

Minutes of Annual General Meeting of ALK-Abelló A/S
15 March 2017

At 4.00 p.m. on 15 March 2017 the Annual General Meeting of

ALK-Abelló A/S

(company registration (CVR) no. 63 71 79 16)
("the Company" or "ALK")

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

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

Steen Riisgaard then gave the floor to Niels Kornerup.

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

The chairman of the meeting stated that, at the start of the meeting, 146 people were present, of whom 108 had admission tickets with voting rights and 38 had admission tickets without voting rights, meaning that 78.35% of the votes were represented after deduction of own shares, and 60.16% of the share capital was represented at the Annual General Meeting, also after deduction of own shares.

At the Annual General Meeting, after deducting own shares, 14,204,187 votes were represented out of a total of 18,118,356 possible votes, corresponding to 78.40% of the votes, and out of a nominal share capital of DKK 98,315,160 (after deducting own shares), a nominal total of DKK 59,177,070, corresponding to 60.19% of the share capital were represented.

The Board of Directors had received proxy forms and postal votes corresponding to 703,280 votes, equivalent to a total of 4.95% of the votes represented.

The chairman of the meeting informed the general meeting that approvals, resolutions and elections or appointments under all items on the agenda required a simple majority of 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 chairman of the meeting stated that the Annual General Meeting may agree to depart from these rules for each item. 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. 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
4. Approval of the remuneration to the Board of Directors for the present year
5. Election of Chairman of the Board of Directors
6. Election of Vice Chairman of the Board of Directors
7. Election of other members of the Board of Directors
8. Appointment of auditor
9. Proposals from the Board of Directors
 - (a) Remuneration of the Board of Management and the Board of Directors
 - (i) *Adoption of Guidelines for incentive pay for Board of Directors and Board of Management*
 - (ii) *Adoption of Remuneration Guidelines for Board of Directors and Board of Management*
 - (iii) *Adoption of sign on fee for the new President & CEO Carsten Hellmann*
 - (b) Authorisation to the chairman of the meeting

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

The chairman of the meeting stated that, as is customary at ALK's Annual General Meetings, items 1, 2 and 3 would be treated together.

The chairman of the meeting then gave the floor to Steen Riisgaard, who presented oral reports and the annual report 2016.

Steen Riisgaard started with his oral report:

"Highlights in the past year

2016 was a very unusual year for ALK and brought many highlights. The most important ones are: In December 2015, ALK's main competitor experienced serious problems and had to suspend production for three months. Especially in France, but also elsewhere in Europe, this led to a surge in demand for ALK's products. As a result, ALK achieved record growth in revenue and earnings, and we consolidated our leading position in the world market.

Our multi-year GAP trial showed that GRAZAX® can significantly reduce the risk that children experience asthma symptoms.

Our new product ACARIZAX® was launched in seven countries as the first and only SLIT-tablet for the treatment of *both* house dust-mite induced allergic rhinitis (hay fever) and allergic asthma.

In July 2016, Merck terminated its partnership with ALK. All rights to the tablet portfolio in North America were reverted to us at no fee, and we then began to strengthen our operation markedly by hiring people and making acquisitions.

Towards the end of the year, ALK invested heavily in the production of injection-based allergy immunotherapy (SCIT) – a necessary step which did, however, reduce delivery of certain products.

Furthermore, we have received three pieces of very good news in 2017: the FDA has approved the SLIT-tablet against house dust mite (HDM) allergy in the USA; on the basis of our ACARIZAX[®] data, allergy immunotherapy has been included in the GINA guidelines for treatment of asthma for the first time; and ALK has submitted a registration application for the ragweed SLIT-tablet in Europe.

As a result of these events, ALK goes strengthened into 2017 and we have decided to invest aggressively in retaining as many as possible of the market shares gained and strengthening our long-term growth. These extra resource allocations cannot avoid to slow earnings in 2017 relative to the extraordinary results in 2016. But we are convinced that this money is being well spent and that, despite the investments, we will end up with a 'normalised' profit in line with the underlying earnings in 2015.

I will get back to these highlights later in my report.

Outline of the situation in France

Let me first elaborate a little on the events in France:

In December 2015, production by ALK's main competitor, Stallergenes-Greer, was suspended by the French authorities following problems with a new IT system. Among other things, there were problems with the labelling and distribution of named patient products (NPPs), which are produced individually for each patient.

This led to considerable uncertainty in the market. In France alone, it is likely that well over 100,000 patients were affected. But other markets were also hit, and this led to a surge in demand for ALK's products in many countries.

So already before Christmas 2015, ALK decided to hire new employees for our production facilities in France so that we could increase production of SLIT-drops, the most frequently used method of administration in France. During 2016, the number of employees at our French factory was almost doubled, to 300, through further hiring. At the same time, we stepped up production of tablets in Denmark and elsewhere.

In February, our competitor was allowed to resume production of tablets. And in March, they were given the go-ahead to resume production of NPPs, which comprise a wide variety of products. However, this was done only gradually, according to a 'progressive restart plan', as our competitor called it.

The restart did not make us slow down our efforts to increase production in France – on the contrary. ALK continued to expand. For us, it was about keeping up patient confidence in allergy immunotherapy in a situation where a large group of patients were still without treatment due to our competitor's problems.

Four upward adjustments within one year

Our competitor's problems gave ALK an opportunity in 2016 – and we were good at seizing it. On four occasions we adjusted our expectations for the 2016 result upwards due to the situation in Europe – most recently in early January 2017. We now know that most of the patients who switched to ALK's products during the crisis continued to take them when their prescriptions were renewed. Consequently, ALK's total market share in Europe grew to more than 40% last year – and to more than 75% for tablets.

Now the question is whether ALK will be able to retain these market shares in the longer term.

Of course our competitor will increase its revenue again. But our ambition is to retain as much as possible of what we have won. And the target for the large French market – the second largest market in Europe – is to retain our leading position. In other words, we want a market share of more than 50%, compared with around 35% previously.

I will get back to our strategy for achieving this.

Upgrading SCIT production

The incident experienced by our competitor underscores the importance of having a robust supply chain and impeccable quality standards.

We generally experience increasing quality and documentation requirements from authorities, and over the year we also invested massively in our production facilities, including in documentation, quality and new equipment, to ensure that our standards are still compliant.

As a result, ALK operated with reduced production capacity in the last four months of 2016, and unfortunately this resulted in longer delivery times and loss of sales opportunities for a number of our SCIT products. In the first part of 2017, output has gradually begun to normalise, but we still have backlogs as regards orders, inventories and sales.

In the past year alone, ALK facilities were subject to no less than 12 inspections by public authorities and partners. In one case, serious shortcomings were found. That was during an FDA inspection of the facility that produces Pharmedgen®, an antidote to venom from wasps and bees for the US market. These shortcomings have subsequently been addressed by ALK.

Goodbye to our US partner

Another significant event in 2016 was Merck's decision to withdraw from our partnership regarding the North American tablet portfolio.

The termination from Merck followed an analysis of the company's strategic priorities, which resulted in its respiratory business being given lower priority. So, after a six-month transitional period, Merck would transfer all rights to the tablets in North America back to ALK free of charge.

The timing of this decision was unexpected. Just a few months earlier, Merck had completed extensive clinical trials and submitted a registration application for the HDM SLIT-tablet to the FDA, and at that time the launch of ACARIZAX® in Europe already looked promising. So the message from Merck took us by surprise, but once we had recovered, we realised that Merck had given ALK the largest single growth opportunity in the next decade. For the potential in North America is huge, with more than six million allergy sufferers whose condition is so severe that they should be treated – but who do not want to receive the so-called allergy shots.

Merck did not succeed in finding the key to opening the market for the tablets, and in the last two years sales of GRASTEK® against grass pollen allergy and RAGWITEK® against ragweed pollen allergy have been lower than expected. I cannot say that ALK has found the recipe for success yet, but we know where to start working the market: the obvious place to start is allergy specialists and clinics, as they already know ALK as a supplier of allergens and diagnostics – and we know them. So we will reach out to allergy specialists, try out various models, and when we have found one that works, we will scale it up.

In our view, success in North America is likely to follow the same pattern as in Europe, where the launch of ACARIZAX® has strongly boosted sales of GRAZAX®. So it is pleasing that we have now received approval of ACARIZAX® in North America – we think it can help to increase sales of the other tablets because there will be more focus on tablets.

To kick-start tablet sales we will be investing heavily in strengthening our organisation while also developing a new long-term business strategy. The acquisitions of Allergy Laboratories, Inc. and Crystal Laboratory LLC should also be viewed in that light. These acquisitions strengthen ALK's market position in North America, and we will become an even broader supplier of the products used by allergy specialists and

clinics. To further enhance ALK's range of products and services, we are considering other, related products.

Pipeline progress

ALK is a company that focuses on innovation, and our research and development pipeline has the potential to redefine the treatment of allergic rhinitis and allergic asthma. We and our partners will continue to develop new products and to launch them globally.

In North America, as I have already mentioned, Merck submitted a registration application for the HDM SLIT-tablet, and the FDA has just approved it.

In Europe, ACARIZAX[®] was launched in six countries: Germany, Denmark, Sweden, Finland, Slovakia and Switzerland. In Germany and Denmark, ACARIZAX[®] has rapidly become the most frequently prescribed allergy immunotherapy product for new patients with HDM-induced allergy.

At the beginning of the year, our multi-year GAP trial showed that GRAZAX[®] almost halves children's risk of experiencing asthma symptoms two years after treatment. This is the strongest evidence so far that GRAZAX[®] should be used for children with grass allergy who are at risk of developing asthma.

This year, ALK has also submitted a registration application for the ragweed SLIT-tablet in Europe.

In Australia, full marketing authorisation was obtained for ACARIZAX[®].

In South East Asia, ALK's partner, Abbott, submitted registration applications for ACARIZAX[®] in Hong Kong, Malaysia, the Philippines, South Korea, Taiwan and Thailand, while an import licence was obtained in Singapore.

Finally, Abbott conducted a successful clinical trial with ACARIZAX[®] in Russia, while we initiated clinical development in China ourselves.

All in all, we made substantial progress, and we will not be taking smaller steps this year as we have already seen how ACARIZAX[®] data has resulted in a significant update of GINA's asthma treatment strategy, which means that for the first time tablet-based allergy immunotherapy is recommended as a treatment option for certain patients with asthma caused by HDM-induced allergy.

Financial highlights 2016

From a financial perspective, 2016 was an excellent year for ALK – to a large extent because competitors experienced problems. Earnings for the year reached an all-time high.

Total revenue increased to just over DKK 3bn. Revenue from the base business grew by 25% to DKK 2.9bn. As had been expected, revenue from partnerships fell to DKK 87m due to lower milestone payments.

The operating profit (EBITDA) before sales royalties, milestone payments and special items doubled and landed at DKK 659m. This meant that the underlying base earnings continued to improve; they have grown by an average of 44% per annum since 2013.

Throughout the year, ALK remained focused on initiatives under the *Simplify* programme in order to increase efficiency and reduce costs. This has made it possible for us to allocate extra resources to sales and marketing in order to support growth. After special items of DKK 63m for *Simplify* initiatives and severance pay for ALK's former CEO, the booked EBITDA was DKK 642m.

Growth in Europe and the USA

Revenue in Europe, ALK's most important sales region, rose by 28% organically, to more than DKK 2.4bn. The previously mentioned uncertainty in the market favoured ALK as a record-high number of patients began treatment with our products in the first half of the year. And in the second half, ALK continued to capture a larger share of new patients than previously.

In North America, revenue increased by 15% to around half a billion kroner. Marked growth was seen in sales of allergen extracts, diagnostics and other products for clinics and allergy specialists, although a certain effect of the earlier-mentioned temporary capacity problems was registered towards the end of the year. Earnings from our previous partner rose by 42% to DKK 63m.

In International markets, revenue fell to DKK 59m. Sales were weak in China, and consequently ALK has appointed a new sales and distribution partner, and we ourselves will play a larger role in future sales and marketing efforts. We also saw a sharp drop in milestone payments from partners, but that was expected.

Revenue distribution

81% of revenue came from Europe. North America accounted for 17%, and International markets for 2%. Competitor problems in Europe meant that 2016 was a notable exception from the tendency for countries outside Europe to account for a larger share year by year – which is in step with our effort to expand globally.

The breakdown by products was 73% from SCIT and SLIT – i.e. injection- and drop-based immunotherapy products – 16% from tablets and 11% from diagnostics, other products and services. If we disregard milestone payments, earnings from tablets rose by 41% and tablets are expected to account for a rising share of revenue in the years to come.

Allocation of the profit for the year

To round off the financial statements, the allocation of the profit for the year is based on the financial statements of the parent company, ALK-Abelló A/S. Last year, the parent company recorded a loss of DKK 210m, but we have, nevertheless, chosen to propose a dividend of DKK 5 per share. This means that we will be distributing DKK 51m as dividend, while a loss of DKK 261m will be transferred to the reserves.

DKK 5 per share has been the level in the last few years. This gives shareholders a reasonable cash return.

Creating value for shareholders

ALK wishes to create long-term value for shareholders through share price increases and dividends. At the end of 2016, the share price was DKK 920, so that the return for the year will be 6%, including last year's DKK 5 dividend. In comparison, the OMXC20 CAP index fell by approximately 2%, while the Nordic MidCap index rose by 7%.

ALK's key priorities

As I have already said, we will be increasing our investments in growth in 2017. We will take the entire extraordinary earnings compared with 2015 in last year's turbulent European market and spend the money on consolidating our market position and ensuring long-term growth.

Firstly, we will be allocating DKK 150m to expanding our business in North America with a view to making our tablets a success. Some of this money will be spent on hiring more than 50 new employees.

Secondly, we will be spending an extra DKK 50m on sales, marketing and development. The aim is to retain the largest possible market share in Europe and at the same time to speed up our international expansion. We must succeed with ACARIZAX[®], and that means direct involvement with people and investments in markets where we are currently only represented via partners.

Thirdly, we will be spending an extra DKK 75m on new equipment, quality, compliance, digitalisation and IT systems to increase production robustness.

So in round figures we are planning to increase costs by approximately DKK 275m. Add to this an additional DKK 150-200m in investments, meaning that we will be allocating an extra DKK 425-475m for boosting growth and ensuring production stability. The pure investments will be mainly in capacity, to allow us to meet the expected higher demand for ACARIZAX[®], GRAZAX[®], the ragweed tablet and the new tree tablet that is in the final stages of development.

We will also be looking for complementary products and services that we can add to our portfolio via inlicensing, or acquisitions if this makes most sense. We also intend to use Jext[®] more actively to lock up new markets.

Outlook for 2017

Obviously, our sizeable additional investments in growth will affect our results in 2017. We will be posting lower earnings compared with the exceptionally good result last year, but we expect profits in line with those in 2015. We believe this money will be well spent and that the investments will yield a sound return as we unleash the potential of ALK within allergy and asthma.

Reported EBITDA is expected to be approximately DKK 300m due to the accelerated investments in growth. Consequently, underlying operating income is expected to be almost in line with that in 2015, before our competitor's problems began.

Total revenue this year is expected to be DKK 2.8-3.0bn, assuming normalisation of market conditions in Europe, a gradual improvement in ALK's SCIT product deliveries and sales growth in North America and International markets.

Finally, we expect to increase investments (CAPEX) from the usual approximately DKK 200m to DKK 350-400m. And higher investments, rising taxes and further tie-up of capital for rebuilding tablet inventories mean that free cash flows will become negative by around half a billion kroner.

New CEO of ALK

In 2016, we also found the new President & CEO who is to help take ALK to the next level: Carsten Hellmann.

Carsten has extensive international experience and has created visible commercial results in research-based companies that have much in common with ALK. Most recently, he was CEO of Merial in France and Executive Vice President of Sanofi.

Carsten has the experience and skills that we were looking for in our new chief executive, and we are convinced that he will lead the way in accelerating the global commercialisation of ALK's portfolio of evidence-based products for treatment of allergy and asthma.

As Carsten could not take up his new position until 1 January 2017, I assumed operational responsibilities in addition to my duties as Chairman after Jens Bager had left the company, so that, in practice, I was the day-to-day leader – in close collaboration with ALK's highly skilled Board of Management: Henrik Jacobi, EVP Research & Development; Flemming Pedersen, CFO; Søren Niegel, EVP Commercial Operations

and Helle Skov, EVP Product Supply. As mentioned at last year's Annual General Meeting, I received extra remuneration for this work.

The work of the Board of Directors

Last year the Board of Directors held eight meetings, the meeting in September being a two-day seminar at which we discussed ALK's strategy together with the Board of Management. In addition, the Audit Committee and the Remuneration Committee met three times, the Scientific Committee held one meeting, the Nomination Committee met regularly and finally numerous meetings were held between the chairmanship and the Board of Management.

Thank you to the Board of Management and the employees

I have already mentioned that 2016 was an unusual year with several unexpected events. Although we cannot be satisfied with the capacity problems in our SCIT production and the subsequent delivery issues, ALK's base business showed solid growth in both sales and earnings. So I would like to thank the Board of Management and all employees for their dedicated and targeted work.

Rounding

Let me conclude this report where I began: I want to emphasise that ALK entered 2017 in a strengthened position. We have lifted ALK to a new level and now we must concentrate on staying there – and then taking the next leap soon.

To do that, we *must* achieve the main priorities I have listed: We must crack the code for the US tablet market. We must defend as much as possible of the ground we have gained in Southern and Eastern Europe. The launch of ACARIZAX[®] must be a global success, and finally we must future-proof our production capacity and robustness.

So 2017 will be a very busy and important year. A year that we hope will bring ALK *even* closer to our ambition to make effective, well-documented immunotherapy products available to allergy and asthma patients worldwide and to create further value for our shareholders!

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

Steen Riisgaard then gave the floor back to the chairman of the meeting.

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 further noted that the Board of Directors had proposed a dividend of DKK 5 per share of DKK 10 nominally for the financial year 2016, which was unchanged compared with 2015. The chairman of the meeting also stated that the proposal was based on the financial statements of the parent company. In 2016, the parent company posted a loss of DKK 210 million and the proposal from the Board of Directors entailed distribution of DKK 51 million as dividend and that the reserves were reduced by DKK 261 million.

The chairman of the meeting opened up the meeting for debate and gave the floor to the first speaker, Claus Berner Møller, deputy director, ATP, Danske Aktier.

Claus Berner Møller started by thanking the Chairman for his report.

Claus Berner Møller noted that 2016 had been a year that had seen major changes at ALK. In this context, Claus Berner Møller also commended ALK on the financial results achieved because the company was able to take advantage of a competitor's production difficulties – to the benefit of doctors, patients and shareholders.

Claus Berner Møller also noted that 2016 had been a year in which ALK had had some production issues and then asked the following questions:

1. In which countries did ALK have delivery problems, and which production categories did these delivery problems affect?
2. When could the production issues be expected to cease?
3. Referring to the termination of the Merck partnership, Claus Berner Møller noted that ALK was facing huge opportunities and challenges in the USA. Therefore Claus Berner Møller requested an elaboration on why and how ALK is planning to succeed with sales in the USA, given that Merck had not succeeded so far.

Claus Berner Møller noted that ALK had chosen to use the good financial result and the increased market share to make, among other things, large investments in production and sales initiatives in France with a view to ensuring ALK's long-term success. Consequently, the reported EBITDA was expected to be reduced by more than half from 2016 to 2017. Speaking on behalf of ATP, Claus Berner Møller found that this was the right step to take from a strategic perspective. In continuation of this, ATP expressed its satisfaction that ALK made these investments in good long-term results, even though it could affect the short-term financial results. ATP hoped that the strategy would pay off, thereby serving as an example to other listed companies in the future.

The chairman of the meeting gave the floor to Steen Riisgaard for him to answer the questions put forward.

Steen Riisgaard started by thanking for the questions.

Steen Riisgaard welcomed the support from ATP for ALK's aggressive strategy and said that management was convinced that this was the right course to pursue.

Re 1:

As regards the specific questions asked, Steen Riisgaard explained that the production issues related mainly to injection-based allergy immunotherapy products (SCIT), which were sold in several markets, but chiefly in the German market. Steen Riisgaard added that immunotherapy products against bee and wasp stings, which are sold in the USA, were also affected.

Re 2:

As for when the production issues could be expected to cease, Steen Riisgaard said that the situation had already improved considerably. Steen Riisgaard noted that if everything went as planned, ALK would reach normal supply capacity in the summer of 2017, and presumably inventories would have been replenished by the end of the year. However, considerable loss of sales opportunities is still expected in 2017 due to capacity problems.

Re 3:

Steen Riisgaard gave the floor to Carsten Hellmann for an elaboration on how ALK plans to achieve sales success in the USA.

Carsten Hellmann explained that current practice in the USA mainly comprises injection-based immunotherapy products based on allergens sold by ALK, among others. The new products – tablets – are less

financially attractive to allergy specialists as most of their current income stems from injections. So now ALK needs to find out exactly what it takes for doctors to decide that tablet-based immunotherapy is a good idea. In the coming year, ALK will launch a number of sales activities aimed at finding the right customers and business models for the North American market, and in this connection ALK will utilise the company's long-standing relationship with the doctors currently using allergy immunotherapy.

In continuation of this, Carsten Hellmann presented data explaining the potential in the market. Exactly what it will take to succeed remains uncertain, but ALK has taken on 50 US employees who are driving sales and investigating opportunities. Carsten Hellmann explained that it may also be an idea to target other medical segments, such as general practitioners, so ALK is currently actively mapping this area.

In summary, Carsten Hellmann said, ALK is more focused than Merck could be as ALK is in closer dialogue and collaboration with customers. Management takes a positive view of the opportunities and potential in the US market.

Finally, Carsten Hellmann concluded that instead of letting a new partner try to unlock the market, ALK is now focusing on hiring its own employees. This is also the case in relation to partners in South East Asia and Japan.

The chairman of the meeting then gave the floor to the next speaker, Helge Sølgaard.

Helge Sølgaard requested information about the Japanese market: which product was sold, and how successful the marketing efforts were.

Steen Riisgaard thanked for the questions.

Steen Riisgaard explained that ALK's MITICURE™ (in Europe ACARIZAX®) was sold in Japan. According to Steen Riisgaard, the introduction in early 2016 had been slower than expected. However, Steen Riisgaard noted, the slow start could reflect that the time when marketing authorisation was granted was the high season for cedar pollen allergy, which was consequently in focus. Apart from that, Steen Riisgaard said, the introduction of the product on the Japanese market was showing positive results. But as in other markets, it would be a process that could take some years as patients were hesitant to shift away from the products they were already taking. However, Steen Riisgaard was convinced that there was a potential in Japan.

Finally, Steen Riisgaard noted that the partnership also included a product against cedar tree pollen allergy, which is currently undergoing review by the Japanese authorities.

Steen Riisgaard then gave the floor back to the chairman of the meeting.

As no-one else wished to take the floor, the chairman of the meeting, with the consent of the Annual General Meeting, noted:

- that the general meeting had taken note of the report from the Board of Directors,
- that the general meeting had adopted the annual report 2016 and discharged the Board of Directors and Board of Management from their duties, and
- that the general meeting had approved the proposal for allocation of the profit.

Re 4: Adoption of the remuneration to the Board of Directors for the present year

The chairman of the meeting stated that the next item on the agenda was approval of the remuneration to the Board of Directors for the present year.

The chairman stated that the Board of Directors proposed to the general meeting that the fees to the Board of Directors remain unchanged, meaning

that remuneration to members of the Board of Directors amounted to DKK 275,000,

that remuneration to the Vice Chairman was twice that amount, DKK 550,000.

that remuneration to the Chairman was three times that amount, DKK 825,000, and

The Board of Directors furthermore proposed:

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

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

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposal had been adopted.

Re 5: Election of Chairman of the Board of Directors

The chairman of the meeting stated that the Board of Directors proposed re-election of Steen Riisgaard.

The chairman of the meeting also stated that the Chairman's directorships in other commercial enterprises were listed in the annual report 2016.

Since no other names were put forward as Chairman of the Board of Directors, Steen Riisgaard was re-elected for a period of one year.

Re 6: Election of Vice Chairman

The chairman of the meeting stated that the Board of Directors proposed re-election of Lene Skole.

The chairman of the meeting also stated that the Vice Chairman's directorships in other commercial enterprises were listed in the annual report 2016.

Since no other names were put forward as Vice Chairman of the Board of Directors, Lene Skole was re-elected for a period of one year.

Re 7: Election of members of the Board of Directors

The chairman gave the floor to Steen Riisgaard.

Steen Riisgaard motivated the proposal of re-election of the Board of Directors:

“According to ALK's Articles of Association, all members of the Board of Directors elected at the Annual General Meeting are up for election every year. You have already re-elected the Chairman and Vice Chairman – for which I thank you. In addition, the Board of Directors proposes re-election of Lars Holmqvist, Anders Gersel Pedersen, Jakob Riis and Per Valstorp.

We endeavour to compose the Board of Directors in such a way that it has the managerial, financial, pharmaceutical and production expertise needed to safeguard the interests of ALK and the shareholders in the best possible way. We believe that the candidates proposed satisfy these criteria.

In the notice convening the Annual General Meeting, we have motivated the proposal to elect each of these candidates, and page 34 of the Annual Report provides further information about the candidates, including their directorships outside ALK. But let me nevertheless briefly present the four candidates:

The Board of Directors proposes 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 the Lundbeck Foundation.

The Board of Directors proposes re-election of Anders Gersel Pedersen due to his specific experience in management, innovation and research and development in the international pharmaceutical industry. Anders Gersel Pedersen is recommended as an independent member of the Board.

The Board of Directors proposes re-election of Jakob Riis due to his experience in management, sales and marketing in the international pharmaceutical industry. Jakob Riis is recommended as an independent member of the Board.

The Board of Directors proposes re-election of Per Valstorp due to his considerable experience in global production within the pharmaceutical industry and other sectors. Per Valstorp is recommended as an independent member of the Board.

The Board of Directors also includes three members elected by the employees of the Company: Katja Barnkob Thalund, Andreas Holst and Jacob Kastrup. They were elected to the Board of Directors in 2015 for a period of four years.”

Steen Riisgaard then gave the floor back to the chairman of the meeting.

The chairman of the meeting noted that there were no other candidates and that Lars Holmqvist, Anders Gersel Pedersen, Jakob Riis and Per Valstorp had all been elected for a period of one year. The chairman of the meeting congratulated the members of the Board of Directors on their election.

The members of the Board of Directors elected at the general meeting are thus:

- ▶ Steen Riisgaard (Chairman)
- ▶ Lene Skole (Vice Chairman)
- ▶ Lars Holmqvist
- ▶ Anders Gersel Pedersen
- ▶ Jakob Riis
- ▶ Per Valstorp
- ▶ Katja Barnkob Thalund (employee-elected)
- ▶ Andreas Holst (employee-elected)
- ▶ Jacob Kastrup (employee-elected)

Re 8: Appointment of auditor

The chairman of the meeting stated that the Board of Directors proposed re-appointment of Deloitte Statsautoriseret Revisionspartnerselskab.

The chairman of the meeting noted that the general meeting re-appointed Deloitte Statsautoriseret Revisionspartnerselskab as the Company's auditors.

Re 9: Proposals from the Board of Directors

The chairman of the meeting stated that the next item on the agenda was proposals from the Board of Directors, and that this agenda item consisted of four proposals.

9(a)(i): Adoption of Guidelines for incentive pay for the Board of Directors and the Board of Management

The chairman of the meeting said that under item 9(a)(i) the Board of Directors proposed approval of amended guidelines for incentive pay for the Board of Directors and the Board of Management. The chairman of the meeting then motivated the proposal from the Board of Directors, explaining that the amendment was a consequence of the existing Guidelines having been split into two documents, the Guidelines for incentive pay for the Board of Directors and the Board of Management and the Remuneration Guidelines, which would be discussed under the next item on the agenda, 9(a)(ii). The chairman of the meeting explained that the split-up was based on a wish that elements of the remuneration that were incentive-based were treated in one document in accordance with section 139 of the Danish Companies Act, while the rest were treated in another document in accordance with the Danish Recommendations on Corporate Governance.

Besides a number of linguistic changes, the chairman of the meeting explained, the Board of Directors proposed amending the guidelines in the following few areas:

- ▶ In future, the value of share options granted and shares granted may not separately exceed 25% of the recipient's base salary. Previously they could not exceed 15% of the base salary of the whole Board of Management plus pension at the date of grant.
- ▶ In future, share options granted would lapse after five years, whereas they previously lapsed after seven years.
- ▶ The objectives for achieving the long-term incentive pay would no longer be split into 50% financial and 50% non-financial goals. However, both financial and non-financial goals would still be included in the criteria for achieving the short-term incentive pay.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposal had been adopted.

9(a)(ii): Adoption of Remuneration Guidelines for Board of Directors and Board of Management

The chairman of the meeting stated that item 9(a)(ii) related to the proposal from the Board of Directors to approve the amended Remuneration Guidelines for the Board of Directors and the Board of Management. As the chairman of the meeting had explained in connection with the previous item on the agenda, the background to the proposal was a wish to treat the remuneration guidelines in a separate document.

Besides a number of linguistic changes, the chairman of the meeting explained, the Board of Directors proposed amending the guidelines in one respect:

- ▶ In future, the fixed remuneration would constitute 40-60% of the total remuneration, whereas it previously constituted 50-60% of the total remuneration.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposal had been adopted.

9(a)(iii): Adoption of sign on fee for the new President & CEO Carsten Hellmann

The chairman of the meeting explained that the third proposal under item 9(a) on the agenda related to the proposal from the Board of Directors to approve a sign on fee for the President & CEO, Carsten Hellmann. The chairman of the meeting noted that Carsten Hellmann had extensive international experience and had created visible commercial results in companies that had much in common with ALK. Most recently, Carsten Hellmann had been CEO of Merial in France and Executive Vice President of Sanofi. The chairman of the meeting explained that it was of huge value to ALK to have a President & CEO with so much specific and relevant international experience. So ALK was very pleased that Carsten Hellmann had chosen to move his whole family back to Denmark in order to take up the position as President & CEO. The chairman of the meeting stated that in this connection the Board of Directors had proposed a sign on fee matching those of other international companies and also reflecting the level of remuneration that Carsten Hellmann had received until then. The chairman of the meeting explained that this fee was therefore necessary in order to make Carsten Hellmann join ALK.

The chairman of the meeting said that the proposed sign on fee had a total value of DKK 10.8m, and basically comprised the following three elements:

1. Grant of a cash bonus of DKK 1.5m.
2. Grant of 1,140 and 1,125 shares, respectively, in relation to the conditional share programmes for 2014 and 2015, and 6,800 and 5,900 options in relation to the share option programmes for 2014 and 2015.
3. Grant of a further 17,068 share options, so that the total value of the sign on fee amounted to DKK 10.8m.

The grants were conditional upon approval at the Annual General Meeting.

The chairman of the meeting opened up the meeting for debate and gave the floor to the first speaker, Helge Sølgaard.

Helge Sølgaard started by noting that it was difficult to get an overview of the remuneration of the new President & CEO.

Helge Sølgaard then asked the following questions:

1. Is the sign on fee part of the starting salary of the President & CEO, or does it come on top of his salary?
2. Has no starting salary been agreed for the President & CEO beforehand?

Based on his experience, Helge Sølgaard proposed that the President & CEO, who was new to the company, should prove his worth first, and then at next year's Annual General Meeting it could be assessed whether expectations had been met.

The chairman of the meeting gave the floor to Steen Riisgaard.

Re 1:

Steen Riisgaard started by explaining that the President & CEO gets the sign on fee on top of his salary.

Re 2:

Steen Riisgaard then went on to explain that in the corporate sector if you want to attract executives from other companies, you must offer compensation for the incentive programmes and other benefits that they lose by leaving the companies where they are employed. Since the Board of Directors of ALK is convinced that Carsten Hellmann is the right man for the job, ALK must be willing to offer terms and partial compensation for what he could have achieved by remaining with his former employer. Fortunately for ALK, Carsten Hellmann was in a situation where he also wanted to return to Denmark; otherwise this would not have been a realistic option.

Finally, Steen Riisgaard acknowledged that DKK 10.8m is a lot of money, but noted that only DKK 1.5m would be paid out in cash, while the rest is the theoretically calculated value of options. The final, actual value of the options will naturally depend on how the price of ALK shares develops. In that way, ALK has got hold of a President & CEO who has an incentive to create actual value that is also reflected in a rising share price.

Steen Riisgaard then gave the floor back to the chairman of the meeting.

The chairman of the meeting gave the floor to the next speaker, Helge Sølgaard, who had the following supplementary questions:

1. Was this bonus to be taken to mean that the President & CEO could count on receiving it, or was it conditional upon later approval by the Board of Directors?
2. Helge Sølgaard also asked what the total remuneration of the President & CEO was.

Finally, Helge Sølgaard noted that he found it strange that ATP, which represents wage-earners in Denmark, had not shown more interest in this subject.

The chairman of the meeting gave the floor to Steen Riisgaard for him to answer the questions put forward.

Re 1:

Steen Riisgaard explained that DKK 1.5m is a cash bonus payable to the President & CEO. The remaining amount of DKK 9.3m has been determined on the basis of the Black-Scholes calculation model as the theoretical value of a share option. Steen Riisgaard stated that this sign on bonus is not further conditional upon the approval of the Board of Directors.

Re 2:

Steen Riisgaard stated that ALK publishes the total remuneration of the Board of Management only, not the remuneration of each member, adding that Carsten Hellmann, like other members of the Board of Management, receives competitive remuneration

The chairman of the meeting then gave the floor to the next speaker, Elo Gunnar Hansen.

Elo Gunnar Hansen noted that it was not necessary to discuss remuneration as long as the Lundbeck Foundation accepted it. Elo Gunnar Hansen encouraged ATP to have focus on this – also in general.

Finally, Elo Gunnar Hansen noted that if ATP accepted the sign on fee, this would serve as guidance for other shareholders.

As no shareholders wished to take the floor, the chairman of the meeting, with the consent of the general meeting, established that the proposal had been adopted.

Re. 9(b) – Authorisation to the chairman of the meeting

The chairman of the meeting stated that the final item on the agenda was authorisation to the chairman of the general meeting 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.

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.

The chairman of the meeting stated that there were no more items on the agenda, and as no shareholders wished to take the floor, the chairman of the meeting thanked those present and concluded that his duties as chairman of the meeting had now been fulfilled.

The chairman of the meeting then gave the floor to the Chairman of the Board of Directors.

In a few concluding remarks, the Chairman of the Board of Directors thanked the chairman for chairing the meeting and the shareholders for attending the general meeting and showing an interest in ALK and then announced that light refreshments were available in the foyer, where the shareholders would have the opportunity to meet the members of the Board of Directors and the Board of Management.

Finally, the Chairman said that as management would attach even greater importance to electronic communication with shareholders in future, it would be appreciated if those who had not yet registered their email addresses in the register of shareholders contacted VP in the foyer with a view to registration.

General meeting adjourned.

Chairman of the meeting

Chairman of the Board of Directors

Niels Kornerup

Steen Riisgaard