

## COMPENSATION POLICY

### INFLARX N.V.

#### Article 1. INTRODUCTION

- 1.1. This document sets out the Company's policy concerning the compensation of the Directors.
- 1.2. This policy is complementary to, and subject to, applicable laws and regulations.
- 1.3. This policy shall be posted on the Website.

#### Article 2. DEFINITIONS AND INTERPRETATION

- 2.1. In this policy the following definitions shall apply:

<b>Article</b>	An article of this policy.
<b>Board of Directors</b>	The Company's board of directors.
<b>Company</b>	InflaRx N.V.
<b>Compensation Committee</b>	The compensation committee established by the Board of Directors.
<b>Director</b>	A member of the Board of Directors.
<b>Executive Director</b>	An executive Director.
<b>General Meeting</b>	The Company's general meeting of shareholders.
<b>Non-Executive Director</b>	A non-executive Director.
<b>Website</b>	The Company's website.

- 2.2. Terms that are defined in the singular have a corresponding meaning in the plural.
- 2.3. Words denoting a gender include each other gender.

#### Article 3. GENERAL

- 3.1. The compensation structure for the Directors should:
  - (a) attract, retain, motivate and fairly and appropriately compensate qualified Directors with the leadership qualities, skills and experience needed to support and promote the growth and sustainable success of the Company and its business;
  - (b) drive strong business performance, promote accountability and incentivise Directors to achieve short and long-term performance targets with the objective of increasing the Company's equity value and contributing to the Company's strategy for long-term value creation;

- (c) assure that the interests of the Directors are closely aligned to those of the Company, its business and its stakeholders; and
  - (d) ensure the overall market competitiveness and comparability to peer groups of the compensation packages which may be granted to the Directors, while providing the Board of Directors sufficient flexibility to tailor the Company's compensation practices on a case-by-case basis, depending on the market conditions from time to time.
- 3.2. The compensation of the Non-Executive Directors should reflect the time spent and the responsibilities of their role on the Board of Directors.
- 3.3. The compensation of the Directors shall be determined by the Board of Directors, at the proposal of the Compensation Committee. The Executive Directors shall not participate in the decision-making concerning the determination of the compensation of Executive Directors. The Non-Executive Directors shall determine the level and structure of the compensation of the Directors by reference to the scenario analyses carried out in advance.
- 3.4. The Compensation Committee shall prepare its proposals relating to the compensation of Directors in accordance with this policy and any such proposal shall cover the compensation structure, the amount of the fixed and variable compensation components, the performance criteria used, the scenario analyses that have been carried out and the pay ratios within the Company and its business. When making a proposal relating to the compensation of a Director, the Compensation Committee shall take note of the views of such Director with regard to the amount and structure of his compensation.
- 3.5. In determining the level and structure of the compensation of the Directors, the Board of Directors:
- (a) shall take into account, among other things, the results performance, the share price performance and non-financial indicators relevant to the Company's long-term objectives, all with due observance of the risks for the Company's business which may result from variable compensation; and
  - (b) may take into account market information such as industry standards and peer group data, pre-existing arrangements with the Directors, the respective positions and level of responsibility which the Directors take on within the Company's organisation and any compensation payable by the Company or any of its subsidiaries to the Directors in any other capacity.

#### **Article 4. COMPOSITION OF COMPENSATION**

- 4.1. The compensation package of the Directors may consist of a mix between fixed and variable compensation components, including:
- (a) fixed salary;
  - (b) variable compensation in the form of bonuses, profit sharing arrangements and other cash and/or equity incentives;
  - (c) pension;

- (d) allowances and benefits; and
  - (e) severance payment.
- 4.2. The Board of Directors may include such other components in a Director's compensation package as the Board of Directors deems appropriate, with due observance of this policy.

**Article 5. FIXED SALARY**

- 5.1. The annual fixed salary of a Director shall be determined on the basis of (and shall be subject to annual review by the Board of Directors in light of) such Director's performance, his position and level of responsibility within the Company's organisation, the Company's performance and/or such other factors as the Board of Directors deems appropriate.
- 5.2. Article 5.1 applies mutatis mutandis to any deferred salary that may be awarded to a Director by the Board of Directors.
- 5.3. If deemed appropriate, the Board of Directors may increase or decrease a Director's annual fixed salary from time to time, subject to the terms of any contractual arrangements with the Director concerned.

**Article 6. VARIABLE COMPENSATION**

- 6.1. The Board of Directors may decide that Directors shall be eligible for bonuses and profit sharing arrangements as part of their variable compensation, based on such financial and/or non-financial metrics as may be established, or amended (subject to the terms of any contractual arrangements with the Director concerned), by the Board of Directors from time to time.
- 6.2. Without prejudice to Article 6.1, the Board of Directors may decide that Directors shall be eligible for such other short and/or long-term cash and/or equity incentive awards that are intended:
- (a) to provide award opportunities in consideration for substantial contributions to the success of the Company and its business; and/or
  - (b) to promote and incentivise the continued service of the Directors within the Company's organisation.
- 6.3. With respect to all variable incentive awards, subject to the terms of any contractual arrangements with the Directors, the Board of Directors shall:
- (a) set and, if appropriate, amend the applicable targets, objectives and/or conditions, and their respective weighting;
  - (b) set and, if appropriate, amend the maximum amount for any cash incentive and the maximum number of securities for any equity incentive which may be awarded to individual Directors; and
  - (c) determine the extent to which the applicable targets, objectives and/or conditions are attained and incentive awards vest.

- 6.4. The mix of short and long-term incentive awards should be intended to support both long-term value creation and the achievement of short-term Company objectives.
- 6.5. The Board of Directors may award bonuses, profit sharing arrangements and other cash and/or equity incentives to a Director for specific transactions or other achievements that the Board of Directors deems exceptional in terms of strategic importance and effect on the Company's results.
- 6.6. The Board of Directors may adjust the amount of a bonus awarded to a Director to a suitable level, if payment of the bonus would be unacceptable under the standards of reasonableness and fairness.
- 6.7. The Company may demand repayment of a bonus, in whole or in part, to the extent that such bonus was paid on the basis of incorrect information regarding the achievement of the targets underlying the bonus or regarding the circumstances on which the bonus was dependent. The Non-Executive Directors, or a special representative designated by the General Meeting, may demand such repayment on the Company's behalf.

#### **Article 7. SHARES AND OPTIONS**

- 7.1. The Board of Directors from time to time may grant equity compensation awards to Directors. Options granted to a Director as part of his compensation shall not be exercised during the first three years after having been granted. Any shares granted to a Director as part of his compensation shall be retained for a period of at least five years.
- 7.2. The number of options or shares to be granted to a Director as part of his compensation shall be dependent on the direct involvement, the responsibility taken on within and the achievement of challenging and predetermined targets.
- 7.3. Shares awarded to Non-Executive Directors as part of their compensation should be clearly justified by their visible role for the achievement of company goals and should be structured and viewed as long-term investments.

#### **Article 8. ALLOWANCES AND BENEFITS**

- 8.1. The Directors may be eligible for allowances and/or benefits in kind as determined by the Board of Directors from time to time.
- 8.2. The allowances and benefits referred to in Article 8.1 may:
  - (a) comprise elements based on general local practice, including the use of a company cell-phone and/or company car, social security contributions, contributions to healthcare costs and annual cost allowances; and
  - (b) relate to specific circumstances, including costs relating to relocation, housing, accident and health insurance, education and travel.

#### **Article 9. NO LOANS AND GUARANTEES**

The Company shall not grant its Directors any personal loans, guarantees or similar benefits.

**Article 10. AMENDMENTS**

Pursuant to a resolution to that effect, the General Meeting may amend or supplement this policy.

**Article 11. GOVERNING LAW AND JURISDICTION**

This policy shall be governed by and shall be construed in accordance with the laws of the Netherlands. Any dispute arising in connection with this policy shall be submitted to the exclusive jurisdiction of the competent court in Amsterdam.