

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.