

Notice convening Annual General Meeting

ALK-Abelló A/S – Monday, 12 March 2018 at 16:00 (CET)



To the shareholders of ALK-Abelló A/S

The Board of Directors is pleased to invite you to the Company's Annual General Meeting to be held on

Monday, 12 March 2018 at 16:00 (CET)

at ALK-Abelló A/S, 1 Bøge Allé, 2970 Hørsholm, Denmark.

Agenda with complete proposals

1. Report on the activities of the Company

2. Adoption of the annual report and resolution to discharge the Board of Directors and the Board of Management from their obligations

3. Resolution on the allocation of profit

The Board of Directors proposes that it should be decided, as stated in the approved annual report, that the Company should not pay any ordinary dividend, in line with the Company's growth strategy.

4. Adoption of the remuneration to the Board of Directors for the present year

The Board of Directors proposes that the fees to the Board of Directors shall remain unchanged at DKK 275,000; the Vice Chairman shall receive double, DKK 550,000, and the Chairman shall receive three times the amount, DKK 825,000.

The Board of Directors also proposes that the fees to the board members who are members of a board committee, shall remain unchanged at DKK 100,000. The Chairman of each committee shall receive DKK 150,000 as before.

5. Election of Chairman of the Board of Directors

Pursuant to article 8.2, all members of the Board of Directors are up for election every year.

The Board of Directors proposes the re-election of the incumbent Chairman **Steen Riisgaard** due to his specific expertise within management and board work as well as experience in production, research and development and sales and marketing in international companies. Steen Riisgaard is recommended as an independent member of the Board in accordance with point 3.2.1 of the Danish Recommendations on Corporate Governance. Steen Riisgaard has been a member of the Board of Directors since 2011.

6. Election of Vice Chairman of the Board of Directors

The Board of Directors proposes the re-election of the incumbent Vice Chairman **Lene Skole** due to her experience in management, financial and economic expertise, as well as experience in strategy and communication in international companies. Lene Skole is CEO of Lundbeckfonden and is recommended as a non-independent member of the Board in accordance with point 3.2.1 of the Danish Recommendations on Corporate Governance. Lene Skole has been a member of the Board of Directors since 2014.

7. Election of other members of the Board of Directors

The Board of Directors proposes the re-election of:

Lars Holmqvist

due to his experience in management, finance, sales and marketing in international life science companies, including med-tech and pharmaceutical companies. Lars Holmqvist is on the Board of Lundbeck-fonden and is recommended as a non-independent member of the Board in accordance with point 3.2.1 of the Danish Recommendations on Corporate Governance. Lars Holmqvist has been a member of the Board of Directors since 2015.

Jakob Riis

due to his experience in management, sales and marketing in the international pharmaceutical industry. Jakob Riis is recommended as a non-independent member of the Board in accordance with point 3.2.1 of the Danish Recommendations on Corporate Governance. Jakob Riis has been a member of the Board of Directors since 2013.

Anders Gersel Pedersen and **Per Valstorp** are not seeking re-election.

The Board of Directors proposes the new election of:

Gonzalo De Miquel

(born 1967, Spanish citizen) due to his considerable experience in R&D with more than 20 years spent in the pharma industry. Gonzalo De Miquel has highly relevant medical and product development experience ranging from global medical affairs and regulatory, through to early and late stage clinical development, health-economics, pharmacovigilance and product launch. He has a strong international mindset and significant global drug development experience particularly in respiratory diseases and inhalation devices from his time at Almirall and AstraZeneca, but also at Boehringer-Ingelheim. Currently, Gonzalo De Miquel serves as Chief Medical Officer and EVP of Development at Vectura Ltd. in the UK and he is currently acting as Vectura's delegate to the Board of Directors of Ventaleon Ltd. Gonzalo De Miquel holds a medical degree from the Autonomous University of Barcelona (UAB) 1991, and is a certified specialist in Clinical Rheumatology. Gonzalo De Miquel is recommended as an independent member of the Board in accordance with point 3.2.1 of the Danish Recommendations on Corporate Governance.



For further information about the individual Board members, including their directorships in other commercial enterprises, reference is made to ALK's website and/or the annual report.

Endeavours are made to ensure that the Board of ALK-Abelló A/S is made up of persons with the international managerial, financial, pharmaceutical, production and R&D expertise needed to safeguard the interests of the Company and thereby of the shareholders in the best possible way. The Board of Directors believes that the proposed candidates satisfy these criteria.

8. Appointment of auditor

The Board of Directors proposes that Deloitte Statsautoriseret Revisionspartnerselskab be re-appointed. The proposal is based on a recommendation from the Audit Committee, and it is not influenced by third parties and has not been driven by any agreement with a third party that could restrict the choice of the General Meeting to certain auditors or audit companies.

9. Proposals from the Board of Directors

(a) **Renewal of the Board's powers to increase the share capital (article 4a of the Articles of Association)**

The Board of Directors proposes that the Board should be granted new powers to increase the AA and B share capital, as the present authorisation under articles 4a.1-4a.5 of the Articles of Association has been fully utilised; article 4a should then be headed "Authorisation to increase the AA and B share capital", and articles 4a.1-4a.5 should be worded as follows:

"4a.1 *The share capital may by resolution of the Board of Directors up to and including 11 March 2023 be increased by one or more issues of new shares with a nominal value of up to DKK 11,141,196, equivalent to AA shares with a nominal value of up to DKK 1,012,836, and B shares with a nominal value of up to DKK 10,128,360. On any increase of the share capital, the ratio between the two share classes shall remain unchanged, as A shares and AA shares are considered as a whole in this article 4a, and AA 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.*

4a.2 *The share capital may by resolution of the Board of Directors up to and including 11 March 2023 be increased by one or more issues of new shares with a nominal value of up to DKK 11,141,196, equivalent to AA shares with a nominal value of up to DKK 1,012,836, and B shares with a nominal value of up to DKK 10,128,360. On any increase of the share capital, the ratio between the two share classes shall remain unchanged, as A shares and AA shares are considered as a whole in this article 4a, and AA 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 Board of Directors may decide that the new shares may only be subscribed by one or more specific investors, by way of a specific creditor's swap of debt, or as full or partial consideration for the acquisition of an operation or specific assets. However, the Board of Directors shall not have the power to direct that the capital increase can only be subscribed by one or more specific investors for cash consideration. If the shares are offered at market price, the price of both the AA shares and the B shares shall be the market price of the Company's B shares.

4a.3 *Increases of the share capital pursuant to articles 4a.1 and 4a.2 may not in total exceed a nominal value of DKK 11,141,196, equivalent to AA shares having a nominal value of up to DKK 1,012,836, and B shares having a nominal value of up to DKK 10,128,360.*

4a.4 *AA shares subscribed and issued pursuant to articles 4a.1 and 4a.2 above shall be non-negotiable instruments, which shall be issued to bearer and be registered in the name of the holder in the Company's register of shareholders. The B shares subscribed and issued pursuant to articles 4a.1 and 4a.2 above shall be negotiable instruments issued as registered shares. No restrictions apply to the transferability of the new shares, see article 4.4 above.*

With the exception of the provision set out in article 4a.6, the AA shares shall have the same rights and obligations as A shares. If the authorisations under articles 4a.1 and/or 4a.2 are utilised, the A shareholders and the AA shareholders shall have joint pre-emption rights to the AA shares offered, and the pre-emption rights shall be exercised in proportion to each shareholder's nominal holding of A shares and AA shares.

4a.5 *The Board of Directors is authorised to amend the Articles of Association as a result of any capital increases made in pursuance of articles 4a.1 and/or 4a.2 above."*



As part of the proposal to adopt the new powers, it is proposed to revise a number of provisions of the Articles of Association in consequence of the wording of the authorisation, which entails the following amendments:

Article 4.2, first and second sentences, shall be worded as follows:

"Shares are issued as registered shares and are registered in the register of shareholders of the Company. A and AA shares are non-negotiable instruments and B shares are negotiable instruments, which are registered with VP Securities A/S."

Article 4.4 shall be worded as follows:

"No restrictions apply to the transferability of the A shares, AA shares or B shares."

In article 4.5, first sentence, "article 4a.1" shall be amended to "article 4a.2" and "and 4a.5" shall be deleted.

Article 4.6, first and second sentences, shall be worded as follows:

"The share capital may be increased by subscription of A shares, AA shares and B shares in the existing nominal ratio between the three share classes. A shareholders shall have pre-emption rights to new A shares, AA shareholders shall have pre-emption rights to new AA shares, but cf. article 4a.4, and B shareholders shall have pre-emption rights to new B shares."

Article 4a.6 shall be deleted; article 4a.7 shall be numbered as article 4a.6, and "and 4a.6 above" shall be deleted from the last sentence of article 4a.7.

(b) Change to requirements for participation in general meetings (article 6.1 of the Articles of Association)

The Board of Directors proposes that the requirements in the Articles of Association for participation by shareholders in the general meeting should follow the rules in the Danish Companies Act, whereby the Articles of Association should no longer require an admission ticket to be shown in order to participate. This proposal entails the following changes to the Articles of Association:

Article 6.1, second sentence, shall be worded as follows:

"The right to attend the general meeting is also subject to the shareholder having announced his participation in the relevant general meeting not later than three days before the date of the general meeting."

Article 6.1, second paragraph, shall be deleted.

Article 6.4, second sentence, shall be worded as follows :

"The proxy shall announce his participation in compliance with article 6.1 above."

In article 7.2, first sentence, "admission ticket" shall be deleted, and article 7.2, second sentence, shall be worded as follows:

"The documents set out above will be available on the Company's website: www.alk.net"

(c) Removal of the age limit for Board members (article 8.3 of the Articles of Association)

The Board of Directors proposes that the age limit of 70 for members of the Board laid down in the Articles of Association should be removed, as the Board believes, in accordance with the Danish Recommendations on Corporate Governance of 23 November 2017, that age does not in itself qualify or disqualify a Board member. As a consequence of this, it is proposed that article 8.3 in the Company's Articles of Association should be deleted, and the numbering of the subsequent sections within article 8 be amended accordingly.

(d) Change to details of the Company's registrar (article 4.3 of the Articles of Association)

The Board of Directors proposes that the address of the Company's registrar, VP Investor Services A/S, be replaced with the registrar's CVR number in article 4.3 of the Articles of Association. As a consequence of this, it is proposed that article 4.3 be worded as follows:

"The Company's registrar is VP Investor Services A/S, CVR number 30201183, which has been appointed by the Board of Directors as registrar."

(e) Change to the Articles of Association for Ingeniør Johannes Hansen's Fond

As any amendment to the Articles of Association for the Foundation has to be approved by the General Meeting, the Board of Directors of the Company proposes that article 9 of the Foundation's Articles of Association be amended to state that the Foundation itself should appoint an auditor to audit the Foundation's annual report. As a consequence of this, it is proposed that article 9, second paragraph, first sentence, should be worded as follows:

"The Foundation's annual report shall be audited in accordance with the law applicable to non-commercial foundations at any given time, by a legal or natural person appointed by the Board of Directors of the Company for one year at a time at the Board meeting at which the annual report of the Foundation is discussed."

(f) Addition to the general guidelines for incentive payments to the Board of Directors and the Board of Management

The Board of Directors proposes that the general guidelines for the Company's incentive payments to the Board of Directors and the Board of Management be adjusted due to the implementation of the new growth strategy, which will be ongoing until 2020. The growth strategy is described in more detail in company release no. 34/2017. The proposed amendments, which are meant to strengthen the incentive for senior managers of the Company, are presented in the draft version of the general guidelines for incentive payments to the Board of Directors and the Board of Management available at <http://ir.alk.net/agm.cfm>

(g) Authorisation to the chairman of the meeting

The Board of Directors proposes that the General Meeting authorises the chairman of the meeting, with power of delegation, to make such changes in and supplements to the resolutions adopted at the General Meeting and to the notification hereof as may be required by the Danish Business Authority or other authorities in connection with the registration of the amendments adopted, and to continuously make and notify linguistic and other amendments with no impact on content in the Company's Articles of Association.

**Majority requirements**

The agenda proposals under item 9(a) must be adopted by at least 2/3 of the votes cast and of the proportion of the share capital represented at the General Meeting, cf. Section 106(1) of the Danish Companies Act, and at least 2/3 of the proportion of the B shares represented at the General Meeting, cf. Section 162(6) of the Danish Companies Act and article 5.12 of the Articles of Association.

The agenda proposals under items 9(b), 9(c), 9(d) and 9(e) must be adopted by at least 2/3 of the votes cast and of the proportion of the share capital represented at the General Meeting, cf. article 5.12 of the Articles of Association and Section 106(1) of the Danish Companies Act.

The remaining proposals on the agenda must be adopted by a simple majority of the votes cast, cf. article 5.12 of the Articles of Association.

Record date

A shareholder's right to attend and vote at the Annual General Meeting is determined relative to the shares held by the shareholder on the record date, which is **Monday, 5 March 2018 at 23:59 (CET)**.

Request for admission tickets

Admission tickets will be issued to anyone who, according to the register of shareholders, is registered as a shareholder on the record date, or from whom the Company has received due notice as of the record date for entry into the register of shareholders.

Pursuant to the Articles of Association, requests for admission tickets for the Annual General Meeting must be made no later than **Thursday, 8 March 2018 at 23:59 (CET)**. Admission tickets may be requested in one of the following ways:

- by electronic registration at ALK's InvestorPortal: <http://ir.alk.net/agm.cfm> or on the website of VP Investor Services A/S: www.vp.dk/en/agm (please remember to state your VP custody account number. The number is pre-printed on the registration form). When you have registered, you will receive an electronic admission ticket. Please bring the electronic admission ticket on your smartphone or tablet. You can also bring a printout of the admission ticket if you so prefer or have it sent by mail; or
- by sending the registration form duly filled in and signed by mail to VP Investor Services A/S, Weidekampsgade 14, DK-2300 Copenhagen S, Denmark or by returning a scanned copy of the registration form by e-mail to vpinvestor@vp.dk; or
- by calling VP Investor Services A/S on tel +45 4358 8891. Please remember to have your VP custody account number ready before making the call.

Any admission tickets requested will normally be sent before the Annual General Meeting to the address or e-mail recorded in the Company's register of shareholders.

Admission tickets requested that have not been received by ordinary mail or electronically may be picked up as of Monday, 12 March 2018 at 15:00 (CET) at the venue of the Annual General Meeting. If you have forgotten to bring your admission ticket, you can gain access to the Annual General Meeting by presenting proof of identity.

You will receive voting papers upon registration of your arrival at the Annual General Meeting.

Proxy form/postal vote form

Shareholders who are unable to attend the Annual General Meeting may vote by proxy or by postal vote as follows:

- by appointing **a named third party as your proxy**. Your proxy will then receive an admission ticket from VP Investor Services A/S, which must be brought to the Annual General Meeting; or
- by appointing **the Board of Directors as your proxy**. In that case, your votes will be used in accordance with the recommendations of the Board of Directors; or
- by appointing **the Board of Directors as your proxy to vote as indicated by you** by ticking how you want your votes to be cast; or
- by casting **a postal vote**.

For our international shareholders in particular, we would like to point out that the right to attend and to vote by proxy must be duly demonstrated. If due documentation cannot be produced at the Annual General Meeting itself, access and/or voting rights may be denied according to the circumstances.

If you choose to appoint a proxy or cast a postal vote, the proxy form or the postal vote form must be sent by mail to VP Investor Services A/S, Weidekampsgade 14, DK-2300 Copenhagen S, Denmark or scanned and sent by e-mail to vpinvestor@vp.dk to be received by VP Investor Services A/S no later than **Thursday, 8 March 2018 at 23:59 (CET)**. Please note that you can vote *either* by proxy *or* by postal vote; you cannot do both.

If, instead, you wish to **appoint a proxy or cast a postal vote online**, you can go to www.vp.dk/en/agm belonging to VP Investor Services A/S or to <http://ir.alk.net/agm.cfm> and appoint your proxy or cast your postal vote **on or before Thursday, 8 March 2018 at 23:59 (CET)**. Please note that to appoint a proxy or cast a postal vote online, you must already have access to netbanking services in Denmark or use a VP-ID with a VP code.

Shareholder information

The share capital of the Company has a total nominal value of DKK 111,411,960, of which DKK 9,207,600 is in A shares, DKK 920,760 is in AA-shares and DKK 101,283,600 is in B shares.

The Company's share capital is divided into shares with a nominal value of DKK 10 each. Each A share of DKK 10 nominal value carries ten votes, each AA share of DKK 10 nominal value carries ten votes, and each B share of DKK 10 nominal value carries one vote.

The following material will be available for inspection at the Company's offices not later than three weeks before the date of the Annual General Meeting and will during the same period be available on the Company's website: <http://ir.alk.net/agm.cfm>

- The notice convening the General Meeting
- The total number of shares and votes as at the date the General Meeting is convened, including the total number for each share class
- The documents to be presented at the General Meeting, including the latest audited annual report
- The agenda and the complete proposals
- Forms to be used for voting by proxy and by postal vote

During the same period, the material will also be available on the Company's website: <http://ir.alk.net/agm.cfm>

Questions from the shareholders

Shareholders may ask questions about the agenda or documents etc. for use at the Annual General Meeting up to the date of the meeting by writing to ALK-Abelló A/S, Bøge Allé 6-8, 2970 Hørsholm, Denmark or e-mailing cntdk@alk.net and hksdk@alk.net.

The Annual General Meeting will be conducted in Danish.

Light refreshments will be served after the meeting.

Hørsholm, 13 February 2018

The Board of Directors of ALK-Abelló A/S

Practical information

If you arrive by car, there is free parking in the parking lot in front of ALK's premises at Bøge Allé 1 in Hørsholm.

The following busses stop near ALK:

- Bus line 15E stops at Bøge Allé. The bus stop is approximately 150 m from the venue.
- Bus line 500S stops on Frederiksborgvej by Mariehøj Allé. The bus stop is approximately 200 m from the venue.
- Bus lines 150S and 354 stop on Hørsholm Kongevej by Venlighedsvej. The bus stop is approximately 900 m from the venue.

