such time as an insured event occurs



(retirement or death), regardless of whether the Company has stopped making contributions to the benefit of the insured at any given time, with the exception of legally mandated removals or voluntary resignation, not including retirement, in which case, the accumulated capital shall pertain to the Company rather than the insured.

The Executive Chairman and Executive Vice Chairman receive the following benefits as welfare compensation:

- Accident insurance, under the collective policy for Company employees.
- Health insurance, under the collective policy for Company employees.
- Full annual medical check-up (only for the Executive Chairman).

On the other hand, the Company provides the Executive Chairman with a representative office at the operating headquarters, communications equipment, payment instruments, support staff, and a company vehicle sufficient for the duties performed thereby.

The Company's Bylaws expressly state that compensation of directors, including executive directors, may include the delivery of shares in the Company or of share option rights, or may be linked to share value, if so determined by the General Shareholders' Meeting, which shall set the maximum number of shares that may be allocated to this scheme in each fiscal year; the exercise price or method for calculating the exercise price of the share options; the share value that, as the case may be, is used as a benchmark; and the term of the plan.

The Compensation Policy does not establish for any executive director a compensation system linked to share value or that involves the delivery of shares or share option rights.

4.4. Contract conditions of the Executive Chairman

A brief description of the clauses governing duration and causes of termination of the agreement, severance pay, exclusive dedication and full availability is provided below:

In relation to the Executive Chairman, the contract for the provision of executive services between the Company and the Executive Chairman shall remain in force for as long as such individual holds the position of Chairman of the Board of Directors and top executive of the Company, bearing in mind the following:

- A. The contract may be terminated by mutual agreement of the parties, by unilateral voluntary resignation of the Executive Chairman, for causes attributable to the Company, or as a result of the death, legal disability, declaration of total permanent disability or

severe disability, or inability or temporary inability to perform their senior management duties for a period greater than one year.

- B. The Executive Chairman shall have the right to receive a severance payment equivalent to 1.5 times the gross annual Regulated Compensation (defined as the arithmetic mean of the total amount of annual fixed compensation, annual variable compensation and attendance allowances accrued during each of the two full fiscal years immediately preceding the contract termination date) if its contract as the top executive is terminated:

1) by unilateral voluntary termination by the Company (i) by resolution of the Board of Directors, (ii) removal or non-reappointment of the Executive Director as a director by the General Shareholders' Meeting, or (iii) in the event of total or partial revocation, as the case may be, of the authorities delegated thereto by the Board of Directors or of the powers granted thereto by the Company. Nevertheless, the removal of a director who is subsequently and immediately appointed as a director or the full or partial revocation of the aforementioned authorities and/or powers where analogous authorities and/or powers are subsequently and immediately granted shall not result in termination of the contract. In the event of termination of the contract by the sole unilateral will of the Company, as expressed by a resolution of the Board of Directors or by the total or partial revocation of powers or duties delegated to the Executive Chairman, advance notice of three months shall be required and the Company may release the Executive Chairman from carrying out its duties during said period, although it shall continue to pay the applicable compensation.

2) In the event of (i) substantial amendment of duties or conditions for providing the services by the Executive Chairman with respect to those governed in the contract or when, by any other means, its duties as top executive of the Company are deemed null or are substantially affected, de facto or de jure, or if, for any other cause, his/her dignity is impaired or the Company breaches the provisions of the contract; or (ii) if there is a succession of the Company or a significant change in ownership thereof that has the effect of changing the composition of its governing bodies or the content and focus of its primary activity.

- C. As regards agreements on exclusivity and full availability, the Executive Chairman shall dedicate its full professional activity to the Company and its dependent Group companies. Unless the Board of Directors, following a report of the Appointments and Compensation Committee, has granted its prior and express consent therefor, the Executive Chairman shall refrain from carrying out any professional activity beyond the Pharma Mar Group, whether directly or indirectly, for third parties or to his/her own benefit, even if the relevant activity is not in competition with the business of any Group company. By way of exception, the Executive Chairman may carry out those other professional activities that are

compatible with his/her commitment to full availability to provide services to the Company, dedicating the time and effort necessary for the effective and diligent performance of his/her duties. Notwithstanding the above, the Executive Director may perform, whether remunerated or not, teaching and research activities at Universities and public or private schools; attend professional conferences and seminars; carry out positions in foundations or business or professional associations related to the area where the Company operates; or carry out positions as an independent director in other companies, provided the provision of such activity (i) has been previously notified to the Appointments and Compensation Committee, and (ii) does not have a material effect on the full dedication of the Executive Director nor interferes with the performance of his/her duties to the Company or, in any other case, that has been authorized by the Board of Directors.

4.5. Contract conditions of the Executive Vice Chairman

As regards the Executive Vice Chairman, his/her relation with the Company as of the date of this report is an employment relationship entered into for an indefinite term, such that the indemnities and advance notice requirements applicable in the event of termination of said employment relationship shall be as provided in applicable employment regulations.

5.- Maximum annual compensation to be paid to the directors as a whole

Pursuant to Article 37 of the Company's Bylaws, "The maximum annual compensation for the Directors as a whole based on their condition as such shall be approved by the General Meeting in the compensation policy and shall remain in effect until such time as an amendment thereto may be approved."

For these purposes, the maximum annual compensation to be paid to all the directors on their condition as such (i.e. directors of Pharma Mar, S.A.) in 2020 shall be Euros 2,500,000 (paragraph 1, Art. 529 septdecies Spanish Capital Corporations Law). This maximum annual amount will also apply for fiscal years 2021 and 2022 as long as its modification by the General Shareholders' Meeting of the Company is not approved.

This maximum compensation amount to be paid to the directors on their condition as such has been calculated considering a number of eleven directors.

Said maximum amount includes: (i) fixed annual compensation for membership on the Board of Directors, (ii) fixed annual compensation for the positions of Chairman and for the members of the Board Committees, (iii) additional compensation applicable to the coordinating director,

and (iv) attendance allowance per director for attending the meetings of the Board of Directors and of its Committees.

In order to determine the maximum global amount of the annual compensation for the directors as a whole, for their non-executive and executive functions, the following compensation items for the executive directors shall be added to the above-mentioned amount (Euros 2,500,000):

- (i) Fixed compensation for the Executive Chairman and the Executive Vice Chairman, described in section 4.1 above of this Compensation Policy and updated, as the case may be, in the Annual Report on Compensation of Directors.
- (ii) Short-term variable compensation for the Executive Chairman, described in section 4.2 above of this Compensation Policy, which provides the quantitative targets corresponding to the regulated tranche, and the criteria for determining the tranche of discretionary nature.
- (iii) Long-term savings systems, described in section 4.3 above of this Compensation Policy, and supplemented by the annual contributions made by the Company for each of the Executive Directors, which are specified in the Annual Report on Compensation of Directors.
- (iv) Other compensation, described in section 4.3 above of this Compensation Policy and whose specific annual compensation are described in the Annual Report on Compensation of Directors.
- (v) Additionally, in the event that the termination of the relationship with the Executive Chairman should proceed, the compensation described in section 4.4 above of this Compensation Policy may be paid.

6.- Compensation Policy Term

The Company shall apply this Compensation Policy for fiscal years 2020, 2021 and 2022. Any amendment or substitution of the Compensation Policy during said term shall require the prior approval of the General Shareholders' Meeting in accordance with current laws in force.

In any case, this Compensation Policy will be understood without prejudice to other extraordinary bonuses that the Company may agree to grant to directors during the years 2020, 2021 and 2022.