

**Protokoll fört vid extra bolagsstämma  
med aktieägarna i Swedish Orphan  
Biovitrum AB (publ), org.nr 556038-  
9321, den 24 augusti 2011 i Stockholm,  
med början kl. 16.00**

*Minutes kept at the extraordinary general meeting  
of Swedish Orphan Biovitrum AB (publ), Reg. No.  
556038-9321, held on August 24, 2011 in  
Stockholm, commencing at 4.00 p.m.*

### **1. Stämmans öppnande / Opening of the meeting**

Öppnades stämman av styrelsens ordförande Bo Jesper Hansen som även presenterade de styrelseledamöter, den nyligen tillträdde verkställande direktören, personer från företagsledningen samt bolagets revisor som var närvarande vid stämman.

*The extraordinary general meeting was declared open by the chairman of the board of directors, Bo Jesper Hansen, who also presented the board members, the new CEO, persons from management and the company's auditor that were present at the meeting.*

### **2. Val av ordförande vid stämman / Election of the chairman of the meeting**

Utsågs Klaes Edhall från Mannheimer Swartling Advokatbyrå till ordförande vid stämman.

*Klaes Edhall from Mannheimer Swartling Advokatbyrå was elected chairman of the general meeting.*

Det antecknades att styrelsen uppdragit åt bolagets chefsjurist Fredrik Berg att föra protokollet vid stämman.

*It was noted that the company's general counsel, Fredrik Berg, had been instructed by the board of directors to keep the minutes at the general meeting.*

Godkändes att vissa gäster, däribland anställda vid bolaget, skulle få närvara vid stämman.

*It was approved that certain guests, including employees of the company, should be allowed to attend the general meeting.*

### **3. Upprättande och godkännande av röstlängd / Preparation and approval of the voting list**

Upprättades och framlades för godkännande förteckning enligt Bilaga 1 över närvarande aktieägare, ombud och biträden.

*A list of shareholders, proxies and advisors present at the meeting was drawn up and presented for approval at the meeting in accordance with Appendix 1.*

Godkändes förteckningen enligt Bilaga 1 som röstlängd.

*The list, Appendix 1, was approved to serve as voting list for the general meeting.*

Informerade ordföranden att ett av de ombud som företrädde utländska aktieägare meddelat att några av dennes uppdragsgivare instruerat ombudet att avseende vissa av dagordningens punkter rösta nej, att det sammanlagda röstetalet av dessa inte i något

ärende i sig kunde påverka den erforderliga majoriteten samt att, när ordföranden efterhörde huruvida han kunde anteckna att ett beslut fattats enhälligt, han därmed avsåg enhällighet med bortseende från dessa nej-röster.

*The chairman informed the meeting that one of the representatives of non-Swedish shareholders had announced that a number of his clients had instructed the representative to vote against certain items on the agenda, that the total number of such votes as such would not in any case affect the required majority and, when the chairman would ask whether or not he could note that a resolution had been adopted unanimously, he thus intended unanimously apart from such votes.*

#### **4. Godkännande av dagordning / Approval of the agenda**

Godkändes den i kallelsen intagna dagordningen som dagordning för stämman.

*The agenda presented in the notice of the general meeting was approved to serve as the agenda for the general meeting.*

#### **5. Val av en eller flera justeringsmän / Election of one or two persons to verify the minutes**

Beslutades att dagens protokoll skulle justeras av, jämte ordföranden, Niklas Haak representerande ett antal utländska institutionella aktieägare och Stig Sandström representerande Sveriges Aktiesparares Riksförbund.

*It was resolved that the minutes of the general meeting should be verified by Niklas Haak, representing a number of non-Swedish institutional shareholders and by Stig Sandström, representing the Swedish Shareholders' Association, together with the chairman.*

#### **6. Prövning av om stämman blivit behörigen sammankallad / Determination of whether the meeting had been duly convened**

Redogjordes för att kallelse till stämman skett genom annons i Post- och Inrikes Tidningar och på bolagets webbplats den 21 juli 2011, samt att annons om att kallelse skett samtidigt publicerades i Svenska Dagbladet.

*It was informed that the notice of the general meeting had been published in Post- och Inrikes Tidningar (the Swedish National Gazette) and on the company's web page on July 21, 2011, and that it was announced at the same time in Svenska Dagbladet that a notice to the general meeting had been made.*

Konstaterades att stämman var i behörig ordning sammankallad.

*It was established that the general meeting had been duly convened.*

#### **7. Beslut om prestationsbaserat, långsiktigt aktieprogram för verkställande direktören / Resolution regarding a performance based, long-term share program for the CEO**

Redogjorde Bo Jesper Hansen för det huvudsakliga innehållet i styrelsens förslag till beslut om prestationsbaserat, långsiktigt aktieprogram för verkställande direktören. Konstaterades att det fullständiga förslaget fanns tillgängligt på stämman, under mer än tre veckor funnits tillgängligt på bolagets kontor och på bolagets hemsida, skickats till de aktieägare som anmält sig till stämman samt intagits i kallelsen. Aktieägarna gavs tillfälle att ställa frågor med anledning av förslaget, vilka besvarades av Bo Jesper Hansen.

*The principal content of the board of directors' proposal regarding a performance based, long-term share program*



for the CEO was presented by Bo Jesper Hansen. It was established that the complete proposal was available at the general meeting, had been held available at the company's office and on the company's web site during more than three weeks, had been sent to the shareholders who had notified the company of their intent to attend the general meeting and had been included in the notice to the general meeting. The shareholders were given the possibility to ask questions regarding the proposal, which were answered by Bo Jesper Hansen.

Beslöts om ett prestationsbaserat, långsiktigt aktieprogram för verkställande direktören i enlighet med styrelsens förslag, Bilaga 2. Noterades att Sveriges Aktiesparares Riksförbund (representerande 37 aktier och röster) reserverade sig mot beslutet.

*It was resolved on a performance based, long-term share program for the CEO in accordance with the proposal of the board of directors, Appendix 2. It was noted that the Swedish Shareholders' Association (representing 37 shares and votes), opposed the resolution.*

**8. Beslut om (a) bemyndigande att emittera C-aktier, (b) bemyndigande att återköpa C-aktier och (c) överlåtelse av egna aktier enligt VD:s Aktieprogram 2011 / Resolution on (a) an authorization to issue series C shares, (b) an authorization to repurchase series C shares, and (c) the transfer of own shares under the CEO Share Program 2011**

Redogjorde Bo Jesper Hansen för det huvudsakliga innehållet i styrelsens förslag till beslut om bemyndigande att emittera C-aktier, bemyndigande att återköpa C-aktier och om överlåtelse av egna aktier. Konstaterades att det fullständiga förslaget fanns tillgängligt på stämman, under mer än tre veckor funnits tillgängligt på bolagets kontor och på bolagets hemsida, skickats till de aktieägare som anmält sig till stämman samt intagits i kallelsen. Aktieägarna gavs tillfälle att ställa frågor med anledning av förslaget, vilka besvarades av Bo Jesper Hansen.

*The principal content of the board of directors' proposal regarding resolutions on an authorization to issue series C shares, an authorization to repurchase series C shares, and on the transfer of own shares was presented by Bo Jesper Hansen. It was established that the complete proposal was available at the general meeting, had been held available at the company's office and on the company's web site during more than three weeks, had been sent to the shareholders who had notified the company of their intent to attend the general meeting and had been included in the notice to the general meeting. The shareholders were given the possibility to ask questions regarding the proposal, which were answered by Bo Jesper Hansen.*

Beslöts om bemyndigande att emittera C-aktier, bemyndigande att återköpa C-aktier och om överlåtelse av egna aktier enligt VD:s Aktieprogram 2011 i enlighet med styrelsens förslag, Bilaga 3. Noterades att Sveriges Aktiesparares Riksförbund (representerande 37 aktier och röster) reserverade sig mot beslutet. Konstaterades att förslaget därmed biträtts av aktieägare representerande cirka 99,9% procent av samtliga på stämman avgivna röster och företrädde aktier.

*It was resolved on an authorization to issue series C shares, an authorization to repurchase series C shares and on the transfer of own shares under the CEO Share Program 2011, Appendix 3. It was noted that the Swedish Shareholders' Association (representing 37 shares and votes), opposed the resolution. It was established that the proposal was approved by shareholders representing approximately 99.9 per cent of the votes cast and shares represented at the general meeting.*

**9. Beslut om riktlinjer för ersättning till ledande befattningshavare / Resolution regarding guidelines for remuneration for the management**

Redogjorde Bo Jesper Hansen för det huvudsakliga innehållet i styrelsens förslag om reviderade riktlinjer för ersättning till ledande befattningshavare. Konstaterades att det fullständiga förslaget fanns tillgängligt på stämman och under mer än tre veckor funnits

tillgängligt på bolagets kontor och på bolagets hemsida, skickats till de aktieägare som anmält sig till stämman samt intagits i kallelsen. Aktieägarna gavs tillfälle att ställa frågor med anledning av förslaget, vilka besvarades av Bo Jesper Hansen.

*The principal content of the board of directors' proposal regarding amended guidelines for remuneration for the management was presented by Bo Jesper Hansen. It was established that the complete proposal was available at the general meeting and had been held available at the company's office and on the company's web site during more than three weeks, had been sent to the shareholders who had notified the company of their intent to attend the meeting and had been included in the notice to the general meeting. The shareholders were given the possibility to ask questions regarding the proposal, which were answered by Bo Jesper Hansen.*

Beslöts att anta riktlinjer för ersättning till ledande befattningshavare i enlighet med styrelsens förslag, Bilaga 4. Noterades att Sveriges Aktiesparares Riksförbund (representerande 37 aktier och röster), i enlighet med dess ägarstyrningspolicy, reserverade sig mot beslutet då detta innefattade rörlig lön till verkställande direktören.

*It was resolved to approve the guidelines for remuneration for the management in accordance with the proposal of the board of directors, Appendix 4. It was noted that the Swedish Shareholders' Association (representing 37 shares and votes), with reference to its corporate governance policy, opposed the resolution as it included variable remuneration to the CEO.*

## 10. Stämmans avslutande / Closing of the meeting

Förklarades stämman avslutad.

*The general meeting was declared closed.*

Vid protokollet / Minutes kept by

Fredrik Berg

Justeras / Approved

Klaes Edhall

Niklas Haak

Stig Sandström

## **The board of directors' proposal regarding a performance based, long-term share program for the CEO (the "CEO Share Program 2011")**

---

Swedish Orphan Biovitrum's annual general meeting 2011 approved a performance based, long-term share program for 2011 (the "Share Program 2011"), in which a group of up to 80 managers and key employees will be offered to participate.

In June 2011, the company recruited a new CEO. In addition to the CEO's participation in the Share Program 2011 (and similar future share programs, if any), the new CEO is willing to make a more significant one-time investment in the Swedish Orphan Biovitrum share, as part of a performance based, long-term share program. The board of directors is of the opinion that such investment indicates a firm commitment by the CEO as regards his efforts to improve the company's results, profitability and value growth. The board of directors further believes that it is in the best interest of the company's shareholders that the CEO's interests and perspectives are aligned with those of the shareholders to an even larger extent than foreseen by the existing Share Program 2011.

The board of directors considers that the proposal for the CEO Share Program 2011 is well balanced and will constitute a suitable element in the compensation package provided by the company to the CEO.

In brief, the proposal for the CEO Share Program 2011 is based on an own investment in shares in the market, to be held during a three-year period, and the allotment of performance shares free of charge upon the fulfillment of certain pre-defined targets at the end of a performance period ending on 15 August 2014.

The main differences between the terms and conditions of the existing Share Program 2011 and the proposed CEO Share Program 2011 are that:

- the performance requirements are stricter in the proposed CEO Share Program 2011, to the effect that the threshold for allotment of the maximum number of performance shares is higher;
- the grant of performance shares in the proposed CEO Share Program 2011 is based on an increase in share price (as opposed to total shareholder return);
- the grant of performance shares under the proposed CEO Share Program 2011 is based on an increase in the company's share price (as opposed to also taking into consideration the performance of a group of comparable companies); and that
- no matching shares will be granted in the proposed CEO Share Program 2011.

The board of directors intends to carry out an evaluation of the CEO Share Program 2011, which will systematically analyze the achieved results. The aim of the evaluation will be to determine whether the program fulfils its purposes, and this will also include the review of the outcome and the costs for the program.

The board of directors proposes, in view of the above, that the extraordinary general meeting resolves to approve the CEO Share Program 2011, in accordance with the following principal

terms and conditions.

- i. The program is proposed to include one participant; the CEO of the Swedish Orphan Biovitrum-group.
- ii. A maximum number of 500,000 common shares (the “Performance Shares”) are proposed to be allotted to the participant free of charge upon fulfillment of the below performance targets.
- iii. To be allowed to participate in the CEO Share Program 2011, the participant must, prior to 15 August 2011, purchase common shares in Swedish Orphan Biovitrum in the market, at a value of approximately 4 MSEK.
- iv. The outcome of the CEO Share Program 2011 is dependent on the fulfillment of targets for value creation, based on the share price development, during a period as from the date of the offer to participate in the program, i.e. as from 22 June 2011, up to and including 15 August 2014 (the “Performance Period”). The calculation of the share price development shall be based on a comparison of the volume weighted average price for the Swedish Orphan Biovitrum common share during a period of nine trading days prior to and including the day the participant was offered to participate in the program (i.e. during the period 10–22 June 2011) and the volume weighted average price for the Swedish Orphan Biovitrum common share during the last ten trading days of the Performance Period.

The 500,000 Performance Shares shall be allotted as follows:

*Pro-rata allotment of 400,000 Performance Shares*

- a. For any allotment of Performance Shares to be possible under the CEO Share Program 2011, the share price of the Swedish Orphan Biovitrum common share must be increased by more than 15% during the Performance Period (i.e. the volume weighted average price during the last ten trading days of the Performance Period shall amount to more than SEK 25.77).
- b. For the maximum allotment of 400,000 Performance Shares, the volume weighted average share price during the last ten trading days of the Performance Period shall amount to at least SEK 45.00.
- c. If the volume weighted average share price during the ten last trading days of the Performance Period is between the thresholds set out in item a and item b above, the portion of the 400,000 Performance Shares to be allotted shall be calculated on a pro rata basis (i.e. the calculation shall be linear).

*Threshold allotment 1 of 30,000 Performance Shares*

- d. In addition to the *Pro-rata allotment* under items a-c above, the participant shall be allotted 30,000 Performance Shares if the volume weighted average price during the last ten trading days of the Performance Period amounts to at least SEK 30.00.

*Threshold allotment 2 of 70,000 Performance Shares*

- e. In addition to the *Pro-rata allotment* and the *Threshold allotment 1* under items a-d above, the participant shall be allotted 70,000 Performance Shares if the volume weighted average price during the last ten trading days of the



Performance Period amounts to at least SEK 35.00. For the avoidance of doubt, none of the 70,000 Performance Shares to be allotted pursuant to this item e shall be allotted at a volume weighted average share price below SEK 35.00, i.e. there shall be no pro rata allotment of the 70,000 Performance Shares where the volume weighted average share price is between the thresholds set out in item d above and in this item e.

- v. Allotment pursuant to the CEO Share Program 2011 requires that the participant remains employed as CEO of the Swedish Orphan Biovitrum-group during the three-year period as from 15 August 2011 up to and including 15 August 2014, subject to certain exemptions to be determined by the Board of Directors, and that the employment has not, at the time of allotment, been terminated following a termination from Swedish Orphan Biovitrum, or that the participant at such time has notified Swedish Orphan Biovitrum of his termination of the employment. Allotment also requires that the participant has kept his personal investment during the entire aforementioned period, i.e. from 15 August 2011 up to and including 15 August 2014. If all conditions for allotment in the CEO Share Program 2011 are met, allotment will take place free of charge after expiration of the Performance Period and following approval of the results by the board of directors at the board meeting that follows immediately after the expiration of the Performance Period.
- vi. The board of directors and the Compensation & Benefits committee shall be responsible for the preparation and management of the CEO Share Program 2011, within the framework of the aforementioned terms and conditions. The board of directors shall determine the detailed terms and conditions of the program (among other things provisions on recalculation in the event of an intervening bonus issue, split, rights issue and/or other similar events).

#### ***Costs for the CEO Share Program 2011***

The costs for the CEO Share Program 2011, which are charged in the profit and loss account, are based on the accounting standard IFRS 2 and distributed on a straight line basis over the vesting period. The board of directors has allowed for a preliminary calculation of the theoretical value of the possibility to receive allotment of common shares in Swedish Orphan Biovitrum free of charge based on the fulfillment of the performance targets. The calculation has been made based on the following assumptions: (i) a share price of SEK 22.41 and (ii) an assessment of future share price volatility. Based on these assumptions, the value has been calculated to SEK 8.50 per Performance Share for the Pro-rata allotment, SEK 3.50 per Performance Share for the Threshold allotment 1, and SEK 2.50 per Performance Share for the Threshold allotment 2.

In total, this can lead to maximum costs for the CEO Share Program 2011 of approximately SEK 3.7 million, excluding social security charges. The costs for social security charges are calculated to approximately SEK 7.1 million assuming a share price upon final allotment of SEK 45.00 and an allotment of shares based on the fulfillment of the performance targets of 100% of maximum allotment.

#### ***Dilution***

Upon full allotment according to the CEO Share Program 2011, i.e. a maximum allotment of Performance Shares, the number of shares under the CEO Share Program 2011 amounts to 500,000 corresponding to a dilution effect of approximately 0.2% of the share capital and the

votes.

If the 158,000 shares to secure for future cash flow effects due to payments of social security costs connected with the CEO Share Program 2011, see further below, are included, as a result of which the calculation is based on in total 658,000 shares for the CEO Share Program 2011, the maximum dilution effect of the CEO Share Program 2011 amounts to 0.2%. If outstanding warrant and employee stock option plans, as well as the share programs for 2008 – 2011, are included in the calculation, including their respective hedging arrangements, the corresponding maximum level of dilution amounts to 1.7%.

### ***Hedging***

To secure that the company can fulfill its commitment according to the CEO Share Program 2011, it is proposed to the extraordinary general meeting to resolve to authorize the board of directors to resolve on a directed issue of series C shares. It is also proposed that the company shall be able to use series C shares, which have been previously issued under the Share Programs 2008-2011 and that will not be used for hedging under such programs due to, *inter alia*, that certain employees have terminated their employments with Swedish Orphan Biovitrum. Furthermore, the board of directors proposes that the general meeting resolves to authorize the board of directors to repurchase all issued series C shares.

The series C shares will be converted into common shares and transferred in the number that is required to secure delivery of the gratuitous common shares that may be allotted to the CEO after the Performance Period. In addition, up to 158,000 series C shares may be converted to common shares to secure for future cash flow effects due to payments of social security costs connected with the CEO Share Program 2011. Should the extraordinary general meeting not approve of the proposed transfer of own shares, the board of directors may enter into a hedging arrangement with an external party to hedge the obligations of the company under the program.

### ***Preparations***

The Compensation & Benefits committee has participated in the preparation of the CEO Share Program 2011. The proposal has been adopted by the board of directors.

### ***Previous incentive programs in Swedish Orphan Biovitrum***

For a description of the company's other long-term incentive programs, including the share programs 2008-2010, reference is made to the company's annual report for 2010, note 14, and the company's website, [www.sobi.com](http://www.sobi.com). For a description of the Share Program 2011, reference is made to the resolution by the annual general meeting 2011, which is available on the company's website. In addition to the aforementioned programs, no other long-term incentive programs have been implemented in Swedish Orphan Biovitrum.

### ***Majority requirements***

For a resolution in accordance with the proposal for the CEO Share Program 2011 to be valid, more than 50 per cent of the votes cast at the extraordinary general meeting must be in favor of the proposal.

---

Stockholm on 29 June 2011  
**Swedish Orphan Biovitrum AB (publ)**  
*the Board of Directors*



## **The board of directors' proposal for resolutions on (a) an authorization to issue series C shares, (b) an authorization to repurchase series C shares, and (c) the transfer of own shares under the CEO Share Program 2011**

---

### **a) Authorization to issue series C shares**

*The annual general meeting 2011, held on 28 April 2011, resolved to authorize the board of directors to resolve on directed issues of series C shares, as part of the company's share programs 2008-2011. The board of directors now proposes that the extraordinary general meeting, by amending the resolution by the annual general meeting, resolves that the aforementioned authorization shall cover series C shares to be issued also in connection with the performance based, long-term share program for the CEO that is proposed to be approved by the extraordinary general meeting (the "CEO Share Program 2011"). As a result, the amended authorization shall have the following wording:*

The board of directors shall be authorized to resolve on one or several directed issues of series C shares, during the time period until the end of the next annual general meeting of shareholders, as part of the company's share programs 2008-2011 and the CEO Share Program 2011 (jointly referred to as the "Share Programs"), for the purpose of creating share delivery capacity for the company and to secure for future cash flow effects due to payments of social security costs connected with the Share Programs. The right to subscribe for the series C shares shall, with deviation from the shareholders pre-emptive rights, be granted only to an external party who has been informed in advance. Such issues must not result in the share capital of the company exceeding the limits set out in the articles of association as adopted from time to time.

The basis for the subscription price shall be the share's quota value. It is proposed that the subscription price be equivalent to the quota value in order to limit the company's costs in conjunction with any future repurchase of the issued shares.

It is noted that the new series C shares will be subject to restrictions pursuant to Chapter 4, Section 6 (conversion clause) and Chapter 20, Section 31 (redemption clause) of the Swedish Companies Act.

### **b) Authorization to repurchase series C shares**

*The annual general meeting 2011 further resolved to authorize the board of directors to resolve on repurchases of series C shares, for the purpose of fulfilling the company's obligations under its share programs 2008-2011. The board of directors now proposes that the extraordinary general meeting, by amending the resolution by the annual general meeting, resolves that the aforementioned authorization shall cover series C shares to be repurchased also in connection with the proposed CEO Share Program 2011. As a result, the amended authorization shall have the following wording:*

The board of directors shall be authorized to resolve on repurchase of the company's own shares in accordance with the following terms and conditions:

1. The board of directors shall have the right to repurchase all issued series C shares through an offer directed to all holders of series C shares.

2. The repurchase authorization may be exercised on one or several occasions until the next annual general meeting.
3. The number of repurchased shares may not exceed 10% of all issued shares in the company at any given time.
4. The repurchase shall be made at a price corresponding to the share's quota value.

The reason for the proposed authorization to repurchase own shares is that the company shall be able to fulfill its obligations pursuant to its Share Programs (for the avoidance of doubt, including the share programs 2008-2011 and the CEO Share Program 2011).

### **c) Transfer of own shares under the CEO Share Program 2011**

*The annual general meeting 2011 further resolved on transfers of own shares to participants in the company's share programs 2008-2011. The board of directors now proposes that the extraordinary general meeting in addition thereto shall resolve on a transfer of own shares to the participant in the CEO Share Program 2011, in accordance with the following terms and conditions:*

Not more than 500,000 series C shares that Swedish Orphan Biovitrum either (i) purchases by virtue of the above proposed authorization to repurchase its own shares, or (ii) has issued and repurchased (but not transferred to any participant) in connection with any of the share programs 2008-2011, may, following conversion into common shares, be transferred to the participant in the CEO Share Program 2011, in accordance with the terms and conditions of such program.

The participant in the CEO Share Program 2011 shall receive such shares free of charge. The number of shares that may be transferred shall be subject to recalculation in the event of an intervening bonus issue, split, rights issue and/or other similar events.

### **Miscellaneous**

The purpose of the board's proposals a)-c) above and the reason for the deviation from the shareholders' preferential right is to enable the company to transfer shares to the participants in the Share Programs and to secure future cash flow effects due to payments of social security costs connected with the Share Programs.

### **Majority requirements**

The board of directors proposes that the resolutions pursuant to items a)-c) above shall be adopted by the extraordinary general meeting as one resolution. Valid resolution requires the approval of shareholders representing at least nine-tenths of the votes cast as well as the shares represented at the general meeting.

---

Stockholm on 29 June 2011  
**Swedish Orphan Biovitrum AB (publ)**  
*the Board of Directors*

## **The board of directors' of Swedish Orphan Biovitrum AB (publ) proposal regarding guidelines for remuneration for the management**

*The annual general meeting 2011 resolved on guidelines for remuneration for the management for the period until the annual general meeting 2012. The board of directors proposes that the extraordinary general meeting, by amendment of the resolution by the annual general meeting, resolve to approve the following proposal for revised guidelines for remuneration for the management, which shall apply until the annual general meeting 2012. The proposed changes compared to the guidelines adopted by the annual general meeting 2011 are primarily referable to the section "Other compensation and terms of employment" and are proposed in light of the review of the guidelines made by the board of directors in connection with the company's recruitment of a new managing director.*

In this context, the management means the managing director of Swedish Orphan Biovitrum and the executives who, from time to time, are reporting to him and who are also members of the senior management, as well as members of the board of directors to the extent employment or consulting agreements are entered into.

### ***Motives***

Swedish Orphan Biovitrum shall offer a total remuneration in line with market conditions to enable the company to recruit and retain competent personnel. The remuneration to the management may consist of fixed salary, variable salary, pension and other compensation. Long-term incentive programs may be offered in addition to the above and will then be submitted to the general meeting for approval. The remuneration is mainly based on position, performance and the company's and the member's, respectively, performance in relation to objectives determined in advance.

### ***Fixed salary***

The fixed salary for the managing director and the other members of the management shall be in line with market conditions and mirror the demands and responsibility that the position entails. The fixed salary for the managing director and the other members of the management is revised once every year, as per 1 January.

To the extent a member of the board of directors carries out work for the company or for another group company, in addition to the board work, consulting fees and/or other remuneration for such work may be payable.

### ***Variable salary***

The variable salary for the managing director and the other members of the management shall be based on the company's fulfillment of objectives determined in advance. These objectives are determined for the promotion of the company's/the group's long-term development, value creation and financial growth and shall be designed in a way that does not encourage an excessive risk-taking. The variable salary may not amount to more than 50 per cent of the annual gross salary (including pension) for the managing director and not more than 20 – 50 per cent of the fixed annual salary (excluding pension, or in specific cases, including pension) for the other members of the management.

### ***Long-term incentive programs***

Long-term incentive programs may constitute a complement to the fixed salary and the variable salary. The program participants are nominated based on competence,

performance and to retain key employees with the company. The outcome is dependent on the fulfillment of certain predetermined performance requirements. The aim with having long-term incentive programs shall be to create a long-term commitment to Swedish Orphan Biovitrum, to offer the participants to take part in Swedish Orphan Biovitrum's long-term success and value creation and to create possibilities to attract and retain members of the management and key employees. For more information on Swedish Orphan Biovitrum's current incentive programs, see Swedish Orphan Biovitrum's annual report 2010 note 14.

#### ***Other compensation and terms of employment***

The pension benefits for the managing director and the other members of the management shall preferably consist of premium based pension plans, but may also be defined-benefit pursuant to collective agreements.

Fixed salary during notice periods and severance payment, including payments for any restrictions on competition, shall in aggregate not exceed an amount equivalent to the fixed salary for two years. The total severance payment shall for all members of the management be limited to the existing salary for the remaining months up to the age of 65.

The managing director may, in case of a change of control of the company meaning that more than 50 per cent of the shares in the company are owned by one shareholder, (i) be entitled to a retention bonus corresponding to maximum 6 monthly gross salaries (including pension) provided that notice of termination of the managing director's employment has not been given 6 months after the change of control, alternatively (ii) in case of a material change of the managing director's employment conditions, be entitled to terminate the employment with a right to severance payment in accordance with the above. Upon a material change in the business, other executives may (i) be entitled to a retention bonus corresponding to maximum 6 monthly fixed salaries (excluding pension, or in specific cases, including pension), provided that notice of termination of employment has not been given 6 months after such change, alternatively (ii) under certain circumstances, be entitled to terminate the employment with a right to severance payment, however, corresponding to maximum 12 monthly fixed salaries (excluding pension, or in specific cases, including pension), to be paid in addition to the salary during the notice period.

Other compensation can consist of other customary benefits, such as healthcare insurance, which shall not constitute a material portion of the total remuneration.

In addition thereto, additional compensation may be paid out in extraordinary circumstances, provided that such arrangement is made for recruitment or retention purposes and is agreed on an individual basis. Such extraordinary arrangements may for example include a one-time cash payment, or a support package including relocation support, tax filing support, or similar.

#### ***Deviation from the guidelines***

The board of directors may resolve to deviate from the guidelines if the board of directors, in an individual case, is of the opinion that there are special circumstances justifying that.



---

Stockholm on 29 June 2011  
**Swedish Orphan Biovitrum AB (publ)**  
*The board of directors*