



CNMV
Markets Directorate General
C/ Edison núm. 4
28006 Madrid

Colmenar Viejo (Madrid), May 24, 2018

Pursuant to article 228 of the restated text of the Securities Market Law, we hereby inform you of the following **SIGNIFICANT EVENT**:

In relation to the Relevant Fact number 265813 submitted on May 18, 2018, attached hereto is the notice of call of the General Shareholders Meeting of Pharma Mar, S.A. to be held at Instituto Ferial de Vigo (IFEVI), in Avda. del Aeropuerto, 772, Cotogrande -36318- Vigo, (Pontevedra), on June 28th, 2018 at 12:15 p.m. at second call since it is not predictable to meet the quorum required to hold the meeting at first call, scheduled for June 27th, 2018 at 12:15 p.m., at the same location. The notice of call is posted today on the Company's corporate website and published in the newspaper "ABC".

Also attached are the proposed resolutions from the Board of Directors that will be submitted to said Shareholders Meeting and Pharma Mar, S.A.'s Directors' Compensation Policy for 2019-2021 submitted for its approval in item Seven of the Agenda.

In addition, the Annual Financial Report, the Annual Corporate Governance Report and the Annual Report on Compensation of Directors for the year 2017 have previously been submitted to the National Stock Market Commission on February 28th, 2018 and are available to the public at the website of such Commission and at Pharma Mar's corporate website.

Reports of directors in relation to the proposal of appointment and re-election of directors proposed under item Three of the Agenda and other mandatory documentation relating to next General Shareholders' Meeting are also made available to shareholders, on the terms set out in the notice of call.

PHARMA MAR, S.A.

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 Instituto Ferial de Vigo (IFEVI) located at Avda. del Aeropuerto, 772, Cotogrande – 36318- Vigo, (Pontevedra), on 28 June 2018, at 12:15 p.m., in second call, as it is foreseen that quorum will not be met in first call, which is also convened in this meeting notice at the same place and time, on 27 June 2018. The venue for the aforementioned General Meeting has been selected 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

One.- To review and, as the case may be, approve the Annual Financial Statements and Management Report of Pharma Mar, S.A. and its Consolidated Group for fiscal year 2017; the proposed allocation of earnings; and management by the Board of Directors during said period.

Two.- To reappoint the Statutory Auditors of the Company and its Consolidated Group.

Three.- Determination of the number of Directors. Appointment and re-election of members of the Board of Directors.

3.1. Determination of the number of Directors in ten.

3.2. Appointment as Director for the statutory period of four years of Mr. Valentín de Torres-Solanot del Pino, in the event that item 3.1 above is approved. Mr. Valentín de Torres-Solanot del Pino will have the category of Independent Director.

3.3. Re-election as Director for the statutory period of four years of Mr. José María Fernández Sousa-Faro, with the category of Executive Director.

3.4. Re-election as Director for the statutory period of four years of Mr. Pedro Fernández Puentes, with the category of Executive Director.

3.5. Re-election as Director for the statutory period of four years of Rosp Corunna Participaciones Empresariales, S.L., with the category of Proprietary Director.

3.6. Re-election as Director for the statutory period of four years of Ms. Ana Palacio Vallelersundi, with the category of Independent Director.

Four.- To authorize the Board of Directors, with express power of substitution, to buyback treasury stock either directly or through Group companies.

Five.- To approve a Free of Charge Stock Ownership Plan for fiscal year 2019 aimed at officers and employees of the Group who, having an indefinite contract and receiving variable compensation,

meet more than half of their targets set for fiscal year 2018, up to a total maximum limit of 500,000 shares in Pharma Mar, S.A., to be delivered in implementation of this Plan.

Six.- To submit the Annual Report on Compensation of Directors of Pharma Mar, S.A. for fiscal year 2017 to an advisory vote (Art. 541.4 of the Spanish Capital Corporations Law).

Seven.- To approve Pharma Mar, S.A.'s Directors' Compensation Policy for 2019-2021.

Eight.- 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

Nine.- 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 offices 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 Company's Bylaws and Board of Directors 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 and all other Directors have a conflict of interest with Agenda Item Six (To submit the Annual Report on Compensation of Directors of Pharma Mar, S.A. for fiscal year 2017 to an advisory vote (Art. 541.4 of the Spanish Capital Corporations Law)) and with Agenda Item Seven (To approve Pharma Mar, S.A.'s Directors' Compensation Policy for 2019-2021).

Likewise, and for the purposes of the aforementioned Articles, each of the Directors whose re-election is proposed under Agenda Item Three (Determination of the number of Directors. Appointment and re-election of members of the Board of Directors) are in a situation of conflict of interest in relation with the specific proposal of resolution regarding their respective re-election as Director. 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 offices (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) Annual Financial Statements and Management Reports of Pharma Mar, S.A. and its consolidated group for fiscal year ending 31 December 2017, together with the relevant audit reports.
- (ii) Full text of the meeting notice and proposed resolutions in relation to all items on the Agenda for the General Meeting which are being submitted to a vote. Proposed resolutions presented by shareholders, if any, in accordance with the provisions of Article 519 of the Spanish Capital Corporations Law shall also be included when received.

- (iii) Identity, curriculum and category of the members of the board of directors proposed to the General Meeting for appointment or re-election under Agenda Item Three (as well as in the case of director of a corporate body, the same information in relation to the individual to be appointed for the permanent exercise of the functions of the position), and the proposals and reports referred to in Article 529 decies of the Spanish Capital Corporations Law.
- (iv) Annual Corporate Governance Report for fiscal year 2017, which shall be included in a dedicated section of the management report.
- (v) Annual Report on Directors' Compensation for fiscal year 2017, as provided in Article 541 of the Spanish Capital Corporations Law.
- (vi) Appointments and Compensation Committee Report on the proposal for Pharma Mar, S.A.'s Directors' Compensation Policy for 2019-2021.
- (vii) Pharma Mar, S.A.'s Directors' Compensation Policy for 2019-2021.
- (viii) The Audit Committee's Report on independence of the external auditor.
- (ix) Report on the Audit Committee's operations.
- (x) Report on the Appointments and Compensation Committee's operations.
- (xi) 2017 corporate social responsibility report for the Pharma Mar Group.
- (xii) Amendments made to the Board of Directors Regulations of Pharma Mar, S.A. since the last General Meeting was held.
- (xiii) The total number of shares and voting rights of the Company as of the publication date of this General Meeting notice.
- (xiv) Form of attendance, proxy, and distance voting card.
- (xv) Rules on distance voting and proxies.

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 29 June 2017, 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 2018) 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

The shareholders may grant a proxy or cast their vote using long-distance communication methods:

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 2018) 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 Pharma Mar, S.A. 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 Pharma Mar S.A.'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.

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 2018) 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 18 May 2018, 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.

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.

THE GENERAL MEETING IS EXPECTED TO BE HELD IN SECOND CALL ON 28 JUNE 2018 AT THE PLACE AND TIME INDICATED HEREIN ABOVE, UNLESS THE SHAREHOLDERS ARE OTHERWISE NOTIFIED IN THE DAILY PRESS.

Colmenar Viejo (Madrid), 23 May 2018
Secretary of the Board of Directors
Mr. Sebastián Cuenca Miranda

Annual General Shareholders Meeting



Proposed Resolutions
submitted by the Board of Directors
to the decision
of the **General Shareholders Meeting**

VIGO, 27 - 28 JUNE 2018

PROPOSED RESOLUTION TO AGENDA ITEM 1

To review and, as the case may be, approve the Annual Financial Statements and Management Report of Pharma Mar, S.A. and its Consolidated Group for fiscal year 2017; the proposed allocation of earnings; and the management by the Board of Directors during said period.

1. 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 ending 31 December 2017, 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 for its Consolidated Group for the same period.

It is expressly stated that the aforementioned accounting documents have been audited by PRICEWATERHOUSECOOPERS Auditores S.L., and their report, together with all other documents forming part of the Annual Financial Statements, were made available at that time to the shareholders and have been delivered to the attendees at this General Meeting.

2. As regards allocation of earnings, approve the allocation of losses in the amount of ONE HUNDRED THIRTY SIX MILLION EIGHT HUNDRED FORTY THOUSAND FIVE HUNDRED AND NINETEEN EUROS AND NINETY-SEVEN CENTS (136.840.519,97 €) to increase the negative income statement balance from previous fiscal years.
3. Approve the management by the Board of Directors of Pharma Mar, S.A. for fiscal year 2017.

PROPOSED RESOLUTION TO AGENDA ITEM 2

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

Having ended: (i) the one-year period for which PRICEWATERHOUSE COOPERS Auditores S.L. was reappointed as the Company's Statutory Auditor, and (ii) the period of three years (the fiscal years ended on December 31, 2015, 2016 and 2017) for which PRICEWATERHOUSE COOPERS Auditores S.L. was appointed as the Company's Statutory Auditor for the Consolidated Group, to reappoint as Company's Statutory Auditor and for 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 with 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

Three.- Determination of the number of Directors. Appointment and re-election of members of the Board of Directors.

3.1. Determination of the number of Directors in ten.

3.2. Appointment as Director for the statutory period of four years of Mr. Valentín de Torres-Solanot del Pino, in the event that item 3.1 above is approved. Mr. Valentín de Torres-Solanot del Pino will have the category of Independent Director.

3.3. Re-election as Director for the statutory period of four years of Mr. José María Fernández Sousa-Faro, with the category of Executive Director.

3.4. Re-election as Director for the statutory period of four years of Mr. Pedro Fernández Puentes, with the category of Executive Director.

3.5. Re-election as Director for the statutory period of four years of Rosp Corunna Participaciones Empresariales, S.L., with the category of Proprietary Director.

3.6. Re-election as Director for the statutory period of four years of Ms. Ana Palacio Vallelersundi, with the category of Independent Director.

3.1. Determination of the number of Directors in ten.

To establish in ten (10) the effective number of members of the Board of Directors within the limit provided in article 32 of the Bylaws.

3.2. Appointment as Director for the statutory period of four years of Mr. Valentín de Torres-Solanot del Pino, in the event that item 3.1 above is approved. Mr. Valentín de Torres-Solanot del Pino will have the category of Independent Director.

To Appoint Mr. Valentín de Torres-Solanot del Pino as director of the Company for the statutory period of four (4) years, with the qualification of Independent Director, in the event that item 3.1 above of the agenda is approved.

The proposal for the appointment of Mr. Valentín de Torres-Solanot del Pino is submitted by the Board of Directors to the General Shareholders' Meeting following a proposal from the Appointments and Compensation Committee.

3.3. Re-election as Director for the statutory period of four years of Mr. José María Fernández Sousa-Faro, with the category of Executive Director.

To reappoint Mr. José María Fernández Sousa as director of the Company for the statutory period of four (4) years, with the qualification of Executive Director.

The proposal for the reappointment of Mr. José María Fernández Sousa-Faro is submitted by the Board of Directors to the General Shareholders' Meeting following a favorable report from the Appointments and Compensation Committee.

3.4. Re-election as Director for the statutory period of four years of Mr. Pedro Fernández Puentes, with the category of Executive Director.

To reappoint Mr. Pedro Fernández Puentes as director of the Company for the statutory period of four (4) years, with the qualification of Executive Director.

The proposal for the reappointment of Mr. Pedro Fernández Puentes is submitted by the Board of Directors to the General Shareholders' Meeting following a favorable report from the Appointments and Compensation Committee.

3.5. Re-election as Director for the statutory period of four years of Rosp Corunna Participaciones Empresariales, S.L., with the category of Proprietary Director.

To reappoint Rosp Corunna Participaciones Empresariales, S.L. (represented by Mr. José Leyte Verdejo) as director of the Company for the statutory period of four (4) years, with the qualification of Proprietary Director.

The proposal for the reappointment of Rosp Corunna Participaciones Empresariales, S.L. (represented by Mr. José Leyte Verdejo) is submitted by the Board of Directors to the General Shareholders' Meeting following a favorable report from the Appointments and Compensation Committee.

3.6. Re-election as Director for the statutory period of four years of Ms. Ana Palacio Vallelersundi, with the category of Independent Director.

To reappoint Ms. Ana Palacio Vallelersundi as director of the Company for the statutory period of four (4) years, with the qualification of Independent Director.

The proposal for the reappointment of Ms. Ana Palacio Vallelersundi is submitted by the Board of Directors to the General Shareholders' Meeting following a proposal from the Appointments and Compensation Committee.

PROPOSED RESOLUTION TO AGENDA ITEM 4

To authorize the Board of Directors, with express power of substitution, to buyback treasury stock either directly or through Group companies.

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, to acquire, during a period of five years from the date of this General Meeting, at any time and as many times as deemed appropriate and by any means permitted by law, the Company's shares 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.

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. Purchase price when for consideration

- (i) Maximum acquisition price: 10% of 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.

The Company's Board of Directors (and the boards of its subsidiaries) are authorized, 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 hereby expressly authorized that treasury stock acquired may be used in whole or in part towards (i) its disposal; (ii) delivery to employees, executives, directors (for the purposes provided in Article 146 of the Spanish Capital Corporations Law); and (iii) reinvestment plans for dividends or similar instruments.

Render void the unimplemented portion of Resolution Four of the General Shareholders Meeting held on 29 June 2017, also governing authorization to acquire treasury stock.

PROPOSED RESOLUTION TO AGENDA ITEM 5

To approve a Free of Charge Stock Ownership Plan for fiscal year 2019 aimed at officers and employees of the Group who, having an indefinite contract and receiving variable compensation, meet more than half of their targets set for fiscal year 2018, up to a total maximum limit of 500,000 shares of Pharma Mar, S.A., to be delivered in implementation of this Plan.

Approve a new Free of Charge Stock Ownership Plan (hereinafter, the "Plan") that will allow certain officers and employees of the Group to receive in fiscal year 2019, based on the extent to which 2018 targets are met, free shares of Pharma Mar, S.A. The Board of Directors is delegated to develop and implement the aforesaid Plan within the limits established in this resolution.

The Plan will have a dual objective: on the one hand, to reward employees and officers who had satisfactory performance in 2018 and, on the other hand, to stimulate employee loyalty and retention within the Group.

The Board of Directors will base the design and implementation of the Plan on the foundations established below.

1.- SUBJECTIVE SCOPE

The Plan will be directed at management teams and employees from the following Pharma Mar Group companies: Pharma Mar, S.A.; Xylazel, S.A.; Zelnova Zeltia, S.A.; Sylentis, S.A. Sociedad Unipersonal; Genomica, S.A. Sociedad Unipersonal; and Genomica AB, provided they meet all of the following criteria:

- 1.- Have an indefinite contract and have completed, as the case may be, their probationary period as of 31 December 2018. In the case of Xylazel, S.A. and Zelnova Zeltia, S.A., only those employees that belong to professional group 0 will be eligible as beneficiaries, as well as all other employees that, although not belonging to said professional group, are determined by the Board of Directors of said companies to be eligible. In the latter case, the Board may not designate more than twenty-five employees for each company (in addition to those belonging to professional group 0).
- 2.- Receive variable compensation in 2019 for meeting targets established for fiscal year 2018.
- 3.- Meet over 50% of the targets set by their Department Head or line manager for fiscal year 2018.

The Plan will apply both to current employees and officers that meet the eligibility conditions for being a beneficiary as well as to new staff that join the Group during the term of the Plan, provided the new staff member meets the three aforementioned conditions.

Under no circumstances shall the members of the Board of Directors of Pharma Mar, S.A. be eligible as beneficiaries, even if they hold executive positions in any Group companies.

2.- OBJECTIVE SCOPE

The Board of Directors shall decide on the number of shares to be received by each beneficiary based on the amount of variable compensation received in 2019 and the extent to which they met the targets established by their Department Head or line manager for 2018.

A maximum of 500,000 shares will be delivered in implementation of the Plan. The shares for the Plan shall come from treasury stock held by Pharma Mar, S.A. at the time the Plan is implemented.

3.- CONDITIONS

The Board of Directors shall seek to establish proper conditions to ensure that the Plan's purpose of increasing the loyalty of its beneficiaries is met, establishing the relevant periods necessary for guaranteeing the availability of the shares, as well as the consequences for breach by the beneficiary of the Plan terms, which may include the total or partial loss of the shares granted.

Furthermore, the Board may decide on those guarantees required to be granted by the beneficiaries over the shares granted in order to ensure compliance with the Plan.

The Board of Directors is also authorized to delegate the powers granted by this resolution to the Executive Committee or to any other director or individual as it deems appropriate, provided said powers are delegable under law.

This resolution was proposed by the Appointments and Compensation Committee and subsequently confirmed by the Board of Directors.

PROPOSED RESOLUTION TO AGENDA ITEM 6

To submit the Annual Report on Compensation of Directors of Pharma Mar, S.A. for fiscal year 2017 to an advisory vote (Art. 541.4 of the Spanish Capital Corporations Law).

Approve, on an advisory basis, the Annual Report on Compensation of Directors of Pharma Mar, S.A. for fiscal year 2017, 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 meeting notice was published. A copy of said text is attached to the minutes as a Schedule.

PROPOSED RESOLUTION TO AGENDA ITEM 7

To approve Pharma Mar, S.A.'s Directors' Compensation Policy for 2019-2021.

Approve, in accordance with Article 529 novodecies of the Spanish Capital Corporations Law, Pharma Mar, S.A.'s Directors' Compensation Policy for fiscal years 2019, 2020 and 2021, the contents of which have been made available to the shareholders as from the time the meeting notice for the General Meeting was published, together with the specific report of the Appointments and Compensation Committee, a copy of which is attached to the minutes as a Schedule.

PROPOSED RESOLUTION TO AGENDA ITEM 8

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. Sebastián Cuenca Miranda; 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 2019-2021

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 2019-2021, 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, any amendment of this policy during the aforementioned period shall require the additional approval of the General Shareholders Meeting in accordance with the law in force.

Pharma Mar's Directors' 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

Pharma Mar's Director 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 2019-2021 (paragraph 1, Art. 529 septdecies Spanish Capital Corporations Law)

Compensation components:

The Company's compensation policy for the 2019-2021 period 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 Directors, 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.

The annual amount received by any Director as an allowance for attending the meetings of the Board or of its Committees may under no circumstances exceed the amount of annual fixed compensation provided for membership on the Board of Directors.

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 for the 2019-2021 period 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.

4.- 2019-2021 compensation policy for directors performing executive duties (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 between Zeltia and Pharma Mar.

Fixed compensation of the Executive Chairman for 2019 will be the result of applying to the fixed compensation for 2018 (879.2 thousand euros) the potential increase of the Consumer Price Index for fiscal year 2018. In fiscal years 2020 and 2021 this amount is expected to be revised in accordance with the evolution of the Consumer Price Index for the preceding year (2019 and 2020, 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 2019 will be the result of applying to the fixed compensation for 2018 (261.6 thousand euros) the potential increase of the Consumer Price Index for fiscal year 2018. In fiscal years 2020 and 2021 this amount is expected to be revised in accordance with the evolution of the Consumer Price Index for the preceding year.

4.2. Short-Term Variable Compensation

Only the Executive Chairman shall receive short-term variable compensation in 2019, 2020 and 2021.

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.

In accordance with the provisions of said contract executed with the Executive Chairman, in 2019, as it has been happening since 2016, maximum short-term variable compensation for the Executive Chairman may be up to 30% of the fixed compensation established for 2019 (see 4.1.). In 2020 and 2021, maximum variable compensation will maintain the same potential maximum percentage of 30%, 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 2019, 2020 and 2021, 12% of the total variable compensation percentage (30%) will pertain to the tranche of quantitative indicators and 18% to the qualitative indicators.

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 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 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 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 for the 2019-2021 period 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 –which was approved by Zeltia's Board of Directors at its meeting on 26 February 2015, in which Pharma Mar succeeded Zeltia by order of law as a result of the takeover merger between the aforementioned companies– 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 overall 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 2019 shall be Euros 1,800,000 (paragraph 1, Art. 529 septdecies Spanish Capital Corporations Law). This maximum annual amount will also apply for fiscal years 2020 and 2021 as long as their 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 ten 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) a maximum attendance allowance per director for attending the meetings of the Board of Directors and of its Committees, for ten Directors.

The maximum attendance allowance amount was calculated taking into account that, in accordance with the Company's policy, attendance allowances received by the Directors for attending the meetings of the Board of Directors and of its Committees may under no circumstances exceed the amount established as fixed annual compensation for their membership on the Board of Directors.

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 1,800,000):

- (i) Fixed compensation for the Executive Chairman and the Executive Vice Chairman, described in section 4.1 above of this Policy and updated, as the case may be, in the Annual Report on Directors' Compensation.
- (ii) Short-term variable compensation for the Executive Chairman, described in section 4.2 above of this 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 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 Directors' Compensation.
- (iv) Other compensation, described in section 4.3 above of this Policy and whose specific annual compensation are described in the Annual Report on Directors' Compensation.
- (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 Policy may be paid.



6.- Compensation Policy Term

The Company shall apply this Directors' Compensation Policy for fiscal years 2019, 2020 and 2021. Any amendment or substitution of the policy during said term shall require the prior approval of the General Shareholders' Meeting in accordance with current laws in force.