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Minutes of the Annual General Meeting of ALK-Abelló A/S held on 12 March 2013

TRANSLATION

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At 4.00 p.m. on 12 March 2013 the Annual General Meeting of

**ALK-Abelló A/S**

(company registration (CVR) no. 63 71 79 16)

was held at the company's registered office, 1 Bøge Allé, 2970 Hørsholm, Denmark.

The Chairman of the Board of Directors, Steen Riisgaard, welcomed everyone to the Annual General Meeting.

In accordance with the Company's Articles of Association, the Company's Board of Directors had appointed Niels Kornerup, Attorney-at-Law, to chair the meeting.

The chairman of the meeting declared, with the consent of the shareholders, that the Annual General Meeting was duly convened and quorate with respect to the items on the agenda.

The meeting was attended by 129 people, of whom 95 had admission cards with voting rights and 34 had admission cards without voting rights.

After deducting own shares, 14,608,945 votes were represented out of a total of 17,946,851 possible votes, and out of a nominal share capital of DKK 96,600,110 a nominal total of DKK 63,224,650 was represented at the Annual General Meeting.

The Board of Directors had received proxy forms and postal votes corresponding to 1,324,410 votes, equivalent to a total of 9.08% of the represented votes.

The chairman of the meeting then explained the rules of section 101(5) of the Danish Companies Act on full reporting on votes. The Annual General Meeting may depart from these rules, and the chairman of the meeting moved that this option should be used. The Annual General Meeting agreed to this motion.

**Agenda**

1. Report on the activities of the Company
2. Approval of the annual report and resolution to discharge the Board of Directors and the Board of Management from their obligations
3. Resolution as to the allocation of the profit
4. Approval of the remuneration to the Board of Directors for the present year
5. Authority to the Board of Directors to buy treasury shares
6. Authority to the Board of Directors to increase the share capital
7. Election of members to the Board of Directors
8. Appointment of auditor
9. Authorisation to the chairman of the general meeting

### **Re 1-3. Report by the Board of Directors, annual report and allocation of profit**

As is customary at ALK's Annual General Meetings, items 1, 2 and 3 of the agenda will be treated together, including any discussion.

The Chairman of the Board, Steen Riisgaard, and Jens Bager, President and CEO, presented the following report on the Company's activities in the past financial year, with Steen Riisgaard speaking first:

#### **Prevention and treatment of allergy**

"ALK has a clear mission to improve people's lives by preventing and treating allergy. Allergy does not just concern physical symptoms, although these are bad enough: itchy, puffy, red and watery eyes; a nose that blocks and runs; and frequent coughing and sneezing. Allergy is also about reduced quality of life for the individual, about the risk of developing further allergies or asthma.

In Europe, North America and Japan, around 150 million people suffer from allergy. We don't know exactly how many of these people have such severe symptoms that they should be treated with allergy immunotherapy products. But the figure undoubtedly runs to very many millions, which is in marked contrast to the fact that in Europe and the USA only 4.5 million people are currently being treated with allergy immunotherapy.

Allergy is therefore a big problem for many patients. It is a widespread disease – and a social problem.

#### **Globalisation of allergy immunotherapy**

Given what I've just said, I am delighted to be able to say that in the past year ALK has taken a number of important steps in our efforts to improve and globalise allergy immunotherapy and help the many millions of allergy sufferers who need treatment.

At the start of 2013, our North American partner, Merck, submitted a biologics license application (BLA) to the American health authorities, the FDA, for approval of a grass allergy immunotherapy tablet (AIT) in the USA. In Europe, we know this AIT as GRAZAX<sup>®</sup>. As recently as yesterday, Merck submitted a BLA for the AIT against ragweed allergy, which in the USA is just as widespread and serious a problem as allergy to grass pollen. Both allergies affect some 30 million people, but the symptoms caused by ragweed are more severe.

We have not yet achieved our aim. Firstly, we need the approval by the FDA, and decisions as to sales prices and reimbursements still need to be made. But now we can see the finishing line: the launch of two AITs in the world's largest pharmaceutical market.

ALK has also made progress with our other clinical development programmes – both the ones we are conducting ourselves and the ones we are carrying out with our partners: Merck in North America and Torii in Japan. Merck and Torii want this. They share ALK's goal of making allergy treatment available to many more patients and they are demonstrating this in both words and actions – with the hundreds of millions of kroner they are investing in the clinical trials of ALK's AITs in their domestic markets.

ALK is also spending a lot of money on research and development, and the focus is clearly on AITs. Last year, research and development costs represented 22% of ALK's revenue. Such high costs are reducing ALK's earnings here and now, but we are convinced that in the long term the efforts will help create a bigger and more profitable ALK.

### **Progress in clinical development**

Last year, more than 8,000 patients participated in clinical trials of ALK's products – the highest number ever. All programmes made progress, which we have indicated with the dark shading here in the slide:

I have already mentioned the progress for the AITs against grass pollen allergy and ragweed allergy in the USA, and in Europe the multi-year GAP study of GRAZAX<sup>®</sup> for the prevention of asthma is continuing as planned. The clinical development of the AIT against house dust mite allergy was stepped up, so we are now in Phase III in Europe, Phase IIb in the USA and Phase III in Japan with programmes aimed at treating both asthma and hay fever. Finally, we initiated a Phase II study of an AIT against tree pollen allergy in Europe, so we now have AITs against all four major allergies in advanced clinical development.

I'll come back to the pipeline.”

Steen Riisgaard gave the floor to Jens Bager, President and CEO, who went through the results for 2012 in outline.

### **Vaccine sales**

“Last year, it became more and more clear that the dynamics of the world market for allergy immunotherapy products are changing: There is growth in the overseas markets such as North America and parts of Asia, but in contrast the mature European markets have come to a standstill. Many years of uninterrupted growth in Europe have given way to decreasing vaccine sales due to the economic crisis, public savings and restrictions on medicine prices and reimbursements.

In 2012, Spain reduced public medicine reimbursement, so patients had to pay more themselves, and this was particularly painful in a country where the crisis has hit many people hard financially. The demand for allergy medicine fell in Spain, as it did in Italy, another country affected by the crisis, but we are also seeing the largest allergy market, Germany, still dominated by the heavy price reductions and freezing of medicine prices from 2010.

France – the second-largest allergy market – is an exception. The French market is growing, and ALK won market shares after solid double-digit growth in sales in France.

The tough market conditions in the rest of Europe affected ALK's vaccine sales, which totalled around DKK 1.9 billion.

The injection-based immunotherapy products – SCIT – accounted for DKK 987 million. In this group, the AVANZ<sup>®</sup> product line stood out with growth of 46%, and AVANZ<sup>®</sup> generated around one third of SCIT sales in the countries where the product is on the market. This is an important result in our efforts to focus our energy on selected flagship products.

We hope that the new product line SLITone<sup>ULTRA®</sup> can achieve an equally strong position among the drop based immunotherapy products – SLIT. So far, SLITone<sup>ULTRA®</sup> has been well received in four countries, and we are preparing to introduce it in more countries. Total SLIT sales were DKK 734 million, while sales of our only AIT so far, GRAZAX<sup>®</sup>, topped DKK 200 million following growth of 10% in value and 15% in volume.

### **Other products and partner revenues**

Sales of adrenaline auto-injectors, diagnostics and other products fell as a whole by 11% to DKK 186 million. We have decided to replace an inlicensed adrenaline auto-injector with our own auto-injector, Jext<sup>®</sup>, which has been well received in the markets. However, it has taken time to speed up production to an extent that made it possible to meet the demand. We only managed this at the end

of the year, when we saw highly satisfactory sales figures for Jext<sup>®</sup> even though the final quarter of the year is traditionally the low season for sales of adrenaline auto-injectors.

Sales of diagnostics and other products increased by 4%, driven in part by PRE-PEN<sup>®</sup>, the only FDA-approved skin test for penicillin allergy. Furthermore, ALK had other income of DKK 236 million, in particular from our partners in North America and Japan. Partner income was higher than expected and came close to the 2011 level.

### **2012 key figures**

All this adds up to revenue of DKK 2.345 billion. After 21 years of uninterrupted growth, we experienced a small decline in the top line of DKK 3 million due to sales lost with the transition to Jext<sup>®</sup> and slightly lower partner income. Vaccine sales, by contrast, saw a moderate increase, while the tougher market conditions meant that we did not achieve sales growth as aimed for at the beginning of the year.

Gross profit was just below DKK 1.7 billion, and the margins fell slightly due to higher depreciation and expenses for the build-up of production capacity.

Total capacity costs increased by 5% to just over DKK 1.5 billion. This was primarily due to rising expenditure on research and development. Sales and marketing expenses increased slightly, while administration expenses were unchanged.

Operating profit (EBITDA) before special items was DKK 306 million, which meant that we met our expectations for earnings of more than DKK 300 million. Special items amounted to DKK 64 million for restructuring of the organisation and production, and after these non-recurring expenses the reported operating profit was DKK 242 million.

Net profit for the year was DKK 209 million. This included a gain of DKK 155 million from the sale of Chr. Hansen in 2005. When we sold the company, ALK issued a number of warranties to the buyer, but at the end of this warranty period last summer we were able to establish that there was no need for the provisions we had made, wherefore we reversed them.

### **New Focus 2016 strategy**

It is crucial for the Board of Directors and the Board of Management that we can continue to generate a reasonable return for ALK's owners. We must be able to grow the business and increase earnings in spite of the challenges we are encountering in the markets in Europe.

Consequently, in the autumn the Board of Directors adopted the new Focus 2016 strategy with a large number of initiatives in three central focus areas: *Innovate*, *Simplify* and *Grow*.

#### ***Innovate***

Up to 2016, we will continue to allocate considerable funds to research and development. A rapid innovation pace will help redefine the treatment of allergy and asthma so that allergy immunotherapy will be available to many more patients and many more physicians in even more markets. The primary means of achieving this will be the AIT portfolio, which in 2016 will cover all four major allergies: grass, house dust mite, ragweed and tree pollen. We will also broaden the AITs' indications to include e.g. asthma, and while we are finalising the AITs we will begin to develop next-generation vaccines.

#### ***Simplify***

*Simplify* is the way to a simpler and more effective supply chain and business structure.

We are gradually phasing out small products so that we can combine our energies to sell and market major product lines. The aim up to 2016 is to phase out 60% of the products that were on the market in Europe in 2010, and we are well on the way.

Producing fewer products in larger series makes it possible to combine ALK's production in fewer facilities – each with a clear specialty. We will therefore be shutting down three production units up to 2016, and some tasks will be moved from one facility to another. In administration, we are merging, among other things, Finance and IT in global units, which will service the whole Group, and we are adapting sales and marketing to release resources for new growth initiatives.

Unfortunately, the changes mean that we will be saying farewell to up to 130 employees, although the real job losses will be less because new jobs will also be created. Overall, the *Simplify* initiatives will generate savings of DKK 100 million, with full effect from 2016.

### **Grow**

*Grow* comprises initiatives that will help ALK capture new markets and market shares in the current markets. In selected countries such as France and Germany, we are strengthening our sales efforts so that we can reach more physicians and increase awareness of allergy immunotherapy. This will provide us with a higher return on new product lines and products such as GRAZAX<sup>®</sup>, AVANZ<sup>®</sup> and SLITone<sup>ULTRA</sup><sup>®</sup>.

The new AITs will also generate increased growth in Europe – as well as in North America and Japan, where our partners' sales will give ALK royalties and revenue from the production of AITs for the partners. This growth will not come from day one. There will undoubtedly be a period of penetration in which patients and physicians have to embrace this new form of treatment. On the other hand, however, AITs have a very long lifetime on the market because of the absence of the usual patent gaps that suddenly strike and give rise to copied products.

Finally, up to 2016 ALK will enter new growth markets where there is an explosive increase in allergy but where allergy immunotherapy is still at a very early stage. In particular, we are focusing on the large market potential of China, Russia, Turkey and South America.

These are the key elements of the strategy, with which I would now like to give the floor to the Chairman of the Board of Directors.”

### **Board of Directors' report by Steen Riisgaard**

Steen Riisgaard thanked Jens Bager for going through the results for the year and the new strategy, and then continued with his report:

#### **Allocation of profit**

“Allocation of profit for the year is based on the financial statements of the parent company, ALK-Abelló A/S. The parent company achieved a net profit for the year of DKK 190 million, of which the Board of Directors proposes that DKK 51 million should be distributed as dividend and DKK 139 million should be transferred to equity.

The Board of Directors believes that this distribution will give the shareholders a reasonable cash return, while ALK will retain its financial strength. ALK is still well-consolidated and has good liquidity – DKK 477 million at the end of the year – but in the coming years ALK will be investing considerable sums in both research and development as well as production, and we would also like to have some latitude should opportunities for value-creating acquisitions emerge.

The dividend is equivalent to DKK 5 per share and will be paid on 18 March.

### **Value creation for shareholders**

DKK 5 was also the dividend last year, and if we combine the dividend and share price increase in 2012, the shareholders achieved a return of 23%. This is slightly below the return on the ultra-liquid C20 shares, but almost double the return of other MidCap shares.

ALK has also directed money back to the shareholders in connection with the purchase of own shares. We purchased own shares at a value of DKK 45 million under the programme that ran up to April 2012. In May 2012, we initiated a new programme, which has just finished. In this programme we spent DKK 41.8 million on purchasing own shares, which we are using to cover the incentive schemes.

### **Financial objectives unchanged**

In the longer term, our financial objectives are revenue of DKK 3 billion and a profit margin of 25% in 2015.

We have indicated with arrows what will drive this growth in sales and earnings:

- Revenues from the partners in North America and Japan – milestone payments, payment for products, cover of R&D expenses and royalties from sales in North America.
- Lower research and development expenses as a percentage of revenue, not because we are scaling back research and development, but because revenue is increasing.
- Savings from the *Simplify* programme which, when fully rolled out, will generate savings of DKK 100 million from 2016.
- Revenue of more than DKK 200 million from the adrenaline auto-injector Jext<sup>®</sup> in 2015. In the long term, Jext<sup>®</sup> will become as big a business for ALK as the previous adrenaline auto-injector, but earnings will be higher because it is our own product.
- And finally: moderate growth in vaccine sales in the next three years.

These are our underlying assumptions. The assumptions may change – that's just the way of things – and this could impact our objectives both negatively and positively. We have listed the main risks (down sides) and possible positive factors (up sides) and otherwise described these assumptions in the annual report.

It is clear that the development in the European markets have worsened ALK's working conditions and made it harder to achieve our long-term objectives, but the Board of Directors and the Board of Management still believe that the objectives are within reach.

That's all for the long-term objectives. I'll move on to our short-term objectives – the outlook for 2013 – in a moment, but first let me say a few words about the work of the Board of Directors.

### **The work of the Board of Directors**

Last year, the Board of Directors held six meetings, the meeting in August being a two-day seminar at which we discussed the new Focus 2016 strategy in detail with the Board of Management as well as other managers. At this seminar, we managed to have the framework and ambitions in place so that the Board of Management could start working on the detailed planning, and we approved the final plan in November.

Besides the six meetings of the Board of Directors, the Remuneration Committee and the Audit Committee met three times and finally meetings were held between the chairmanship and the Board of Management.

### **Self-evaluation of the Board of Directors**

Even though the members of the Board of Directors may no longer be young, most of us are quite young in an ALK context: Three out of the six members elected by the company's shareholders have been newly elected within the past two years and both the Chairman and the Vice Chairman have only one year of seniority in their respective roles.

We were therefore probably particularly anxious when we evaluated the work of the Board of Directors with the aid of an external consultant towards the end of the year. All members of the Board of Directors and the Board of Management completed a questionnaire and the consultant presented the results to the Board of Directors. These results confirmed what we all felt: There is sound cooperation within the Board of Directors and the individual contributions and expertise are satisfactory. Everyone has something to offer, and everyone is offering something.

The evaluation also showed very satisfactory cooperation between the Board of Directors and the Board of Management. We appointed two board committees in 2011 and those committees have made it easier for the Board of Directors to be informed in more detail just as they have facilitated the cooperation between the Board of Directors and the Board of Management. The work on the Focus 2016 strategy has been particularly satisfactory, and the Board of Directors will follow up on this strategy on an ongoing basis in 2013.

A very concrete result of this evaluation is that we have now appointed a new committee, i.e. a Scientific Committee.

Let these words on the Board of Directors be my cue to thank not just the Board of Directors but all ALK's employees for a good and committed effort in a challenging year when adaptability was very much required.

### **Outlook for 2013**

We will need the same commitment from managers and employees this year as well; unfortunately, the market conditions in Europe seem to be just as difficult as last year – continued economic crisis, pressure on public healthcare expenditure and stricter regulatory requirements. We therefore need to prepare ourselves again for a flat to negative market growth in Europe as a whole, but ALK expects to generate growth in vaccine sales compared to the market due to our new products and further sales and marketing efforts.

It looks better outside Europe with expected growth in North America and China, among other countries; however, unfortunately these countries do not take up much room on the world market for allergy immunotherapy products which is still dominated by Europe. On the basis of these mixed market prospects we expect limited growth in ALK's vaccine sales.

The adrenaline auto-injector Jext<sup>®</sup> is expected to deliver solid sales growth while we anticipate a minor increase in sales of diagnostics and other products. Thus some growth in ALK's total product sales, however that growth will be offset by decreasing partner income with prospects of only moderate milestone payments. In total, ALK's revenue is therefore expected to reach the same level as for 2012, i.e. above DKK 2.3 billion.

Capacity costs will remain unchanged. We are introducing savings in sales, marketing and administration which are to a large extent used to finance new initiatives to increase sales. We still intend to spend well over half a billion DKK on research and development and that money is particularly earmarked for the AITs.

Despite lower partner income and higher research and development expenses, we expect operating profit (EBITDA) to constitute a robust DKK 200-300 million before special items. We have allowed

for some room as it is uncertain when we will receive a milestone payment from Merck. Payment is due when Merck initiates a new trial of the AIT against house dust mite allergy, but as there is always some uncertainty regarding the precise start-up of clinical trials and as this trial is planned to be initiated at the end of the year, the initiation may be moved to 2014, which we have therefore allowed for in our expectations.

In 2013 as well, ALK will have special items – these are non-recurring expenses for the simplification of the production and organisation. But these expenses will be considerably lower than in 2012.

The investments in the production will continue. We are developing the SLIT production in France, we are generating new capacity for the production of AITs in Denmark and the USA, and finally investments are associated with the consolidation of ALK's production network. Overall, we expect to spend DKK 200-250 million on investments.

The financial outlook for 2013 is affected by the difficult markets in Europe. We have to be ready for the market challenges and at the same time continue the dedicated work on ALK's pipeline and on the globalisation of ALK.

### **Considerable progress in the development**

We would like 2013 to be a year of considerable progress in the development of new products and to offer good news.

The first good news has already been introduced; Merck's two applications to the FDA for approval of the AITs against grass pollen and ragweed allergy, respectively, in the USA. Furthermore, at the end of the year Merck is planning to initiate the Phase III trial of the AIT against house dust mite allergy which I mentioned earlier.

We also anticipate presenting important results from clinical trials:

- This year, Merck will present the results of last year's successful trials on which their application for approval of the AIT against grass pollen allergy in the USA is based.
- In Europe, ALK will complete the two major Phase III trials of the AIT against house dust mite allergy – MERIT against hay fever and MITRA against asthma. If we achieve the anticipated results the trials will provide us with the decisive basis for applying for approval of the product in Europe in 2014. Thereby, we will be well on the way to have the first AIT on the market against the most widespread allergy.
- Merck will also complete a minor Phase IIb trial of the AIT against house dust mite allergy in the USA. This trial is to determine the doses to be administered in the Phase III trial.
- Within the last of the four major allergies – tree pollen – there is also one important milestone. We will reach that milestone when we complete a Phase II trial of the AIT in Europe.
- Finally, we also have clinical development of the allergy immunotherapy products administered as injections and drops. We will complete a clinical Phase III trial of the subcutaneous immunotherapy product AVANZ<sup>®</sup> against grass pollen allergy as well as a Phase II trial of the sublingual immunotherapy product SLITone<sup>ULTRA<sup>®</sup></sup> against house dust mite allergy.

Overall, we are facing a very busy year which should produce ground-breaking results bringing ALK closer to our ambition of making effective, well-documented allergy immunotherapy products available to allergy sufferers worldwide.

With these remarks I ask the shareholders to approve the annual report and the allocation of profits, and that the submitted report by the Board of Directors and Board of Management be adopted. Thank you for your attention."

The chairman of the meeting noted that the annual report had been signed by the Board of Directors and the Board of Management and that the auditor had stated that the financial statements give a true and fair view. The chairman of the meeting noted further that the Board of Directors had proposed a dividend of DKK 5 per share, a total of DKK 51 million.

The chairman of the meeting subsequently opened up the meeting for debate.

To begin with Claus Berner Møller from ATP thanked for the report and noted that it was good news that Merck had submitted a BLA for the AIT against ragweed allergy. Claus Berner Møller requested further information on the new sales initiatives to increase sales growth in the company's own vaccine business as well as information about which markets the company will focus on, especially in Europe. Claus Berner Møller praised the recommendation of Jakob Riis for the Board of Directors and said that ATP supports this choice. Finally, Claus Berner Møller thanked all employees of the company for their work in 2012.

Jens Bager explained the sales initiatives taken by ALK to comply with the difficult market conditions. Jens Bager further said that, amongst other things, a co-promotion agreement with MSD in France had been entered into in order to reach new target groups. The Board of Directors will evaluate the effect of this initiative on an ongoing basis. In Germany, a number of initiatives had been taken in an attempt to mobilise more physicians to refer more allergy patients to allergy immunotherapy treatment. The company will furthermore have an increased focus on emerging markets. This initiative was cost-intensive and resources had therefore been transferred from Europe to these markets. The company had also been very committed to Jext<sup>®</sup>. Overall, Jens Bager said that the company is focusing on areas with growth potential and subsequently dedicates its resources to these areas.

John Aagaard from the Danish Shareholders Association thanked for the floor and for an adequate report and congratulated the Board of Directors on the announcement that Merck had submitted the applications for approval of the AITs against grass pollen and ragweed allergy to the FDA. John Aagaard also wished to be informed of the time horizon for the FDA approval as estimated by the company, of the factors that could influence the process as well as of the risk of negative results.

John Aagaard also asked for an assessment by the Board of Directors of the perspectives for particularly the grass AIT on the American market, an assessment of how much the American market is expected to contribute to the financial statements of the company in 2015 as well as an assessment of the Board of Directors as to whether the American market in future will develop in the same way as the European market, with weak growth.

John Aagaard furthermore requested information on Merck's submitted application on the Canadian market for its grass AIT as well as an assessment of whether the American process will have the same time horizon.

Finally John Aagaard requested information on the company's commercial considerations in relation to the Chinese market as well as whether the company had allocated the necessary resources for an entry in China.

The chairman of the meeting thanked John Aagaard for his comments and gave the floor to Steen Riisgaard insofar as the question on the Chinese market was concerned.

Steen Riisgaard stated that the company had been on the Chinese market for approximately ten years and therefore had a fairly good impression of the Chinese market. The Board of Directors would furthermore discuss the Chinese market during the spring on the basis of a presentation by the Board of Management. At present the company's strategy therefore did not include anything specific on the future cultivation of the Chinese market.

The floor was given to Jens Bager. To begin with Jens Bager noted that the company assessed the FDA's handling of applications difficult to predict and therefore said that the company had to refrain from further predictions in this respect. However, Jens Bager noted that Merck had been very thorough in their preparatory work for the applications.

Insofar as the American market was concerned the company had high expectations for the launch of the new products, but could not comment further as the partner Merck had neither yet published information regarding the price of the products, nor how many patients would be treated with the AITs.

Insofar as the company's long-term financial targets were concerned Jens Bager stated that the achievement of these targets, amongst other things, would depend on sales of Jext<sup>®</sup> as well as on the attempt to generate growth on the European market but also on a positive development of the collaboration with Merck. Jens Bager stated that the company did not expect the American market to develop in the same way as the European market. Jens Bager listed some differences between the American and the European market and noted further that Merck had a strong position on the American market and potential to reach its target group through marketing.

Insofar as the Canadian market was concerned Jens Bager stated that the Canadian authorities had awaited the results from the American trials of the products. As the results from the American trials were now available and had been sent to the Canadian authorities the company expected a reply from the Canadian authorities, probably this year. It was, however, noted that the Canadian market was considerably smaller than the American market.

The next speaker was Per Bergenholz who wished to know if tree pollen could be considered one problem that could be solved by means of one product, or whether it required a number of products. Jens Bager stated that birch pollen allergy was the most aggressive tree allergy and the allergy that affected most people. Furthermore, it was expected that birch pollen medicine would also work against other types of tree pollen, however, not all.

As no one else wished to take the floor, the chairman of the meeting declared that the discussion had ended.

The general meeting then took note of the report, adopted the annual report, discharged the Board of Directors and Board of Management from its duties, and approved the allocation of profit and the proposed dividend.

#### **Re 4. Approval of the remuneration to the Board of Directors for the present year**

The Board of Directors proposed to the general meeting that the fees to the Board of Directors remain unchanged, thus

- that the fee to each board member amount to DKK 275,000,
- that the Vice Chairman receive the double, DKK 550,000, and
- that the Chairman receive the triple, DKK 825,000.

The Board of Directors furthermore proposed:

that the remuneration to the members of the Board of Directors, who were part of the company's board committees, remained unchanged at DKK 100,000, and

that the remuneration to the chairmen of these committees remained unchanged at DKK 150,000.

No shareholders wished to take the floor.

The shareholders adopted the proposal of the Board of Directors.

#### **Re 5. Authority to the Board of Directors to buy treasury shares**

The Board of Directors proposed to the general meeting that it be authorised for the period until the next annual general meeting to let the Company acquire own B shares regularly. Such shares may only be acquired for an amount that, together with the treasury shares already held by the Company, at no time exceeds a nominal value of 10% of the share capital. The consideration for such shares may not deviate by more than 10% from the official quoted price of the B shares on NASDAQ OMX Copenhagen A/S on the date of acquisition.

No shareholders wished to take the floor.

The shareholders adopted the proposal of the Board of Directors.

#### **Re 6. Authority to the Board of Directors to increase the company's share capital**

The authorisation to the Board of Directors in the Company's Articles of Association article 4a.1 to increase the Company's share capital expired on the date of the Annual General Meeting

Given the above, the Board of Directors proposed amendments to the company's Articles of Association in terms of an extension of the authorisation by another year as set out below.

Article 4a.1 and 4a.2, first paragraph, to read as follows:

**4a.1** *The share capital may by resolution of the Board of Directors in the period including the day of the annual general meeting to be held in 2014 in one or more issues be increased by the issue of new shares having a nominal value of up to DKK 10,128,360, equivalent to A shares having a nominal value of up to DKK 920,760 and B shares having a nominal value of up to DKK 9,207,600. On any increase of the share capital, the ratio between the two share classes shall remain unchanged, and A shares and B shares shall be offered at the same price. The share capital may be increased for cash or other consideration. Increases of the capital pursuant to this authorisation may take place at a price below the market price and shall be with pre-emption rights to all shareholders within the respective share classes, cf. article 4.6.*

**4a.2** *The share capital may by resolution of the Board of Directors in the period including the day of the annual general meeting to be held in 2014 in one or more issues be increased by the issue of new shares having a nominal value of up to DKK 10,128,360, equivalent to A shares having a nominal value of up to DKK 920,760 and B shares having a nominal value of up to DKK 9,207,600. On any increase of the share capital, the ratio between the two share classes shall remain unchanged, and A shares and B shares shall be offered at the same price. Increases of the capital pursuant to this authorisation must be at market price and subscription must take place without pre-emption rights to the B shareholders.*

The provisions set out in the Articles of Association article 4a.2, second paragraph, and articles 4a.3-4a.7 are proposed maintained with unchanged wording.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposed authorisation to the Board of Directors was adopted.

#### **Re 7. Election of members to the Board of Directors**

Pursuant to the Articles of Association, article 8.2, all members of the Board of Directors were up for election.

The Board of Directors proposed the re-election of:

- Steen Riisgaard
- Christian Dyvig
- Thorleif Krarup
- Anders Gersel Pedersen
- Jes Østergaard

Lars Holmqvist was not standing for re-election.

With respect to existing members' directorships in other commercial enterprises, reference was made to the annual report.

The Board of Directors proposed the new election of Jakob Riis. The chairman of the meeting gave a short account of Jakob Riis' directorships in other commercial enterprises.

The chairman of the meeting stated that the Board of Directors intended to elect Steen Riisgaard to be Chairman and Christian Dyvig to be Vice Chairman.

The general meeting then re-elected:

- Steen Riisgaard (Chairman)
- Christian Dyvig (Vice Chairman)
- Thorleif Krarup
- Anders Gersel Pedersen
- Jes Østergaard

The general meeting elected:

- Jakob Riis

as new member of the Board of Directors.

The chairman of the meeting stated that all members of the Board of Directors had been elected for a period of one year and congratulated the elected members of the Board of Directors on the election.

The chairman stated that in March 2011 the employees of ALK elected three company representatives for a period of four years to the company's Board of Directors:

- Katja Barnkob Thalund
- Dorthe Seitzberg
- Jacob Kastrup

**Re 8. Appointment of auditor**

The Board of Directors proposed that DELOITTE Statsautoriseret Revisionspartnerselskab be re-appointed.

The general meeting re-appointed DELOITTE Statsautoriseret Revisionspartnerselskab as auditors of the Company.

**Re 9. Authorisation to the chairman of the meeting**

The following proposal for authorisation to the chairman of the meeting had been submitted:

The chairman of the general meeting is authorised to make such changes in and supplements to the resolutions adopted at the general meeting and to the notification to the Danish Business Authority as may be required by the Danish Business Authority in connection with the registration of the amendments adopted.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposed authorisation to the chairman of the meeting was adopted.

Finally, the chairman of the Board of Directors thanked the shareholders for attending the general meeting and the chairman for chairing the meeting, and then announced that light refreshments were available in the foyer, where the shareholders would have the opportunity to meet the Board of Directors and the Board of Management.

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General meeting adjourned.

Chairman of the meeting

Chairman of the Board of Directors

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Niels Kornerup

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Steen Riisgaard