

Report by the Board of Directors of Swedish Orphan Biovitrum AB (publ) on the Compensation & Benefits Committee's evaluation of remuneration to the Executive Committee

According to the Swedish Corporate Governance Code, the Board of Directors shall establish a remuneration committee, whose task is to prepare the Board of Directors' decisions in matters concerning remuneration principles, remuneration and other employment terms for the senior management, to monitor and evaluate existing and during the year completed programmes for variable remuneration to the senior management, to monitor and evaluate the application of the guidelines for remuneration to the senior management that the Annual General Meeting by law decides upon, as well as the current remuneration structures and levels of remuneration in the company.

Swedish Orphan Biovitrum AB (publ)'s Compensation & Benefits Committee

The Board of Directors of Swedish Orphan Biovitrum AB (publ) ("**Sobi**" or the "**Company**") has established a Compensation & Benefits Committee, consisting of four Board members: Håkan Björklund (Chairman), Helena Saxon, David Allsop and Matthew Gantz, all independent in relation to the senior management in Sobi (the "**Executive Committee**"). The Company's Head of HR serves as secretary of the Compensation & Benefits Committee, but is not a member.

The Compensation & Benefits Committee's work

In 2019, the Compensation & Benefits Committee has held seven meetings, with the presence of all members at all meetings, except for one meeting where one member was absent. At 2019 year's meetings the Compensation & Benefits Committee discussed and followed up on, among other things, the annual salary revision and short-term incentives for the managing director and other the members of the Executive Committee. The Compensation & Benefits Committee has also presented proposals for nominations to and design of the long-term incentive programmes, as well as a proposal regarding guidelines for remuneration to the Executive Committee. Proposal regarding guidelines for remuneration to the Executive Committee will be presented to the Annual General Meeting in May 2020, for the approval of the shareholders.

The Compensation & Benefits Committee's evaluation and assessment

The Compensation & Benefits Committee has in its work considered that Sobi shall apply remuneration levels that ensure that the Company can attract and retain the best people in order to support the vision and strategy of the Company. The position of total remuneration should be market competitive without being leading relative to competitors in each local market. The remuneration principles should also enable international hiring and support diversity within the Executive Committee.

In its assessment, the Compensation & Benefits Committee has evaluated the long-term incentive programme approved by the 2019 Annual General Meeting and has concluded that the All Employee Programme as well as the Management Programme work well and satisfy the intended purposes. However, with respect to the Management Programme, the Compensation

& Benefits Committee has proposed that the maximum value of each Sobi common share received upon exercise of Options is reduced from a maximum of five times the Strike price to a maximum of three times the Strike price.

The Compensation & Benefits Committee has found that the remuneration structures and levels of compensation in Sobi are appropriate. This also holds true for other conditions of employment for the members of the Executive Committee.

The Compensation & Benefits Committee has further concluded that the compensation paid to the Executive Committee has been in accordance with and without any deviations from the guidelines established by the Annual General Meeting 2019. Accordingly, the application of the guidelines regarding remuneration to the Executive Committee has been correct.

Stockholm in March 2020

Swedish Orphan Biovitrum AB (publ)

The Board of Directors