

**Protokoll fört vid årsstämma med aktieägarna i Swedish Orphan Biovitrum AB (publ), org.nr 556038-9321, den 4 maj 2017 i Stockholm med början kl. 15.00**

*Minutes kept at annual general meeting of Swedish Orphan Biovitrum AB (publ), Reg. No. 556038-9321, held on 4 May 2017 in Stockholm starting at 3 p.m.*

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

Öppnades årsstämman av styrelsens ordförande Håkan Björklund som även presenterade bolagets närvarande styrelseledamöter, verkställande direktör, anställda, chefsjurist och bolagets revisor. Presenterades bolagets tillträdande verkställande direktör Guido Oelkers.

*The annual general meeting was declared opened by the chairman of the board of directors, Håkan Björklund, who also presented the company's present board members, chief executive officer, employees and general counsel as well as the company's auditor. The incoming chief executive officer Guido Oelkers was presented.*

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

Utsågs advokat Eva Hägg till ordförande vid årsstämman.

*Lawyer Eva Hägg was elected chairman of the annual general meeting.*

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

*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 annual general meeting.*

Godkändes att vissa gäster, såsom anställda vid bolaget, skulle få närvara vid årsstämman.

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

Informerade ordföranden att vissa av de ombud som företrädde aktieägare meddelat att några av deras uppdragsgivare instruerat dessa att avseende vissa av dagordningens punkter rösta nej, att det sammanlagda röstetalet av dessa nej-röster inte i något ärende i sig kunde påverka den erforderliga majoriteten samt att, om ordföranden efterhörde huruvida hon kunde anteckna att ett beslut fattats enhälligt, hon därmed avsåg enhällighet med bortseende från dessa nej-röster.

*The chairman informed the meeting that certain representatives of shareholders had conveyed that a number of their clients had instructed them to vote against certain items on the agenda, that the total number of votes of such shareholders would not in any case affect the required majority and, if the chairman would ask whether she could note that a resolution had been adopted unanimously, she thus intended unanimously save for such votes against.*

### **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 at the annual general meeting.*

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

Godkändes den i kallelsen intagna dagordningen som dagordning för årsstämman.

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

#### **5. Val av två justeringsmän / Election of two persons to verify the minutes**

Beslutades att dagens protokoll skulle justeras av, jämte ordföranden, Maria De Geer representerande Sveriges Aktiesparares Riksförbund och Niklas Haak representerande ett antal institutionella aktieägare.

*It was resolved that the minutes of the annual general meeting should be verified by Maria De Geer, representing the Swedish Shareholders' Association, and by Niklas Haak, representing a number of institutional shareholders, 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 årsstämman skett genom annons i Post- och Inrikes Tidningar och på bolagets webbplats den 3 april 2017, samt att annons om att kallelse skett samtidigt publicerats i Svenska Dagbladet.

*It was informed that the notice of the annual general meeting had been published in Post- och Inrikes Tidningar (the Swedish Official Gazette) and on the company's website on 3 April 2017, and that it had been announced at the same time in Svenska Dagbladet that a notice to the annual general meeting had been made.*

Konstaterades att årsstämman var i behörig ordning sammankallad.

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

#### **7. Framläggande av årsredovisningen och revisionsberättelsen samt koncernredovisningen och koncernrevisionsberättelsen / Presentation of the annual report and the auditor's report as well as the consolidated accounts and the auditor's report for the group**

Konstaterades att bolagets årsredovisning och koncernredovisning samt revisionsberättelsen och koncernrevisionsberättelsen för räkenskapsåret 1 januari – 31 december 2016 under tre veckor före stämman hållits tillgängliga på bolagets kontor och på bolagets hemsida och skickats till de aktieägare som så begärt, samt att de fanns tillgängliga på årsstämman.

*It was established that the company's annual report and consolidated financial statements as well as the auditor's report and the auditor's report for the group for the financial year 1 January– 31 December 2016 had been held available at the company's office and on the company's website during three weeks prior to the meeting, had been sent to shareholders who had requested so and was also available at the annual general meeting.*

Konstaterades att årsredovisningen samt koncernredovisningen framlagts i behörig ordning.

*It was established that the annual report and the consolidated financial statements were duly presented.*

Konstaterades även att revisionsberättelsen och koncernrevisionsberättelsen framlagts i behörig ordning.

*It was also established that the auditor's report and the auditor's report for the group were duly presented.*



**8. Verkställande direktörens anförande / *Speech by the chief executive officer***

Höll verkställande direktören Geoffrey McDonough ett anförande vari lämnades en redogörelse för verksamheten under verksamhetsåret 2016 och första kvartalet 2017.  
*The chief executive officer, Geoffrey McDonough, gave a speech including an account for the company's business during the business year 2016 and the first quarter of 2017.*

**9. Redogörelse för styrelsens och styrelsekommittéernas arbete / *Presentation of the work performed by the board of directors and its committees***

Redogjorde styrelseordföranden Håkan Björklund för styrelsens arbete samt för arbetet i ersättningskommittén, revisionskommittén och den vetenskapliga kommittén under verksamhetsåret 2016.  
*The chairman of the board of directors, Håkan Björklund, presented the work of the board of directors and the work of the compensation & benefits, the audit and the scientific committees during the business year 2016.*

Bolagets huvudansvarige revisor, Björn Ohlsson, redogjorde för revisionsarbetet och revisionsberättelsen.  
*The company's auditor in charge, Björn Ohlsson, gave a presentation on the audit work and the auditor's report.*

Bereddes aktieägarna tillfälle att ställa frågor med anledning av årsredovisning och revisionsberättelse, verkställande direktörens anförande samt styrelseordförandens redogörelse, vilka verkställande direktören, styrelseordföranden samt revisorn besvarade.  
*The shareholders were given the opportunity to ask questions with respect to the annual report and the auditor's report, the chief executive officer's speech and the chairman's of the board of directors presentation, which the chief executive officer, the chairman of the board of directors and the auditor answered.*

**10. Beslut om fastställelse av resultaträkningen och balansräkningen samt koncernresultaträkningen och koncernbalansräkningen / *Resolution regarding adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet***

Fastställdes den i årsredovisningen intagna resultaträkningen och balansräkningen samt koncernresultaträkningen (i årsredovisningen benämnd Koncernens rapport över totalresultat) och koncernbalansräkningen (i årsredovisningen benämnd Koncernens balansräkning).  
*The income statement and the balance sheet as well as the consolidated income statement (in the annual report labelled Group's Statement of Comprehensive Income) and the consolidated balance sheet (in the annual report labelled Group Balance Sheet), respectively, in the annual report were adopted.*

**11. Beslut om dispositioner beträffande bolagets vinst eller förlust enligt den fastställda balansräkningen / *Resolution regarding allocation of the company's results pursuant to the adopted balance sheet***

Beslöts, i enlighet med styrelsens förslag, att till förfogande stående vinstmedel om 4 794 687 847 kronor skall balanseras i ny räkning.  
*It was resolved, in accordance with the board of directors' proposal, that the company's retained profits of SEK 4,794,687,847 shall be carried forward.*

**12. Beslut om ansvarsfrihet för styrelseledamöterna och den verkställande direktören / Resolution regarding discharge from liability for the members of the board of directors and the chief executive officer**

Beviljades styrelsens ledamöter och den verkställande direktören ansvarsfrihet för förvaltningen av bolagets angelägenheter under räkenskapsåret 2016.

*The members of the board of directors and the chief executive officer were discharged from liability in respect of their management of the company's affairs during the financial year 2016.*

Antecknades att de röstberättigade styrelseledamöterna och den verkställande direktören inte deltog i beslutet.

*It was noted that the members of the board of directors and the chief executive officer who were entitled to vote did not participate in the resolution.*

**13. Fastställande av arvoden åt styrelseledamöterna och revisorn / Determination of fees to the members of the board of directors and the auditor**

Redogjorde Lennart Francke, ledamot i valberedningen, för valberedningens sammansättning, valberedningens förslag inför årsstämman samt för valberedningens motiverade yttrande däröver. Antecknades att valberedningen reviderade sitt förslag i och med att Theresa Heggie inte längre var tillgänglig för omval, varvid Theresa Heggie inte föreslogs till omval, antalet ordinarie ledamöter föreslogs vara sex istället för sju och det totala styrelsearvodet lägre än vad som presenterats i det i kallelsen intagna förslaget. Det konstaterades att valberedningens fullständiga förslag fanns tillgängligt på årsstämman, under tre veckor före stämman funnits tillgängligt på bolagets kontor och på bolagets hemsida, skickats till aktieägare som så begärt samt presenterats i kallelsen.

*Lennart Francke, member of the nomination committee, presented the composition of the nomination committee, the proposals by the nomination committee to the annual general meeting, as well as the nomination committee's motivated opinion thereto. It was noted that the nomination committee revised its proposal due to Therese Heggie not being available for re-election whereupon the nomination committee's proposal did not include re-election of Theresa Heggie, included six ordinary directors instead of seven and the total fees to be paid to the board of directors was lower than the proposal presented in the notice to the annual general meeting. It was established that the nomination committee's complete proposals were available at the annual general meeting, had been held available at the company's office and on the company's website during three weeks prior to the meeting, had been sent to shareholders who had requested so and had been presented in the notice to the annual general meeting.*

Antecknades att valberedningen rekommenderade styrelsen att anta en policy enligt vilken styrelseledamöter, som inte tidigare har motsvarande innehav, under en femårsperiod, förväntas bygga upp ett eget innehav av aktier i Swedish Orphan Biovitrum till ett marknadsvärde som förväntas motsvara minst ett års arvode före skatt, exklusive arvode för kommittéarbete.

*It was noted that the nomination committee recommended the board of directors to establish a shareholding policy pursuant to which the members of the board of directors, that do not already have such holding, are expected to, over a five year period, acquire an ownership in Swedish Orphan Biovitrum shares with a market value which is expected to correspond to at least one year board remuneration, before taxes, excluding remuneration for committee work.*

Upplyste stämmans sekreterare om att styrelse- och kommittéarvode kan utbetalas som lön alternativt, under vissa villkor och under förutsättning att det är kostnadsneutralt för Swedish Orphan Biovitrum, faktureras från ledamotens bolag. Upplystes vidare om att styrelse- och kommittéarvoden utgår med tillägg för sedvanliga sociala avgifter, eller i den mån uppdraget utförs genom bolag, sådant arvode uppjusterat med belopp



motsvarande de sociala avgifter som Swedish Orphan Biovitrum därmed inte har att erlægga.

*The minutes checker of the meeting informed that fees for board and committee assignments may be paid as salary, or alternatively, under certain conditions and provided that it is cost-neutral for Swedish Orphan Biovitrum, may be invoiced by the relevant board member's company. It was further informed that board and committee fees are subject to customary social security charges, or, where the assignment is carried out through a company, the fee may be increased by an amount corresponding to the social security charges that are not payable in such case by Swedish Orphan Biovitrum.*

Beslöts, i enlighet med valberedningens förslag, att styrelsearvode för tiden intill slutet av nästa årsstämma skall utgå med totalt 3 995 000 kronor att fördelas med 1 275 000 kronor till styrelsens ordförande och 425 000 kronor till varje övrig stämмоvald styrelseledamot, att arvode för arbete i revisionskommittén skall utgå med 125 000 kronor till dess ordförande och med 75 000 kronor till varje övrig ledamot i kommittén, att arvode för arbete i ersättningskommittén skall utgå med 80 000 kronor till dess ordförande och med 40 000 kronor till varje övrig ledamot i kommittén samt att arvode för arbete i den vetenskapliga kommittén skall utgå med 80 000 kronor till dess ordförande och med 40 000 kronor till varje övrig ledamot i kommittén. Beslöts vidare att, i tillägg till nämnda arvoden, för varje fysiskt styrelsemöte som hålls i Sverige skall utgå ett mötesarvode om 10 000 kronor till varje ledamot boende i Europa men utanför Norden och ett mötesarvode om 3 000 amerikanska dollar till ledamot boende utanför Europa.

*It was resolved, in accordance with the proposal of the nomination committee, that the fees to be paid to the board of directors shall, until the end of the next annual general meeting, amount to in total SEK 3,995,000 distributed with SEK 1,275,000 to the chairman of the board of directors, SEK 425,000 to each of the other members of the board of directors elected by the annual general meeting, that fees for work in the audit committee shall be SEK 125,000 to the chairman and SEK 75,000 to each other member of the committee, that fees for work in the remuneration committee shall be SEK 80,000 to the chairman and SEK 40,000 to each other member of the committee and that fees for work in the scientific committee shall be SEK 80,000 to the chairman and SEK 40,000 to each other member of the committee. It was further resolved that, in addition to the mentioned fees, for each physical meeting of the board of directors held in Sweden a meeting fee of SEK 10,000 be paid to the members of the board of directors who reside in Europe but outside the Nordic countries and a meeting fee of USD 3,000 be paid to the members of the board of directors who reside outside Europe.*

Beslöts, i enlighet med valberedningens förslag, att arvode till revisorn skall utgå enligt sedvanliga debiteringsnormer och godkänd räkning.

*It was resolved, in accordance with the proposal of the nomination committee, that the remuneration to the auditor shall be paid in accordance with normal standards and an approved invoice.*

**14. Bestämmande av antalet styrelseledamöter och styrelsesuppleanter samt revisorer och revisorssuppleanter / *Determination of the number of directors and deputy directors as well as auditors and deputy auditors***

Beslöts, i enlighet med valberedningens förslag, att antalet styrelseledamöter för tiden intill slutet av nästa årsstämma skall vara sex ordinarie ledamöter utan suppleanter samt att antalet revisorer för tiden intill slutet av nästa årsstämma skall vara en utan revisorssuppleant.

*It was resolved, in accordance with the proposal of the nomination committee, that the board of directors shall consist of six ordinary directors with no deputies until the end of the next annual general meeting and that the company shall have one auditor without deputy until the end of the next annual general meeting.*

**15. Val av styrelseordförande, styrelseledamöter och revisor / *Election of chairman, members of the board of directors and auditor***

Antecknades att en redogörelse för föreslagna styrelseledamöters uppdrag i andra företag framlagts vid årsstämman före styrelsevalet.

*It was noted that information regarding the proposed board members' engagements for other companies had been presented at the annual general meeting before the election of the members of the board of directors.*

Röstades om val av var och en av de föreslagna ledamöterna under punkterna 15.a – 15.g, med undantag för Theresa Heggie (punkten 15.d), enligt valberedningens förslag.

*It was voted on the election of each of the nominated board members individually under the items 15.a – 15.g, except for Theresa Heggie (item 15.d), pursuant to the proposal from the nomination committee.*

Beslöts, i enlighet med valberedningens förslag, att omvälja styrelseledamöterna Håkan Björklund, Annette Clancy, Matthew Gantz, Lennart Johansson, Helena Saxon och Hans GCP Schikan.

*It was resolved, in accordance with the proposal of the nomination committee, to re-elect the board members Håkan Björklund, Annette Clancy, Matthew Gantz, Lennart Johansson, Helena Saxon and Hans GCP Schikan.*

Beslöts i enlighet med valberedningens förslag att välja Håkan Björklund till styrelsens ordförande.

*It was resolved, in accordance with the proposal of the Nomination Committee to elect Håkan Björklund as chairman of the board of directors.*

Vidare beslöts, i enlighet med valberedningens förslag, att omvälja Ernst & Young AB till revisor i bolaget fram till slutet av årsstämman 2018. Antecknades att bolaget har underrättats om att Björn Ohlsson fortsatt ska vara huvudansvarig revisor.

*It was furthermore resolved, in accordance with the proposal of the nomination committee, to re-elect Ernst & Young AB as new auditor of the company for the time until the end of the annual general meeting 2018. It was noted that the company has been informed that Björn Ohlsson will continue to be auditor in charge.*

Framförde Håkan Björklund ett tack till Theresa Heggie, Jeffrey Jonas, Catarina Larsson och Emma Umegård för deras insatser under sina år som ledamöter respektive suppleanter i styrelsen.

*Håkan Björklund expressed his gratitude to Theresa Heggie, Jeffrey Jonas, Catarina Larsson and Emma Umegård for their efforts during their terms as board members and deputy board members.*

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

Redogjorde styrelseordföranden Håkan Björklund för styrelsens förslag till beslut om riktlinjer för ersättning till ledande befattningshavare.

*The chairman of the board of directors, Håkan Björklund, presented the board of directors' proposal for resolution regarding guidelines for remuneration to the management.*

Konstaterades att det fullständiga förslaget fanns tillgängligt på årsstämman och under tre veckor före stämman funnits tillgängligt på bolagets kontor och på bolagets hemsida och skickats till aktieägare som så begärt samt presenterats i kallelsen. Konstaterades vidare att revisorns yttrande avseende bolagets tillämpning av riktlinjerna för ersättning till ledande befattningshavare under föregående år fanns tillgängligt på årsstämman och under tre veckor före stämman funnits tillgängligt på bolagets kontor och på bolagets hemsida samt skickats till aktieägare som så begärt.

*It was established that the complete proposal was available at the annual general meeting and had been held available at the company's office and on the company's website during three weeks prior to the meeting, had been sent to shareholders who had requested so and had been presented in the notice to the annual general meeting. It was further established that the auditor's statement regarding the company's compliance with the guidelines for remuneration to the management was available at the annual general meeting and had been held available at the company's office and on the company's website during three weeks prior to the meeting and had been sent to shareholders who had requested so.*



Beslöts att anta riktlinjer för ersättning till ledande befattningshavare i enlighet med styrelsens förslag, Bilaga 2.

*It was resolved to approve the guidelines for remuneration to the management in accordance with the proposal of the board of directors, Appendix 2.*

**17. Beslut om inrättande av ett långsiktigt incitamentsprogram i enlighet med (A) samt säkringsåtgärder i anledning därav i enlighet med (B) eller (C) / Resolution regarding the implementation of a long-term incentive program in accordance with (A) and hedging arrangements in respect thereof in accordance with (B) or (C)**

Redogjorde Håkan Björklund för det huvudsakliga innehållet i styrelsens förslag till beslut om ett långsiktigt incitamentsprogram.

*The principal content of the board of directors' proposal regarding a long-term incentive program was presented by Håkan Björklund.*

Konstaterades att det fullständiga förslaget fanns tillgängligt på årsstämman, under tre veckor före stämman funnits tillgängligt på bolagets kontor och på bolagets hemsida och skickats till aktieägare som så begärt samt presenterats i kallelsen. Konstaterades vidare att styrelsens yttrande enligt 19 kap. 22 § aktiebolagslagen fanns tillgängligt på årsstämman och under tre veckor före stämman funnits tillgängligt på bolagets kontor och på bolagets hemsida samt skickats till aktieägare som så begärt.

*It was established that the complete proposal was available at the annual general meeting, had been held available at the company's office and on the company's website during three weeks prior to the meeting, had been sent to shareholders who had requested so and had been presented in the notice to the annual general meeting. It was further established that the board of directors' statement in accordance with Chapter 19 Section 22 of the Swedish Companies Act was available at the annual general meeting and had been held available at the company's office and on the company's website during three weeks prior to the meeting and had been sent to shareholders who had requested so.*

Beslöts om inrättande av ett långsiktigt incitamentsprogram i enlighet med punkten A. i styrelsens förslag, Bilaga 3.

*It was resolved on the implementation of a long-term incentive program in accordance with item A. in the proposal of the board of directors, Appendix 3.*

Antecknades att Swedbank Robur Fonder genom Lennart Francke röstade mot styrelsens förslag med motiveringen att chefsprogrammet är svårbedömt på grund av den höga tilldelningen, upp till 300 procent av den verkställande direktörens fasta lön, samt att deltagare i personalprogrammet för varje sparaktie tilldelas två matchningsaktier utan prestationsvillkor. Antecknades vidare att Fjärde AP-fonden genom Thomas Ehlin röstade för styrelsens förslag men samtidigt uppmanade styrelsen att se över omfattningen av framtida program och specifikt vad gäller framtida personalprogram, se över antalet matchningsaktier.

*It was noted that Swedbank Robur Funds, represented by Lennart Francke, voted against the board of directors' proposal for the main reasons that the management program is difficult to assess due to the allocation pursuant to the program is too extensive, up to 300 per cent of the gross annual fixed salary for the chief executive officer, and that the participants in the employee program, without being subject to any performance condition, are allocated two employee matching shares for each saving share. It was further noted that the Fourth Swedish National Pension Fund, represented by Thomas Ehlin, who voted in favour of the board of directors' proposal, advised the board of directors to revise the scale of future programs and, in respect of future employee programs, to revise the number of employee matching shares.*

Beslöts om säkringsåtgärder i anledning av det långsiktiga incitamentsprogrammet i enlighet med punkten B i styrelsens förslag, Bilaga 3, och att verkställande direktören bemyndigas att vidta de smärre justeringar i beslutet avseende den riktade emissionen

av inlösen- och omvandlingsbara C-aktier som kan visa sig erforderliga i samband med registreringen därav vid Bolagsverket och Euroclear Sweden AB. Antecknades att beslutet fattats enhälligt.

*It was resolved on hedging arrangements in respect of the long-term incentive program in accordance with item B in the proposal of the board of directors, Appendix 3, and that the chief executive officer be authorised to make minor adjustments in the decision concerning the directed issue of redeemable and convertible series C shares as may be required in connection with the registration thereof at the Swedish Companies Registration Office and Euroclear Sweden AB. It was noted that the resolution was adopted unanimously.*

**18. Beslut om bemyndigande för styrelsen att besluta om emission av aktier och/eller konvertibler och/eller teckningsoptioner / Resolution regarding approval to authorise the board of directors to resolve on the issuance of new shares and/or convertible bonds and/or warrants.**

Redogjorde Håkan Björklund för det huvudsakliga innehållet i styrelsens förslag till beslut om bemyndigande för styrelsen att besluta om emission av aktier och/eller konvertibler och/eller teckningsoptioner. Det konstaterades att det fullständiga förslaget fanns tillgängligt på årsstämman, att det under tre veckor före stämman funnits tillgängligt på bolagets kontor och på bolagets hemsida och skickats till aktieägare som så begärt samt presenterats i kallelsen.

*The principal content of the board of directors' proposal regarding authorisation for the board of directors to resolve on the issuance of new shares and/or convertible bonds and/or warrants was presented by Håkan Björklund. It was established that the complete proposal was available at the annual general meeting, had been held available at the company's office and on the company's website during three weeks prior to the meeting, had been sent to shareholders who had requested so and had been presented in the notice to the annual general meeting.*

Beslöts med biträde av aktieägare representerande minst två tredjedelar av såväl de angivna rösterna som de vid stämman företrädde aktierna om bemyndigande för styrelsen att besluta om emission av aktier och/eller konvertibler och/eller teckningsoptioner i enlighet med styrelsens förslag, Bilaga 4. Det antecknades att Sveriges Aktiesparares Riksförbund, genom Maria De Geer, och aktieägaren Svante Hezekielsson röstade mot förslaget.

*It was resolved with support from shareholders representing at least two-thirds of the votes cast as well as the shares represented at the general meeting on authorisation for the board of directors to resolve on the issuance of new shares and/or convertible bonds and/or warrants in accordance with the proposal of the board of directors, Appendix 4. It was noted that the Swedish Shareholders' Association, represented by Maria De Geer, and the shareholder Svante Hezekielsson voted against the resolution.*

**19. Beslut om överlåtelse av egna aktier / Resolution regarding transfers of own shares**

Redogjorde stämmans ordförande för det huvudsakliga innehållet i styrelsens förslag till beslut om överlåtelse av egna aktier. Det konstaterades att det fullständiga förslaget fanns tillgängligt på årsstämman, att det under tre veckor före stämman funnits tillgängligt på bolagets kontor och på bolagets hemsida och skickats till aktieägare som så begärt samt presenterats i kallelsen.

*The principal content of the board of directors' proposal regarding transfers of own shares was presented by the chairman of the meeting. It was established that the complete proposal was available at the annual general meeting, had been held available at the company's office and on the company's website during three weeks prior to the meeting, had been sent to shareholders who had requested so and had been presented in the notice to the annual general meeting.*

Beslöts om överlåtelse av egna aktier i enlighet med styrelsens förslag, Bilaga 5. Antecknades att beslutet fattats enhälligt.

*It was resolved on transfer of own shares in accordance with the proposal of the board of directors, Appendix 5. It was noted that the resolution was adopted unanimously.*



**20. Stämmans avslutande / Closing of the meeting**

Framförde Håkan Björklund ett tack riktat till bl.a. bolagets ledning och anställda för värdefulla arbetsinsatser samt styrelsens ledamöter för ett givande styrelsearbete under det gångna året. Framförde Håkan Björklund även ett tack till den avgående verkställande direktören Geoffrey McDonough.

*Håkan Björklund thanked, among others, the company's management and employees for their valuable efforts and the members of the board for a rewarding board work during the past year. Håkan Björklund also expressed his gratitude to the Chief Executive Officer Geoffrey McDonough who is leaving the company.*

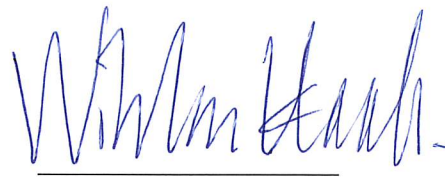
Förklarades årsstämman avslutad.

*The annual general meeting was declared closed.*

Vid protokollet / Minutes kept by

  
Fredrik Berg

Justeras / Approved

  
Eva Hägg  
Maria De Geer  
Niklas Haak

***Proposal regarding guidelines for remuneration for the Management (item 16)***

The Board of Directors proposes that the annual general meeting resolves on guidelines for remuneration for the Management as set forth below which shall apply until the annual general meeting 2018. The Management is defined as the managing director of Swedish Orphan Biovitrum AB and the executives who report to the managing director and are members of the senior management. In addition members of the Board of Directors who are employed or consulting for Sobi are included in the Management.

***Objective***

The objective of the guidelines is to ensure that the company can attract and retain the best people in order to support the vision and strategy of the company. Remuneration for the Management is designed on a total remuneration approach. The position of total remuneration should be market competitive without being leading relative to competitors in each local market. The market comparisons should be made against a set of peer group companies with comparable sizes, industries and complexity. The remuneration guidelines should enable international hiring and should support diversity within the Management. The remuneration may consist of the following components:

- A, Fixed Base Pay
- B, Variable Pay - so-called Short Term Incentives
- C, Long Term Incentives
- D, Pensions
- E, Other Benefits

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.

***Fixed Base Pay***

The fixed base pay of the Management should be based on competence, responsibility and performance. The company uses an international evaluation system in order to evaluate the scope and responsibility of the position.



*Variable Pay*

The annual Short Term Incentive plan is based on the achievement of annual performance objectives (corporate, departmental<sup>1</sup> and individual). Payment is based on achievement of the pre-determined objectives. The annual performance objectives are defined in advance by the Compensation & Benefits Committee and approved by the Board of Directors.

These objectives are determined for the promotion of the company'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 Short Term Incentives are limited to 75% of the annual gross salary for the managing director and 50% of the fixed annual salary for the other members of the management (pension compensation for the managing director may be included in the annual gross salary and therefore also be included as a basis for calculating Short Term Incentives).

*Long-term Incentives*

The company can introduce long-term incentive programs for all or some of its employees. The objectives of such a program should be to align the employees' interests with those of the shareholders, to create a long-term commitment to the company, to be a tool to retain and attract executives and top talent, to offer participants to take part in the company's long-term success and value creation, and to contribute to a competitive total remuneration.

For more information on the company's current incentive programs, see the annual report 2016 note 12 to be published 12 April 2017.

*Pensions*

The preferred pension plan design is defined contribution<sup>2</sup>. If the operating environment requires the establishment of a defined benefit pension plan by law or other regulations, such a plan may be established. The defined benefit level should in such cases be limited to the mandatory level.

*Other Benefits*

Fixed salary during notice periods and severance pay, including payments for any restrictions on competition, shall in total not exceed an amount equivalent to the fixed base pay for two years. In addition to this restriction, the total severance payment shall be limited to the existing monthly salary for the remaining months up to the age of 65.

Additional compensation may also be paid out in extraordinary circumstances, provided that such arrangement is made for management recruitment or retention purposes and is agreed on an individual basis. Such extraordinary arrangements shall be in line with market practice and may for example

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<sup>1</sup> Departmental objectives are not applicable for the managing director.

<sup>2</sup> A defined contribution pension plan defines the level of contribution that will be paid into the pension plan for each employee.

include a one-time cash payment, a support package including relocation and tax filing support, retention bonus or severance payment in case of a change of control, 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, including for example if the Board of Directors is of the opinion that a deviation is necessary or appropriate for the purpose of recruiting the most competent individual as the new managing director.

*Deviations from the 2016 guidelines*

In connection with the implementation of the company's long-term incentive program 2016 ("**LTI 2016**") several employees, including members of the Management, were legally prohibited from participating in the program due to them, at that point in time, being in possession of inside information. In light of the 2016 annual general meeting's resolution to approve the proposal for the LTI 2016, which meant that, amongst others, members of Management were envisaged to participate in the LTI 2016, and since the Board of Directors considers that a long-term incentive program is a crucial component of a competitive total remuneration package with which to attract and retain executives who are critical to the company's long-term success, the Board of Directors resolved on a deviation from the guidelines to allow the employees who were legally prohibited from participating in the LTI 2016 to instead participate in a long-term cash-based incentive program ("**LCI**"). The deviation was made in accordance with the provision in the remuneration guidelines approved by the 2016 annual general meeting. Similar to the LTI 2016, the LCI has a three-year term with certain performance measures which must be satisfied in order for any compensation to be payable to the Management. For the Management, the performance measures are related to profitability and revenue growth. The company's maximum costs for the LCI cannot on an individual basis exceed the maximum costs that otherwise may have arisen under the LTI 2016.

Furthermore, since the CEO, Geoffrey McDonough will leave the company in July 2017, the company has entered into an agreement with him which deviates from the remuneration guidelines for the management approved by the annual general meeting 2016. The deviation is that the fixed salary during the notice period together with the severance pay will total an amount equivalent to approximately 27 monthly fixed salaries, i.e. more than the maximum two years that is stipulated in the guidelines. Given that it is in both the company's and the shareholders' interest to keep the CEO for as long as possible while the company is recruiting a successor and that Geoffrey McDonough intends to be in service during the entire notice period up until 1 July 2017, the Board of Directors resolved to deviate from the remuneration guidelines for the management approved by the annual general meeting 2016 in this individual case.





***Proposal regarding the implementation of a long-term incentive program in accordance with (A) and hedging arrangements in respect thereof in accordance with (B) (item 17)***

***Background***

The Board of Directors of Swedish Orphan Biovitrum AB (publ) ("**Sobi**") proposes that the annual general meeting 2017 resolves on the implementation of a long-term incentive program (the "**Program**"). The proposed Program gives all present and future permanent employees of the Sobi Group the opportunity of becoming shareholders in Sobi. It is proposed that the Program should be divided into two parts: (I) one part directed to managers and executives (the "**Management Program**") and (II) one part directed to all other employees (the "**All Employee Program**"). No employees based in the US will be invited to participate in the Program.

The overall purpose of the Program is to closely align the employees' interests with those of the shareholders and to create a long-term commitment to Sobi. The Management Program provides Sobi with a crucial component of a competitive total remuneration package with which to attract and retain executives who are critical to Sobi's long-term success. The purpose of the All Employee Program is to create commitment and motivation for the entire permanent workforce of the Sobi Group. For these reasons the Board of Directors considers that having recurring long-term incentive programs is a vital and important part of Sobi's total remuneration package.

The Board of Directors of Sobi has evaluated the long-term incentive program approved by the 2016 annual general meeting and has concluded that while the All Employee Program fully satisfies the intended purposes, the Management Program would benefit from certain amendments to be more effective. In brief, the Board of Directors proposes that the Management Program should be amended such that no investment in Sobi shares is required by the participants, as that has proven to limit access to the program due to insider rules, and that no allocation of matching shares is offered. The CEO and other members of the executive leadership team of the Sobi Group will instead be subject to a set of shareholding guidelines established by the Board of Directors (see below). In addition, the performance conditions will not only relate to total shareholder return but partially to actual annual revenues compared to budgets, and the maximum allocation of Sobi shares will increase slightly to reflect the change that no matching shares are offered.

Similar to the incentive program approved by the 2016 annual meeting, the Program shall be inspiring, achievable, easy to understand, cost effective to administer, easy to communicate and in line with market practice. Following implementation of the Program, the Board of Directors intends to carry out an evaluation thereof in order to systematically analyse the achieved results in relation to the aims outlined above. The aim of the evaluation will be to determine whether the Program satisfies its purposes, and this will also include a review of the outcome and the costs for the Program.

***A. Implementation of the Program***

The Board of Directors proposes that the annual general meeting 2017 resolves on the implementation of the Program in accordance with the principal terms and conditions set out below.

**I. Terms and conditions applying to the Management Program**

- a) It is proposed that the Management Program be open to no more than 231 permanent employees of the Sobi Group, whereof no more than 188 permanent employees on director level of the Sobi Group ("**Band D**"), no more than 30 permanent employees on vice president level of the Sobi Group ("**Band C**"), no more than 12 permanent employees who are members of the executive leadership team of the Sobi Group ("**ELT**") and the CEO of Sobi ("**CEO**").
- b) Each participant in Band D, Band C, ELT members and the CEO will free of charge receive an award under the Management Program ("**LTIP Award**") entitling the participant to receive an allocation of a number of Sobi common shares free of charge from Sobi or from a designated third party, subject to the satisfaction of the condition in section f) below as well as the satisfaction of the performance conditions set out in section d) below ("**Management Performance Shares**"). Any Management Performance Shares will be allocated after the expiration of the three-year vesting period, starting on the date the participants in Band D, Band C, ELT members and the CEO were notified by Sobi of their admission to the Management Program (the "**Vesting Period**"). Sobi must notify the participants in Band D, Band C, ELT members and the CEO of their admission to the Management Program no later than on 31 December 2017.
- c) The value of the underlying shares at the time of grant in respect of each LTIP Award will amount to (i) 300% of the gross annual fixed salary in 2017 for the CEO (annualised, as applicable), (ii) 100% of the average gross annual fixed salary in 2017 for ELT Members, (iii) 75% of the average gross annual fixed salary in 2017 for Band C participants, and (iv) 35% of the average gross annual fixed salary in 2017 for Band D participants. The share price used to calculate the value of the underlying shares in respect of each LTIP Award, and hence the number of shares to which each LTIP Award entitles, shall be the volume-weighted average price paid for the Sobi common share on Nasdaq Stockholm, adjusted for any dividend payments, during a period of 10 trading days immediately prior to the commencement of the Vesting Period.
- d) The portion (if any) of an LTIP Award that will vest at the end of the Vesting Period is based on and subject to the satisfaction of the following performance conditions.

*Absolute TSR<sup>1</sup> increase*

60% of an LTIP Award granted to a participant will be subject to satisfaction of certain levels of absolute TSR increase over the Vesting Period. In order for any vesting related to absolute TSR increase to occur, the TSR must increase by more than 15% over the Vesting Period. In order for full vesting related to absolute TSR increase to occur, the TSR must increase by at least 50% over the Vesting Period. If the TSR increase is between 15% and 50% over the Vesting Period, a linear vesting related to absolute TSR increase will occur. The calculation of the TSR shall for the purpose of the TSR performance condition be based on a comparison of

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<sup>1</sup> So-called Total Shareholder Return.



the volume-weighted average price paid for the Sobi common share on Nasdaq Stockholm, adjusted for any dividend payments, during a period of 10 trading days immediately prior to the start of the Vesting Period and the volume-weighted average price paid for the Sobi common share on Nasdaq Stockholm, adjusted for any dividend payments, during the last 10 trading days of the Vesting Period.

*Annual revenues*

40% of an LTIP Award granted to a participant will be subject to the Sobi Group's actual annual revenues reaching or exceeding the Sobi Group's target annual revenues, as set out in the budget established by the Board of Directors. A comparison shall be made for each of the financial years 2017, 2018 and 2019. If the threshold is reached or exceeded for a financial year, full vesting related to annual revenues in respect of that financial year will occur (i.e. 1/3 of 40%). If the threshold is not reached for a financial year, no vesting related to annual revenues in respect of that financial year will occur.

- e) Management Performance Shares may be allocated only after the expiration of the Vesting Period, unless the Board of Directors of Sobi in an individual case resolves otherwise.
- f) In order for a program participant to be allocated Management Performance Shares it is a condition that, with certain specific exemptions, he/she has been permanently employed within the Sobi Group for the duration of the whole Vesting Period.
- g) If significant changes in the Sobi Group or in the market occur which, in the opinion of the Board of Directors, would result in a situation where the conditions for allocation of Management Performance Shares under the Program become unreasonable, the Board of Directors shall be entitled to make adjustments to the Program, including, among other things, be entitled to resolve on a reduced allocation of Management Performance Shares, or that no Management Performance Shares shall be allocated at all.

**II. *Terms and conditions applying to the All Employee Program***

- a) It is proposed that the All Employee Program be open to approximately 590 permanent employees of the Sobi Group ("**Employees**").
- b) The All Employee Program will require Employees to make investments of their own in common shares in Sobi on Nasdaq Stockholm ("**Employee Investment Shares**"). For each Employee Investment Share, the Employees will have the possibility to be allocated 2 common shares in Sobi free of charge ("**Employee Matching Shares**"), from Sobi or from a designated third party. The Employee Matching Shares will be allocated following expiration of the three-year vesting period, starting on the date the Employees were notified by Sobi of their admission to the All Employee Program (the "**Vesting Period**"). Sobi must notify the Employees of their admission to the All Employee Program no later than on 31 December 2017.

- c) The maximum number of Employee Investment Shares each Employee may invest in depends on the gross annual average fixed salary for Employees in 2017. Employee Investment Shares may be acquired for an amount corresponding to no more than 2.5% of the gross annual average fixed salary for Employees in 2017.
- d) Program participants must purchase Employee Investment Shares in connection with the start of the Vesting Period.
- e) Employee Matching Shares may be allocated only after the expiration of the Vesting Period, unless the Board of Directors of Sobi in an individual case resolves otherwise.
- f) In order for a Program participant to be allocated Employee Matching Shares it is a condition that, with certain specific exemptions, he/she has been permanently employed within the Sobi Group for the duration of the whole Vesting Period and that the participant, until the expiration of this Vesting Period, has retained the Employee Investment Shares purchased. Any disposal of Employee Investment Shares prior to the expiration of the Vesting Period will generally result in no Employee Matching Shares being allocated.

### ***III. Terms and conditions applying to the Management Program and the All Employee Program***

- a) The Board of Directors shall be authorised to establish the detailed terms and conditions for the Program. The Board of Directors may, in that regard, make necessary adjustments to satisfy certain regulations or market conditions outside Sweden.
- b) Participation in the Program presupposes that such participation is legally possible in the various jurisdictions concerned and that the administrative costs and financial efforts are reasonable in the opinion of the Board of Directors.
- c) The Program shall comprise no more than 1,967,522 common shares in Sobi, of which 1,355,520 constitute Management Performance Shares and 141,605 constitute Employee Matching Shares. The remaining 470,397 common shares in Sobi are such shares that may be transferred by Sobi in order to cover the cash flow effects associated with the Program, primarily social security charges.
- d) The number of Employee Matching Shares and Management Performance Shares will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.

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#### ***Costs for the Program etc.***

The costs for the Program, which are charged in the profit and loss account, are calculated according to the accounting standard IFRS 2 and distributed on a linear basis over the Vesting Period. The calculation

has been made based on the following assumptions: (i) a market price of the Sobi common share of SEK 120, (ii) no dividend is paid by Sobi during the Program, (iii) an assessment of future volatility in respect of the Sobi common share and (iv) full vesting related to annual revenues will occur. In total, this can lead to maximum costs for the Program of approximately MSEK 108.3, excluding social security costs. The costs for social security charges are calculated to approximately MSEK 48.8 assuming an annual share price increase of 10% during the Vesting Period. In addition to what is set forth above, the maximum costs for the Program have been based on a share price of SEK 120 at the time of the commencement of the Vesting Period, that the Program comprises 821 participants, that each Employee Program participant makes a maximum investment and based on historical employee turnover for the group of 5%. If the share price increases from SEK 120 with 10% until the implementation of the Program the effect on costs would only be marginal as the number of Employee Matching Shares and Management Performance Shares would be reduced correspondingly. Also in case of a decrease in the share price the effect on costs would be marginal. Based on the assumptions above the annual costs for the Program, including social security charges, corresponds to approximately 4.9% of Sobi's total annual employee costs.

If the Program had been implemented in 2016, if the company had had costs in accordance with the example in the preceding paragraph, and Employee Matching Shares and Management Performance Shares had been allocated in 2016 in accordance with the assumptions in the sample calculation, which among other things assumes an annual share price increase of 10% during the Vesting Period, the earnings per share for the financial year 2016 had decreased by SEK 0.17 to SEK 2.84 and the shareholders' equity per share for the financial year 2016 had decreased by SEK 0.19 to SEK 19.61.

#### *Dilution*

Upon full allocation of Employee Matching Shares and Management Performance Shares, the number of shares under the Program amounts to 1,497,125 common shares in Sobi, corresponding to a dilution effect of approximately 0.55% of the share capital and the votes. Aggregated with the 470,397 shares that may be transferred in order to cover the cash flow effects associated with the Program, primarily social security charges, the maximum dilution effect of the Program amounts to approximately 0.73% of the share capital and the votes. If all outstanding long-term incentive programs are included in the calculation, then the corresponding maximum level of dilution amounts to 1.37%.

#### *Hedging arrangements*

The Board of Directors has considered different methods for transfer of shares under the Program, in order to implement the Program in a cost-effective and flexible manner. The Board of Directors has found the most cost-effective alternative to be, and thus proposes that the annual general meeting as a main alternative resolves on (i) a directed issue of redeemable and convertible series C shares and (ii) an authorisation for the Board of Directors to resolve on the repurchase of all issued redeemable and convertible series C shares. Following conversion to common shares in Sobi, the shares are intended to be transferred to Program participants as well as transferred on a regulated market in order to cover the cash flow effects associated with the Program, primarily social security charges. For this purpose, the Board of Directors further proposes that the annual general meeting resolves (iii) on transfers of



own common shares free of charge to Program participants. As further described in item B.(III) below, the Board of Directors proposes that shares acquired for the purpose of securing Sobi's obligations under previous share programs also may be transferred under the Program. The detailed conditions for the Board of Directors' main alternative are set out in item B. below.

Since the Program, in principle, is not expected to give rise to any initial social security payments for the Sobi Group, the Board of Directors has decided not to propose to the annual general meeting 2017 to resolve on transfers of own common shares on a regulated market in order to cover such payments. However, prior to the transfers of common shares to Program participants, the Board of Directors intends to propose to the annual general meeting 2020 that transfers be made of own common shares on a regulated market in order to cover such costs.

Should the majority required under item B. below not be reached, the Board of Directors proposes that Sobi shall be able to enter into an equity swap agreement with a third party, in accordance with item C. below.

#### *Preparations of the proposal*

The Compensation & Benefits Committee of Sobi has prepared guidelines for the proposed Program. These guidelines have been presented for and adopted by the Board of Directors.

The Board of Directors has established shareholding guidelines which recommend that the CEO and the ELT members over a three-year period accumulate personal holdings in Sobi shares representing a value of one gross base salary for the CEO and 50% of one gross base salary for other ELT members, by maintaining Sobi shares already held as well as Performance Shares and Matching Shares allocated under the Program and under previous incentive programs. It is recommended that the CEO and the ELT members maintain shares of such a value for the duration of their appointment as CEO or ELT member.

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#### ***Hedging arrangements in respect of the Program***

##### ***B. Directed issue of redeemable and convertible series C shares, authorisation for the Board of Directors to resolve to repurchase all issued redeemable and convertible series C shares and transfers of own common shares to Program participants***

###### ***I. Resolution on a directed issue of redeemable and convertible series C shares***

Increase of Sobi's share capital by no more than SEK 272,574.93 through an issue of no more than 496,760 series C shares in Sobi.

The issue shall be effected on the following terms.

- a) The new shares shall – with deviation from the shareholders’ preferential right to subscribe for shares – be subscribed for only by an external party who has been informed in advance.
- b) The price to be paid for each new share shall correspond to the quotient value of the share at the time of the subscription of the shares.<sup>2</sup>
- c) The new shares shall be subscribed for during the period 5 May–15 September 2017, with a right for the Board of Directors to extend the subscription period. Oversubscription is not permitted.
- d) Payment for shares subscribed for shall be effected at subscription of the shares.
- e) The new shares shall be entitled to dividends from and including the financial year 2017.
- f) The new shares will be subject to restrictions as set forth in Chapter 4, Section 6 (conversion provision) and Chapter 20, Section 31 (redemption provision) in the Swedish Companies Act (SFS 2005:551).

**II. Authorisation for the Board of Directors to decide on a repurchase of all issued redeemable and convertible series C shares**

Authorisation for the Board of Directors to decide on a repurchase of all issued redeemable and convertible series C shares in Sobi on the following terms.

- a) Repurchase may be made through a public offer directed to all owners of series C shares in Sobi.
- b) The authorisation is valid and may be exercised on one or several occasions until the annual general meeting 2018.
- c) The number of series C shares permitted to be repurchased shall amount to no more than 496,760.
- d) Repurchase of shares shall be made at a lowest price per share of 100% and a highest price of 105% of the quotient value, applicable at the time of the subscription of shares according to section B.(I) above.
- e) Payment for shares repurchased shall be made in cash.
- f) The Board of Directors shall be authorized to establish additional terms for the repurchase.

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<sup>2</sup> The quotient value of the share as per the day of this notice is approximately SEK 0.55.

- g) Repurchase shall also include a so-called interim share, designated by Euroclear Sweden AB as a "paid subscription share" (Sw. *BTA*) relating to a series C share.

The repurchase of own shares is an integrated part of the hedging arrangements for the Program. The reason for the proposed possibility to repurchase own shares is that Sobi shall be able to fulfil its obligations pursuant to the Program in a cost-effective manner.

### ***III. Resolution on transfers of own common shares to Program participants***

Series C shares have been issued and repurchased by Sobi under previous share programs for the purpose of securing Sobi's obligations under such programs. Those shares either have been or will be converted to common shares. Full allocation of shares will not take place under these programs and, accordingly, all shares will not be required to secure the obligations under such programs. The Board of Directors proposes that 1,470,762 common shares, which are no longer required to secure the obligations of Sobi under previous share programs, together with the shares issued and repurchased in accordance with items B.(I) and B.(II) above, following conversion to common shares, may be transferred under the Program.

Transfers of Sobi's own common shares to Program participants may be made on the following terms.

- a) Transfers may be made only of common shares in Sobi, whereby a maximum of 1,497,125 common shares in Sobi (corresponding to 1,355,520 Management Performance Shares and 141,605 Employee Matching Shares) may be transferred free of charge to Program participants.
- b) Right to purchase common shares in Sobi free of charge shall – with deviation from the shareholders' preferential rights – be granted to such persons within the Sobi Group who are participants in the Program.
- c) Transfers of common shares in Sobi shall be made free of charge at the time and on the other terms that the Program participants are entitled to be allocated shares.
- d) The number of common shares in Sobi that may be transferred under the Program will be subject to recalculation as a result of intervening bonus issues, splits, rights issues and/or other similar corporate events.

### ***C. Equity swap agreement with a third party***

Should the majority required under item B. above not be reached, the Board of Directors proposes that the annual general meeting resolves that the expected financial exposure of the Program shall be hedged by Sobi being able to enter into an equity swap agreement with a third party on terms in accordance with market practice, whereby the third party in its own name shall be entitled to acquire and transfer common shares in Sobi to the Program participants.

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*Conditions*

The annual general meeting's resolution on the implementation of the Program according to item A. above is conditional upon the meeting either resolving in accordance with the Board of Directors' proposal under item B. above or in accordance with the Board of Directors' proposal under item C. above.

*Majority requirements, etc.*

The annual general meeting's resolution according to item A. above requires a simple majority among the votes cast. A valid resolution under item B. above requires that shareholders representing not less than nine-tenths of the votes cast as well as of the shares represented at the meeting approve the resolution. A valid resolution under item C. above requires a simple majority among the votes cast.

The issue, repurchase and transfer of shares in Sobi are integral parts of the proposed Program. Therefore, and in light of the above, the Board of Directors considers it to be advantageous for Sobi and the shareholders that the Program participants are invited to become shareholders in Sobi.

For the purpose of minimizing Sobi's costs for the Program, the subscription price has been set at the quotient value of the share.

*Previous incentive programs in Sobi*

For a description of the company's other long-term incentive programs, reference is made to the company's annual report for 2016, note 12, and the company's web site, [www.sobi.com](http://www.sobi.com). Additionally, the company has implemented a long-term cash-based incentive program with a three-year vesting period. The program is subject to certain performance measures which must be satisfied in order for any compensation to be payable. The program is available for those employees who were legally prohibited from participating in the LTI 2016. The company's maximum costs for the long-term cash-based incentive program cannot on an individual basis exceed the maximum costs that otherwise could have arisen under the LTI 2016. No other long-term incentive programs than those described herein or in the annual report for 2016, note 12, have been implemented in Sobi.

*Authorisation for the CEO*

The Board of Directors proposes that the CEO shall be authorized to make the minor adjustments to the above resolution regarding the directed issue of redeemable and convertible series C shares in connection with the registration thereof with the Swedish Companies Registration Office and Euroclear Sweden AB.

**Proposal regarding the approval to authorise the issuance of new shares and/or convertible bonds and/or warrants (item 18)**

The Board of Directors proposes that the annual general meeting resolves to authorise the Board of Directors to resolve, on one or several occasions, prior to the next annual general meeting, on a pre-emptive or non-pre-emptive basis, on the issuance of shares and/or convertible bonds and/or warrants. Such resolution may provide for payment in kind, payment against set-off of claims and/or on other conditions. The number of shares that may be issued, the number of shares that convertible bonds may be converted into and the number of shares that may be subscribed for by the exercise of warrants may not exceed 30,000,000 shares in total.

If the authorisation is exercised in full, the dilution would amount to approximately 10% of the number of shares in the company (counted after the authorisation has been fully exercised).

The Board of Directors, or any person appointed by it, is authorized to make any minor adjustments to the resolution that may be necessary to enable registration with the Swedish Companies Registration Office (Sw: *Bolagsverket*).

*Majority requirements, etc.*

The purpose of the authorisation is to enable payment through the issuance of own financial instruments in connection with possible acquisitions that the company may make as well as to raise capital in connection with and in order to finance such acquisitions. A valid resolution in accordance with the Board of Directors' proposal requires that shareholders representing at least two-thirds of both the number of votes cast and the shares represented at the annual general meeting support the resolution.

**Proposal regarding transfer of own shares (item 19)**

The Board of Directors proposes that the annual general meeting resolves that not more than 158,563 common shares may, prior to the annual general meeting 2018, be transferred for the purpose of covering certain payments, primarily social security charges that may occur in relation to the Share Program 2014. Transfer of shares shall be effected on Nasdaq Stockholm at a price within the, at each time, prevailing price interval for the share. 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.

*Majority requirements, etc.*

The purpose of the Board of Directors' proposal to transfer shares is to secure for future cash flow effects due to payments of social security costs connected with the Share Program 2014. A valid resolution requires approval of shareholders representing at least two-thirds of the votes cast as well as the shares represented at the general meeting.