

## **H. Lundbeck A/S**

On 21 March 2013 at 10 a.m., the Annual General Meeting of H. Lundbeck A/S, Central Business Register (CVR) no. 56 75 99 13, was held at H. Lundbeck A/S, Ottiliavej 9, DK-2500 Valby.

Mats Pettersson, Chairman of the Board of Directors, opened the General Meeting and introduced the Company's management, and thanked them for their work in 2012.

Lawyer Jørgen Boe had been appointed as Chairman of the General Meeting by the Board of Directors. The Chairman announced that the General Meeting had been duly convened and formed a quorum for the transaction of business as set out in the agenda. 75.8 % of the share capital was represented at the General Meeting.

In accordance with Article 8.1 of the Articles of Association, the agenda was as follows:

1. Report of the Board of Directors on the Company's activities during the past year.
2. Presentation and adoption of the annual report.
3. Approval of remuneration for the Board of Directors for the current financial year.
4. Resolution on the appropriation of profit or loss as recorded in the adopted annual report.
5. Election of members to the Board of Directors.
6. Election of one or two state-authorised public accountants.
7. Any proposal by shareholders or the Board of Directors.
  - 1) Authority to the Board of Directors to allow the Company to acquire own shares.
  - 2) Authority to the Chairman of the Meeting to make amendments and additions to the resolutions passed by the Meeting and to report changes to the Danish Business Authority.
8. Any other business.

### **Re items 1 to 2: Report of the Board of Directors on the Company's activities during the past year and presentation and adoption of the Annual Report**

Mats Pettersson, Chairman of the Board of Directors, reported on the Company's activities during the past year and informed the Meeting about the remuneration to the members of the Board of Directors for the current financial year and about Lundbeck's position in respect of the Recommendations on Corporate Governance. Mats Pettersson also informed the Meeting that Lundbeck's Board of Directors was familiar with the new rules intended to increase the proportion of the underrepresented sex in boards of directors and management and that target figures and policy are currently underway. Mats Pettersson stated in relation to the election of members to the board of directors that he did not stand for re-election and that the board of directors nominated Lars Rasmussen to be elected at the general meeting.

Ulf Wiinberg, Chief Executive Officer and Group President, thanked Mats Pettersson for his outstanding contribution serving on Lundbeck's Board of Directors.

Ulf Wiinberg explained Lundbeck's strategy and its ambition to be a brain-disease-research-based enterprise aiming for long-term growth. Ulf Wiinberg spoke of the transformation period Lundbeck is currently going through i.a. as a result of the expiry of the Lexapro patent. Ulf Wiinberg then discussed Lundbeck's most important strategic initiatives, investments and decisions during the years from 2009-2012, which will form the foundation for the new Lundbeck.

Ulf Wiinberg then proceeded to account for Lundbeck's financial results in 2012, which showed improvements in revenue and EBIT compared to 2012 excluding the Lexapro royalty income and reorganisation costs of DKK 530m. Reported revenue and EBIT were DKK 14,802m and DKK 1,647m, respectively. Ulf Wiinberg then accounted for the sales development in the EU, the USA and the international markets. Compared to 2011, Lundbeck saw progress in the US (not counting Lexapro) and International markets, up 29% and 9%, respectively. The 3% decline in the EU had been caused primarily by new health reforms and patent-related affairs. Ulf Wiinberg next accounted for 2012 revenue and growth per product. The sale of new pharmaceuticals rose by 71% in 2012, and the growth is expected to continue in 2013 because of the anticipated launch of three new products; Abilify Maintena, Selincro and Brintellix. Ulf Wiinberg outlined the gratifying development of the late development phase, the most important business development agreements and the intensified cooperation with Lundbeck's primary partners. Ulf Wiinberg presented the product portfolio and the sales potential of the products, focusing on the three anticipated product launches for 2013, and accounted for the timing of application and expected approvals.

The annual report showed a profit for the year of DKK 1,582m before tax and post-tax results of DKK 1,107m, corresponding to a profit of DKK 5.65 per share. As at 31 December 2012, Lundbeck's net liquidity was DKK 1,893m, despite heavy investments and product launches in 2011 and 2012. On this background, the Board of Directors proposed distribution of DKK 2.00 per share, corresponding to 35% of profits for the year.

The Chairman of the Meeting opened discussions about agenda items 1 and 2.

Michael Thøgersen of the Danish Shareholders Association thanked the management for its report and congratulated Lundbeck on the product approvals for Selincro and Abilify Maintena and for the positive results of the Azilect study. Michael Thøgersen commented on the expected results for 2012 compared to actual results and the dividend proposed for distribution. Michael Thøgersen then commended Lundbeck for the visit to the company on 7 March 2013. Michael Thøgersen explained that he had been informed during the visit that the rate of success, i.e. the number of projects that eventually become products, is generally low within Lundbeck's area of research (brain disease). Michael Thøgersen asked for a comment from the management in relation to the balancing of the current pipeline. Michael Thøgersen also requested a comment to explain why three of the

Board's nine directors did not own shares in Lundbeck. Michael Thøgersen closed by commenting on the number of accidents and sick-days in 2012 and stated his disappointment that Lundbeck is still unwilling to disclose the directors' individual remuneration.

As for the balancing of the pipeline, Mats Pettersson referred to Ulf Wiinberg's presentation of the product portfolio. As for the three directors who are not shareholders in Lundbeck, Mats Pettersson replied that at present, only two directors do not own shares in Lundbeck and that Lundbeck has no requirement that members of the Board of Directors must also be shareholders.

Shareholder Kjeld Beier noted that it would be desirable if Lundbeck were to send out relevant financial information along with the notices convening general meetings, and that Lundbeck's homepage was more logical to navigate in search of relevant information. Kjeld Beyer noted also that only one product, Lexapro, has been discontinued, and that Lundbeck expects for 2013 an EBIT of around DKK 1.6bn - 2.1bn, whereas EBIT for 2014 is expected to decline to DKK 0.5 - 1bn. Kjeld Beier noted that if Lundbeck were to sustain an extraordinary expense of DKK 0.5bn, Lundbeck might have break-even.

Ulf Wiinberg thanked Kjeld Beier for his remarks and confirmed that Lundbeck's current expectation for 2014 is an EBIT of DKK 0.5-1bn. Included in these anticipations are costs of clinical trials concerning an Alzheimer's product that Lundbeck is looking to develop via a partnership agreement, but which Lundbeck is currently developing solo.

Nicole Andersson from the Best Women shareholders' association congratulated the management with the fine results for 2012, but noted that Lundbeck does not fulfil the requirement for diversity on the Board of Directors. Nicole Andersson noted that diversity makes better businesses and that legislative actions are currently being taken to ensure there will be more women in boards of directors and management in general. Nicole Andersson urged Lundbeck's Board of Directors to take the matter seriously and asked if in relation to the selection of the new member to the Board of Directors Lundbeck had tried to find a female candidate and what target figures would be set on the matter of achieving a greater proportion of women among the directors.

Mats Pettersson thanked Nicole Andersson for her comments and replied that Lundbeck is currently working on setting a target for diversity in its management. Lundbeck already has many women serving in managerial functions. Target figures for more women on the Board of Directors will be set, but what matters to Lundbeck is quality rather than quantity. Lundbeck will present and comment on the target figure when presenting its annual report for 2013.

No one else wanted to speak, and the Chairman of the Meeting announced that the Board of Directors's report had been adopted, and that the 2012 Annual Report had been approved.

**Re item 3: Approval of remuneration for the Board of Directors for the current financial year**

The Chairman of the Meeting proposed that the remuneration for the Board of Directors for the current financial year should be the same as for 2012.

Ordinary members of the Board of Directors will therefore receive a basic remuneration of DKK 300,000; the Chairman will receive three times the basic remuneration, and the Vice-Chairman will receive two times the basic remuneration. Ordinary members of the Audit Committee, the Remuneration Committee and the Scientific Committee will receive DKK 200,000 in addition to the basic remuneration, while the chairmen of these Committees will receive DKK 300,000 in addition to the basic remuneration.

No one wished to speak.

The Chairman of the Meeting announced that the Board of Directors' proposal for remuneration 2013 was adopted.

**Re item 4: Resolution on the appropriation of profit or loss as recorded in the adopted annual report**

The Board of Directors proposed that a dividend of 35 % of the net profit for the year, corresponding to DKK 2.00 per share or a total of DKK 392 million, should be distributed for the financial year 2012, and that the remaining 65 %, or DKK 715 million, should be transferred to the Company's distributable reserves.

No one wished to speak.

The Chairman of the Meeting announced that the Board of Directors' proposal for the appropriation of profit as recorded in the approved 2012 Annual Report was adopted.

**Re item 5: Election of members to the Board of Directors.**

Under Article 5.1 of the Articles of Association, members of the Board of Directors elected by the General Meeting are elected for one-year terms. The Board of Directors proposed re-election of Håkan Björklund, Christian Dyvig, Thorleif Krarup, Jes Østergaard and Melanie G. Lee. In addition, the Board of Directors nominated Lars Rasmussen to serve as a new director. Mats Pettersson did not stand for re-election.

The requirements of section 120 of the Danish Companies Act (*selskabsloven*) had been met.

Håkan Björklund, Christian Dyvig, Thorleif Krarup, Jes Østergaard and Melanie G. Lee were re-elected and Lars Rasmussen was elected as a new member.

The Board of Directors thus consists of:

- Håkan Björklund
- Christian Dyvig
- Thorleif Krarup
- Jes Østergaard
- Melanie G. Lee
- Lars Rasmussen
- Jørn Møller Mayntzhusen (employee-elected)
- Kim Rosenville Christensen (employee-elected)
- Mona Elisabeth Elster (employee-elected)

Christian Dyvig then gave a warm thank you to Mats Pettersson for his outstanding work for Lundbeck.

**Re item 6: Election of one or two state-authorised public accountants**

The Board of Directors proposed that Deloitte Statsautoriseret Revisionspartnerselskab should be re-elected.

The proposal was adopted.

**Re item 7: Any proposal by shareholders or the Board of Directors**

**Re item 7, 1)**

The Chairman of the Meeting explained the Board of Directors' proposal to authorise the Board of Directors to allow the Company to acquire own shares.

The proposal was adopted.

**Re item 7, 2)**

The Chairman of the Meeting explained the Board of Directors' proposal to authorise the Chairman of the Meeting to make amendments and additions to the resolutions passed by the Meeting and to report changes to the Danish Business Authority.

The proposal was adopted.

**Re item 8: Any other business**

No one wished to speak.

The Chairman of the Meeting then gave the floor to the Chairman of the Board of Directors, who thanked those attending. Mats Pettersson then thanked the Executive Management and the Board of Directors for the good cooperation and wished Lundbeck good fortune in the years to come.

The General Meeting was closed at 11:16 a.m.

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For the minutes:

Jørgen Boe  
Chairman of the Meeting