

ORPHA **Z** YME

2020

Remuneration Report

TABLE OF CONTENTS

Introduction	2
1. The overall remuneration objective	3
2. Remuneration structure	3
3. Remuneration of the Board of Directors	4
3.1 Fixed annual fees	4
3.2 Share-based incentive program	4
3.3 Travel allowance and similar expenses	6
3.4 Extraordinary remuneration	6
3.5 Composition of the Board of Directors	6
3.6 Total remuneration of the Board of Directors	7
4. Remuneration of the Executive Management	8
4.1 Fixed base salary and pension contributions	8
4.2 Short-term cash incentive program	8
4.3 Share-based incentive programs	8
4.4 Shareholding requirements	10
4.5 Extraordinary incentives	10
4.6 Termination and severance payment	10
4.7 Total remuneration of the Executive Management	11
Executive Management Agreements	12
Long-term Incentive Programs	13

INTRODUCTION

This Remuneration Report provides an overview of the total remuneration received by each member of the Board of Directors (BoD) and of the Executive Management (ExM) of Orphazyme A/S (the Company), CVR no. 32266355, during the financial years ended December 31, 2020 and 2019.

This Report has been prepared in accordance with section 139b of the Danish Companies Act, section 4.2.3 in the Recommendations on Corporate Governance issued by the Danish Corporate Governance Committee and the draft

European Commission Guidelines on the standardized presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement.

The information included in this Report has been derived from the audited annual reports of the Company available on the Company's website.

All amounts are presented in DKK unless otherwise stated.

1. THE OVERALL REMUNERATION OBJECTIVE

The overall objective of the Remuneration Policy is to align and balance the interests of the Company's Board of Directors, the Executive Management, the Company itself and its shareholders, and to attract, motivate and retain qualified members of the Board of Directors and the Executive Management in order to support the achievement of strategic short-term and long-term goals of the Company as well as to promote value creation for the benefit of the shareholders.

The Board of Directors believes that the composition of remuneration supports both the short-term and long-term goals and sus-

tainability of the Company as well as the interests of the shareholders by ensuring that a part of the remuneration is variable and linked to strategic targets and the development of the Company's share price.

The Remuneration Policy aims to find the right balance between fixed and variable incentive-based remuneration and to reward Executive Management for both company and individual performance. The remuneration guidelines can be found at: <https://orp-hazyme.gcs-web.com/corporate-governance/governance-documents>.

2. REMUNERATION STRUCTURE

The current remuneration package for the Board of Directors and Executive

Management consists of the elements listed below:

REMUNERATION	BOD	EXM	MAXIMUM ALLOWABLE ACCORDING TO CURRENT REMUNERATION POLICY
Fixed base salary		●	Members of ExM shall receive an annual base salary
Pension contributions		●	Members of ExM may be entitled to pension contributions of up to 20% of the annual base salary
Short-Term Incentive Plan - cash bonus		●	Up to 100% of fixed base salary against defined objectives and targets
Long-Term Incentive Plan		●	Up to 250% of fixed base salary measured at the time of grant
Additional benefits		●	Insurance, mileage allowance, telephone, internet access, newspaper subscription, etc., comprising up to 15% of fixed base salary
Severance pay		●	Members of ExM are entitled to receive a severance payment with a value of up to one year's annual fixed base salary (two years for the CEO) if the dismissal is not due to circumstances of the Executive
Extraordinary remuneration		●	On a case by case basis, the Board of Directors may grant a member of the Executive Management a one-off cash- or share-based bonus. The Board of Directors may elect to grant such bonus in the form of sign-on fee, extraordinary bonus, or as a retention bonus
Fixed board fee	●		Members of the Board of Directors shall receive an annual base fee
Fee for participation in Board committees	●		Fee for participation in the Audit Committee, Remuneration Committee, and Nomination Committee
Ad hoc task fees	●		If a member of the Board of Directors takes on a specific ad hoc task for the Company outside the scope of ordinary tasks for the Board of Directors, such member may receive a fixed ad-hoc fee for the work carried out of up to 100% of the member's annual fee
Short Term Incentive Plan - RSUs	●		Up to 50% of fixed base fee including additional base fee to Chairman and Deputy Chairman, but excluding fees for committee participation
Travel allowance	●		BoD members receive a travel allowance per physical meeting attended

3. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board of Directors consists of fixed annual fees, a share-based incentive program, and a travel allowance.

3.1 FIXED ANNUAL FEES

Each member of the Board of Directors receives a fixed annual base fee. The Chairman and the Deputy Chairman may receive an additional fee of up to two times the fixed annual base fee for their extended duties.

Members of the Audit Committee, the Remuneration Committee, and the Nomination Committee receive a supplementary fee of up to one quarter of the fixed annual base fee, and the chairman of the Audit Committee, the Remuneration Committee, and the Nomination Committee will receive a supplementary fee of up to one half of the fixed annual base fee.

Remuneration of the Board of Directors is denominated in Euro. The following fixed annual fees were applicable in the period from January 1, 2019 to June 30, 2020. The DKK amounts are presented for convenience, translated from Euro using the year-end rate of EUR 7.4393/DKK:

3.2 SHARE-BASED INCENTIVE PROGRAM

The Board of Directors may be granted share-based incentives in the form of restricted share units, or RSUs. Each RSU grants the right to the participants to sub-

(EUR)	Chairman (EUR)	Deputy Chairman (EUR)	Member (base fee) (EUR)	Chairman (DKK)	Deputy Chairman (DKK)	Member (base fee) (DKK)
Board of Directors	24,900	12,450	31,500	185,239	92,619	234,338
Audit Committee	13,500	N/A	6,700	100,431	N/A	49,843
Remuneration Committee	9,000	N/A	4,700	66,954	N/A	34,965
Nomination Committee	6,500	N/A	3,100	48,355	N/A	23,062

The following fixed annual fees for 2020 were approved by the shareholders at the Extraordinary General Meeting on

September 21, 2020 with effect from July 1, 2020 and on a proportionate basis for the remainder of the financial year:

(EUR)	Chairman (EUR)	Deputy Chairman (EUR)	Member (base fee) (EUR)	Chairman (DKK)	Deputy Chairman (DKK)	Member (base fee) (DKK)
Board of Directors	45,555	14,318	36,225	338,897	106,516	269,489
Audit Committee	14,175	N/A	7,035	105,452	N/A	52,335
Remuneration Committee	9,450	N/A	4,935	70,301	N/A	36,713
Nomination Committee	6,825	N/A	3,255	50,773	N/A	24,215

scribe for or acquire one share in Orphazyme by payment of an exercise price following a vesting period, as described below. The RSUs will vest over a period from the date of grant and until the following annual general meeting and thus be vest over the one-year election period for the members of the Board of Directors. RSUs granted in 2019 may be exercised at a price equal to the volume-weighted average share price of Orphazyme shares as quoted on Nasdaq Copenhagen over a period of 10 trading days preceding the date of grant and may be exercised within a period of 12 months following the vesting

date. RSUs granted in 2020 may be exercised at a price equal to the volume-weighted average share price of our shares as quoted on Nasdaq Copenhagen over a period of 10 trading days preceding January 1, 2020 and may be exercised within a period of 12 months following vesting.

In general, according to the terms of the remuneration policy, the Board of Directors may at the time of grant decide to make the vesting or exercise of the RSUs conditional upon certain criteria, such as continued board membership. In particular, vesting of

the RSUs granted in 2020 was made conditional upon the continued membership on the board throughout the vesting period and any unvested RSUs held by a board member will lapse in case of resignation from the board, unless otherwise decided by the board of directors. A decision not to be re-elected at the general meeting is not considered resignation. To ensure the Board of Directors' independence and supervisory function, such conditions will not be related to performance criteria.

3. REMUNERATION OF THE BOARD OF DIRECTORS (CONTINUED)

Board members are eligible to receive one annual grant with a value corresponding to up to 50% of their fixed annual base fee, such base fee to include additional base fees for the Chairman and Deputy Chairman but excluding any additional fees for committee membership. The value of each RSU on the grant date has been estimated using a Black-Scholes model.

In August 2019, Restricted Share Units (2019 RSUs) were granted to members of the Board of Directors. Participants may annually be granted a number of RSUs with a value corresponding to up to 50% of the participant's fixed annual base fee as member of the Board of Directors, not including committee membership fees. The value is calculated on the basis of the volume-weighted average share price of Orphazyme's shares as quoted on Nasdaq Copenhagen during the ten trading days preceding the grant date. The 2019 RSUs vest from the grant date to the date of the next annual general meeting, being March 26, 2020. Upon vesting, RSUs may be exercised within a period of twelve months from vesting (Exercise Period) at a price corresponding to the volume-weighted average share price during the ten trading days preceding the grant date (Exercise Price). In the event of a participant's resignation from the Board of Directors, any unvested RSUs will lapse without any rights

of compensation. A decision not to be re-elected is not a resignation from the Board of Directors.

The RSUs are classified as a cash-settled program, as the Board of Directors may choose to settle any vested RSUs in cash. In such event, the cash settlement amount is based on the difference between the Exercise Price and the volume-weighted average share price as quoted on Nasdaq Copenhagen during the ten trading days preceding the first day of the Exercise Period.

In March 2020, the 2019 RSUs granted to the Board of Directors fully vested. During 2020 certain board members exercised their RSUs. The remaining RSUs expire in March 2021 if not exercised or paid out in cash. Also in March 2020, the 2020 RSU program was announced, granting the Board of Directors an aggregate of 15,177 RSUs under similar terms and conditions as the 2019 RSUs.

In September 2020, a new RSU incentive program was announced (2020-2 RSU program), which comprised 22,993 RSUs in total, including an on-boarding grant to a new board member in accordance with the Company's remuneration policy. The 2020-2 RSU program runs in parallel with the 2020 RSU program and board members can only exercise RSUs under one of the programs.

In December 2020, 4,351 RSUs were granted to the Chairman of the Board as part of a consultancy agreement for providing support to Orphazyme A/S during the interim period until a new CEO is hired, following the resignation of Kim Stratton, our former CEO, in December 2020.

Directors' holding of shares

	Number of shares owned Dec 31, 2020	Number of shares owned Dec 31, 2019	Number of unvested RSUs Dec 31, 2020	Number of unvested RSUs Dec 31, 2019
Georges Gemayel	100,809	97,358	4,351	3,451
Bo Jesper Hansen	143,234	100,545	2,689	2,689
Martijn Kleijwegt	-	-	1,927	1,927*
Martin Bonde	47,936	46,009	1,927	1,927
Rémi Droller	-	-	1,927	1,927*
Sten Verland	-	-	1,927	1,927
Anders Hedegaard	15,677	13,750	1,927	1,927
Catherine Moukheibir	7,980	7,980	1,927	1,927*
Carrolee Barlow	-	-	4,391	-

*Remain unexercised as of December 31, 2020

3. REMUNERATION OF THE BOARD OF DIRECTORS (CONTINUED)

3.3 TRAVEL ALLOWANCE AND SIMILAR EXPENSES

Members of the Board of Directors may receive a fixed travel allowance, as determined by the Board of Directors, per physical meeting attended. For 2019 and 2020, the travel allowance per physical meeting was EUR 2,000 for travels from the USA and EUR 1,500 for travels within Europe. In addition, directors are reimbursed for travel expenses such as transportation and accommodations. Travel allowances may not exceed a total annual value of 25% of the fixed annual base fee. Furthermore, the Company may cover or reimburse social security duties and similar taxes imposed by foreign public authorities in relation to board fees.

3.4 EXTRAORDINARY REMUNERATION

If a member of the Board of Directors takes on a specific ad hoc task for the Company outside the scope of ordinary tasks for the Board of Directors, such member may receive a fixed ad hoc fee for the work carried out. Any ad hoc tasks are subject to the prior or subsequent approval of the Board of Directors. An ad hoc fee may not exceed 100% of the annual fee. For the year ended December 31, 2020, Georges Gemayel, Bo Jesper Hansen, and Catherine Moukheibir received ad hoc fees in relation to their extraordinary assistance with the Company's US listing process in September 2020.

In addition, an ad-hoc fee was paid to the Chairman of the Board in connection with a consultancy agreement for support during the interim period until a new CEO is hired. As part of this agreement, Orphazyme paid the Chairman of the Board an up-front payment of EUR 88,605 (DKK 0.7 million) in December 2020. An additional payment of 100% of his aggregate annual board and committee fees is payable in June 2021.

3.5 COMPOSITION OF THE BOARD OF DIRECTORS

All members of the Board of Directors were re-elected at the Annual General Meeting on

March 26, 2020, except for Carrolee Barlow, who was first elected at the Extraordinary General Meeting on September 21, 2020.

COMPOSITION OF BOARD COMMITTEES			
Name	Audit	Remuneration	Nomination
Georges Gemayel			
Bo Jesper Hansen			
Catherine Moukheibir			
Anders Hedegaard			
Martijn Kleijwegt			
Martin Bonde			
Rémi Droller			
Sten Verland			
Carrolee Barlow			

 = Chairperson  = Member

3. REMUNERATION OF THE BOARD OF DIRECTORS (CONTINUED)

As of the date of this report, our Board of Directors is comprised of nine members elected at the general meeting, and consists of the Chairman, the Deputy Chairman, and seven board members. The following table presents an overview of the current composition of our Board of Directors:

BOARD OF DIRECTORS

<i>Name</i>	<i>Position</i>	<i>Independent</i>	<i>Year of first appointment</i>	<i>Expiration of term</i>
Georges Gemayel	Chairman	Independent	2012	2021
Bo Jesper Hansen	Deputy Chairman	Independent	2010	2021
Anders Hedegaard	Member	Independent	2017	2021
Catherine Moukheibir	Member	Independent	2017	2021
Martijn Kleijwegt	Member	Independent	2017	2021
Martin Bonde	Member	Independent	2010	2021
Rémi Droller	Member	Independent	2015	2021
Sten Verland	Member	Independent	2010	2021
Carrolee Barlow	Member	Independent	2020	2021

3.6 TOTAL REMUNERATION OF THE BOARD OF DIRECTORS

The following table shows the total remuneration to the Board of Directors per individual

board member for the years ended December 31, 2020 and 2019:

(DKK'000)	Board fee		Committee fee		Share-based compensation		Ad-hoc board fees		Travel allowance		Total remuneration	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Georges Gemayel	515	421	50	49	161	28	186	-	27	64	939	562
Bo Jesper Hansen	353	328	68	67	102	21	112	-	34	46	669	462
Martijn Kleijwegt	252	235	51	50	73	16	-	-	35	46	411	347
Martin Bonde	252	235	24	24	73	16	-	-	-	-	349	275
Rémi Droller	252	235	36	35	73	16	-	-	25	46	386	332
Sten Verland	252	235	75	74	73	16	-	-	1	-	401	325
Anders Hedegaard	252	235	36	35	73	16	-	-	14	46	375	332
Catherine Moukheibir	252	235	103	101	73	16	112	-	23	46	563	398
Carrolee Barlow	77	-	-	-	145	-	-	-	-	-	222	-
Total	2,457	2,159	443	435	847	145	410	-	159	294	4,315	3,033

4. REMUNERATION OF THE EXECUTIVE MANAGEMENT

Executive Management consists of the Company's Chief Executive Officer and Chief Financial Officer.

The remuneration to the Executive Management aims to attract, motivate, and retain competent members of the Executive Management. The remuneration composition seeks to align the interests of the members of the Executive Management with those of the Company's shareholders by linking a part of the remuneration to the development in the Company's share price. Further seeking to align the long-term development and sustainability of the Company with the interests of Executive Management, each member of Executive Management is required to build and maintain a shareholding in the Company.

The remuneration to the Executive Management consists of both fixed remuneration, including fixed salaries, pension contributions and benefits, and variable remuneration including short-term and long-term incentives, as determined by the Board of Directors.

4.1 FIXED BASE SALARY AND PENSION CONTRIBUTIONS

Members of the Executive Management receive an annual base salary that was determined based on a benchmark exercise for similar European and U.S.-based biotech and biopharmaceutical companies of comparable size and development stage. In

addition, members of the Executive Management may be entitled to pension contributions of up to 20% of the annual base salary.

4.2 SHORT-TERM CASH INCENTIVE PROGRAM

The members of the Executive Management are eligible to receive an annual performance-based cash bonus subject to certain predefined corporate and individual goals as determined by the Board of Directors on an annual basis. The cash bonus received under the short-term incentive program may not exceed 100% of the annual fixed salary of the participants. The members of our executive management are also eligible to receive an extraordinary bonus at the discretion of the Board of Directors.

4.3 SHARE-BASED INCENTIVE PROGRAMS

In connection with the completion of the Company's initial public offering (IPO) on Nasdaq Copenhagen in November 2017, the Executive Management and Key Employees were offered to subscribe for Offer Shares ("Investment Shares") at the Offer Price for a maximum amount corresponding to approximately 15% (CMO) and 20% (CEO, CFO, and CSO) of their respective current annual base salaries.

The participants in the 2017 LTIP may be allocated a number of shares in Orphazyme ("Performance Shares") at a price per

Performance Share of DKK 1 at the end of a vesting period of four years from Orphazyme's first day of trading and official listing on Nasdaq Copenhagen. The number of Performance Shares shall be proportional to the potential increase in the price of Orphazyme's shares at the time of exercise compared to the offer price. The potential increase in the price of Orphazyme's shares will be calculated as the volume-weighted average share price as quoted on Nasdaq Copenhagen during the 10 trading days preceding the vesting date. The maximum allocation of Performance Shares will be six shares for the CEO and four shares for the CFO multiplied by the number of Investment Shares subscribed for in connection with the IPO. Performance Shares will be allocated on a linear scale with maximum allocation triggered by an 80% increase in share price, whereas no Performance Shares will be allocated if the price of Orphazyme's shares has increased 20% or less at the end of the vesting period. Among other things, vesting is also subject to the participants having maintained ownership of their Investment Shares and continued employment. Based on the number of Investment Shares subscribed for, a total maximum of Performance Shares may be issued to the Executive Management at the end of the vesting period.

In addition, under the 2017 LTIP the Executive Management was issued shares in Orphazyme ("Matching Shares") at a price

per Matching Share of DKK 1 in connection with the first anniversary of the subscription date of the Investment Shares. The number of Matching Shares was equal to the number of Investment Shares subscribed for and vesting was subject to the Executive Management maintaining ownership of their Investment Shares and continued employment during the one-year vesting period. Based on the number of Investment Shares subscribed for by the Executive Management, a total of 9,000 Matching Shares fully vested at the end of the vesting period in November 2018. As of December 31, 2018, those Matching Shares had vested in full but had not yet been issued to the participants.

In July 2019, the Company initiated a 2019 long-term investment program (2019 LTIP) for the Executive Management and certain Key Employees with the same terms and conditions as the 2017 LTIP, i.e. Matching Shares vesting over one year and Performance Shares vesting over four years. In July 2020, 6,250 Matching Shares fully vested for the Executive Management and were issued against a nominal payment of DKK 1 per share. The maximum number of Performance Shares that can vest for the Executive Management in July 2023 as part of the 2019 LTIP is 25,000.

In December 2020, the Company initiated a 2020 long-term investment program (2020 LTIP) for the Executive Management and

4. REMUNERATION OF THE EXECUTIVE MANAGEMENT (CONTINUED)

certain Key Employees with similar terms and conditions as the 2017 LTIP and the 2019 LTIP. In addition, Executive Management was granted an extraordinary bonus following our US listing, whereby the CEO was granted 8,192 Matching Shares and the CFO was granted 5,399 Matching Shares, and Performance Shares with a multiplier of 6 and 4, respectively. As a result, an aggregate of 52,865 Matching Shares were granted to the Executive Management under the 2020 LTIP, which will fully vest in

January 2021. The maximum number of Performance Shares that can vest for the Executive Management in January 2024 as part of the 2020 LTIP is 123,200.

For the year ended December 31, 2020, DKK 17.9 million (2019: DKK 2.1 million) was recognized as compensation expense related to the LTIP awards. Of the total expense, DKK 8.2 million (2019: DKK 0.7 million) is attributed to the Executive Management.

LTIP Programs of Executive Management

Name and position	Program/Tranche	Performance Period	Grant Date	Vesting date	Value of award at Grant Date	Max no. of shares	Value at time of vesting
Kim Stratton, Chief Executive Officer	2020 LTIP/Matching Shares	Jan 2020 - Dec 2020	Aug 2020	Jan 2021	3,003,943	35,304	2,344,186
	2020/Performance Shares	Jan 2020 - Dec 2023	Aug 2020	Jan 2024	10,9073,67	211,824*	-
Anders Fink Vadsholt, Chief Financial Officer	2017 LTIP/Matching Shares	Nov 2017 - Nov 2018	Nov 2020	Nov 2018	315,973	4,000	462,000**
	2017 LTIP/Performance Shares	Nov 2017 - Nov 2021	Nov 2020	Nov 2021	626,111	16,000	-
	2019 LTIP/Matching Shares	Jul 2019 - Jul 2020	Jul 2019	Jul 2020	384,950	6,250	590,000
	2019 LTIP/Performance Shares	Jul 2019 - Jul 223	Jul 2019	Jul 2023	857,844	25,000	-
	2020 LTIP/Matching Shares	Jan 2020 - Dec 2020	Aug 2020	Jan 2021	1,465,628	17,561	1,166,050
	2020 LTIP/Performance share	Jan 2020 - Dec 2023	Aug 2020	Jan 2024	3,507,767	70,244	-

* Reduced to 52,956 following Ms. Stratton's resignation

** Value at time of issuance, March 2019

4. REMUNERATION OF THE EXECUTIVE MANAGEMENT (CONTINUED)

4.4 SHAREHOLDING REQUIREMENTS

The Executive Management are at all times required to hold a minimum amount of Orphazyme shares with a value equal to

their respective annual fixed salaries at the time of acquisition of the shares. The required shareholding may be built up over a specified period.

Executive Management's holding of shares

	Number of shares owned 2020	Number of shares owned 2019
Kim Stratton	50,600	-
Anders Vadsholt	143,156	132,595
Anders Hinsby	-	209,596

4.5 EXTRAORDINARY INCENTIVES

In July 2019, Orphazyme announced that the Board of Directors appointed Kim Stratton as the new Chief Executive Officer, succeeding Anders Hinsby on October 1, 2019.

Ms. Stratton received a sign-on bonus in the amount of DKK 675,000 to be invested in the acquisition of shares ("Investment Shares") acquired through the public markets. Pursuant to this grant, Ms. Stratton was eligible to receive up to 58,000 shares, provided that the share price increased to 125 DKK per share within three years from the date of employment, consisting of (i) 6,000 shares, provided that our share price increased to 75 DKK per share, (ii) 12,000 shares, provided that our share price increased to 100 DKK per share, and (iii) 40,000 shares, provided that our share price increased to 125 DKK per share. These targets have been reached and Ms. Stratton received the 58,000 shares subsequent to December 31, 2020.

4.6 TERMINATION AND SEVERANCE PAYMENT

In the event Orphazyme terminates the service agreement with the Chief Executive Officer without cause, Orphazyme is obliged to pay the Chief Executive Officer two times the annual fixed salary as severance payment at the time of the last salary payment. In the event Orphazyme terminates the service agreement with the Chief Financial Officer without cause, Orphazyme is obliged to pay the Chief Financial Officer one year's annual fixed salary as severance payment.

In December 2020, Ms. Stratton resigned from her position as CEO. As part of the separation agreement, Ms. Stratton will continue to receive her monthly base salary during 2021 and in December 2021 she will receive severance pay equal to one year's base salary. Subsequent to December 31, 2020, Ms. Stratton received 35,304 Matching Shares as part of the 2020 LTIP program and in January 2024 is eligible to receive a maximum of 52,956 Performance Shares, provided that Orphazyme's share price increases between 20-80% per the terms and conditions of the LTIP program.

4. REMUNERATION OF THE EXECUTIVE MANAGEMENT (CONTINUED)

4.7 TOTAL REMUNERATION OF THE EXECUTIVE MANAGEMENT

The following table presents remuneration to the Executive Management for the years ended December 31, 2020 and 2019.

Remuneration to our executive management includes remuneration to Kim Stratton for the period from October 1, 2019 to December 31, 2020, to Anders Vadsholt for the period from January 1, 2019 to

December 31, 2020 and to Anders Hinsby for the period from January 1, 2019 to December 31, 2019.

(DKK'000)	Fixed salary		Cash bonus		Sign-on bonus		Share-based compensation		Other benefits		Total remuneration	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Kim Stratton (CEO)	11,001	962	3,500	350	-	675	7,359	-	2,541	215	24,402	2,202
Anders Vadsholt (CFO)	2,324	1,803	2,491	1,250	-	-	2,805	406	983	260	8,603	3,719
Anders Hinsby (former CEO)	-	2,424	-	1,038	-	-	-	294	-	270	-	4,026
Total	13,325	5,189	5,991	2,638	-	675	10,164	700	3,524	745	33,005	9,947

In 2020, average remuneration for the Company's non-executive employees were TDKK 1,607 (2019: TDKK 1,072).

EXECUTIVE MANAGEMENT AGREEMENTS

Kim Stratton

We entered into a service agreement with Kim Stratton in July 2019 with an effective date of October 1, 2019. Pursuant to the service agreement, Ms. Stratton is entitled to (i) an annual base salary of DKK 3.5 million, which is subject to review on an annual basis, (ii) a sign-on bonus of DKK 675,000 and (iii) standard benefits (such as a mileage allowance, insurance coverage and a company-paid computer). Ms. Stratton is also eligible to participate in our incentive schemes, including for an annual maximum cash bonus of 50% of her annual gross salary. In addition, under the LTIP, Ms. Stratton is eligible to purchase Investment Shares (as defined below) for a total amount of up to 25% of Ms. Stratton's annual gross salary and, subject to the LTIP, is eligible to receive one Matching Share (as defined below) per Investment Share. Additionally, subject to the terms of the LTIP, Ms. Stratton will be eligible to receive six Performance Shares (as defined below) per Investment Share, provided that our share price increased between 20-80%. For further details on the terms and conditions of the LTIP, see "—Equity Incentive Plans—Long-term Incentive Programs."

Ms. Stratton also received an additional sign-on bonus in the form of a special CEO share grant. As a prerequisite to such bonus, Ms. Stratton was required to invest DKK 675,000 in shares to be acquired through the public markets. Pursuant to this grant, Ms. Stratton was eligible to receive up to 58,000 shares, provided that our share price increased to 125 DKK per share within three years from the date of employment, consisting of (i) 6,000 shares, provided that our share price increased to 75 DKK per share, (ii) 12,000 shares, provided that our share price increased to 100 DKK per share, and (iii) 40,000 shares, provided that our share price increased to 125 DKK per share.

As stated above, Ms. Stratton resigned from her position as CEO in December 2020. As part of the separation agreement, Ms. Stratton will continue to receive her monthly base salary during 2021 and in December 2021 she will receive severance pay equal to one year's base salary. Subsequent to December 31, 2020, Ms. Stratton received 35,304 Matching Shares as part of the 2020 LTIP program and in January 2024 is eligible to receive a maximum of 52,956 Performance Shares, pro-

vided that Orphazyme's share price increases between 20-80% per the terms and conditions of the LTIP program.

Anders Vadsholt

We entered into a service agreement with Anders Vadsholt in October 2017 with an effective date of November 1, 2017, which was later amended to adjust for, among other things, annual salary increases. Pursuant to the service agreement, as amended, Mr. Vadsholt is entitled to (i) an annual base salary of approximately DKK 2.3 million, (ii) participate in our incentive schemes and (iii) standard benefits (such as a mileage allowance, insurance coverage and a company-paid computer).

Mr. Vadsholt may terminate his employment with us by giving six months' notice and we can terminate his employment with us by giving 12 months' notice.

The service agreement with Mr. Vadsholt provides for the payment of a takeover retention bonus equaling 12 months' base salary if Mr. Vadsholt is still employed by us and not under notice on the first anniversary of completion of certain transactions

resulting in a change of control. Mr. Vadsholt will still be entitled to this bonus if he is under notice on the first anniversary if we terminate his employment without a reasonably justifiable cause or if he gives the notice due to a gross breach by us. The service agreement with Mr. Vadsholt also provides for the payment of post-employment compensation to his dependents in the event of his death.

Mr. Vadsholt is subject to a non-competition clause and a non-solicitation of customers clause applicable during his employment and for a period of 12 months following expiry of his employment. Mr. Vadsholt is entitled to separate compensation under his non-competition and non-solicitation clauses. Pursuant to mandatory Danish law, Mr. Vadsholt's non-competition clause lapses if his employment is terminated by the Company for a reason that is not attributable to him.

LONG-TERM INCENTIVE PROGRAMS

The Orphazyme A/S long-term incentive program, or LTIP, was initially established in connection with our admission to trading and official listing on Nasdaq Copenhagen. The LTIP is a matching share and performance share program under which the executive management and certain other key employees may be offered to acquire or subscribe for our shares, or the Investment Shares. Our board of directors may decide to offer other of our current or new employees to participate in the LTIP.

Under the LTIP, the participants may be allocated a number of our shares, or the Performance Shares, at a price per Performance Share equal to the par value of our shares at the end of a vesting period covering at least three financial years. The number of Performance Shares shall be proportional to the potential increase in share price at the time of vesting compared to a reference date to be determined by the board of directors. The potential increase in share price will be calculated as the volume weighted average share price as quoted on Nasdaq Copenhagen during the 10 trading

days preceding the relevant vesting date and a reference date to be determined by the board of directors. Performance Shares will be allocated on a linear scale with maximum allocation triggered by an 80% increase in share price at the time of vesting, whereas no Performance Shares will be allocated, if the share price has increased 20% or less at the time of vesting. Additionally, vesting is inter alia subject to the participants having maintained ownership of their Investment Shares (as outlined in individual grant letters) and continued employment at the time of vesting. The maximum allocation of Performance Shares will be up to six times the number of Investment Shares subscribed for or held by the participants. The value of Performance Shares shall be calculated using a recognized valuation model as determined by the board of directors. The value shall not exceed 100% of the member of the executive management's annual fixed salary at the time of grant.

In order to also promote a short-term share-based incentive for the participants to retain

their employment with the company, they may be allocated a number of company shares, or Matching Shares, at a price per Matching Share of DKK 1 with a vesting period shorter than two years to be determined by the board of directors. The number of Matching Shares shall at least be equal to the number of Investment Shares subscribed for or held at the time of grant as determined by the board of directors and vesting will be subject to the participants having maintained ownership of their Investment Shares and continued employment at the time of vesting. The value of Matching Shares shall be calculated using a recognized valuation model as determined by our board of directors. The value may not exceed 50% of the executive management's annual fixed salary at the time of grant.

The Matching Shares and Performance Shares may vest on an accelerated basis in connection with a public takeover bid for our shares (subject to the vesting conditions of the LTIP being satisfied at such time). Furthermore, our board of directors may in its sole discretion decide to accelerate vest-

ing under other special circumstances, e.g. in connection with a merger, demerger or delisting. The number of Matching Shares and Performance Shares may be adjusted in connection with certain changes to our capital structure which may have unintended effects on the value of the Matching Shares or Performance Shares, e.g. capital increases below market value (subject to certain exceptions, including capital increases made in connection with share-based incentive programs).

Incentives granted under a share-based incentive program are subject to recovery or "claw-back" in case they have been granted, vested or exercised on a basis subsequently substantiated as being incorrect.

Our obligation to deliver Matching Shares and Performance Shares under the LTIP may be covered by a variety of means, including shares held in treasury by us accumulated through share buy-backs or directed issues of shares and/or bonus shares.

Orphazyme A/S
(CVR: 32266355)
Ole Maaløes Vej 3
DK-2200 Copenhagen N