

### ***Proposal regarding Guidelines for Executive Remuneration (item 16)***

The members of the Executive Committee of Swedish Orphan Biovitrum AB (publ) (the “**Company**” or “**Sobi**”) fall within the provisions of these guidelines. The guidelines also cover any remuneration to members of the Board of Directors, except fees resolved by the general meeting.<sup>1</sup> The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

#### *The guidelines’ promotion of the Company’s business strategy, long-term interests and sustainability*

At Sobi we are transforming the lives of people affected by rare diseases. As a specialized international biopharmaceutical company, we provide sustainable access to innovative therapies in areas such as haematology, immunology and specialty care. We bring something rare to rare diseases – a belief in the strength of focus, the power of agility and the potential of the people we are dedicated to serving.

Sobi’s vision is to be recognised as a global leader in providing innovative treatments that transform lives for individuals with rare diseases.

We aim to have a strong correlation between Sobi’s compensation elements, the long-term strategy and sustainability. To support our vision, we also have performance measures such as growth and profitability as we aim to create long-term sustainable value for people with rare diseases, shareholders, employees and other stakeholders.

For more information regarding the Company’s business strategy, please see [www.sobi.com](http://www.sobi.com).

A prerequisite for the successful implementation of the Company’s business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain highly qualified personnel. As an international company, a majority of Sobi’s personnel is employed outside of Sweden. Remuneration for the Executive Committee is designed on a total remuneration approach. The position of total remuneration should be market competitive relative to competitors in each local market. The market comparisons should be made against a set of peer group companies with comparable sizes, industries and complexity. The remuneration guidelines shall enable international hiring and support diversity within the Executive Committee. Employment contracts governed by rules other than Swedish may be duly adjusted to ensure compliance with mandatory rules or established market practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### *Types of remuneration, etc.*

The remuneration shall be on market terms and may consist of the following components: fixed base pay, variable pay, pension benefits and other benefits. Additionally, the general meeting may –

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<sup>1</sup> Any remuneration to members of the Board of Directors, except fees resolved by the general meeting, may only consist of consultancy fees.

irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration. The components are presented below.

#### *Fixed Base Pay*

The fixed base pay of the Executive Committee shall be based on competence, responsibility and performance. The Company uses an international evaluation system to evaluate the scope and responsibility of the position.

#### *Variable Pay*

The annual Short-Term Incentive plan shall be based on the achievement of predetermined and measurable annual financial (75 per cent) and non-financial objectives (25 per cent). The annual financial objectives shall be related to targets promoting growth and profitability (annual revenues and EBITA<sup>2</sup>). The annual financial objectives are recommended by the Compensation & Benefits Committee and approved by the Board of Directors. The annual non-financial objectives are related to strategic and business development goals as defined and approved according to the grandparent-manager principle.

The objectives are determined for the promotion of the Company's business strategy, long-term development (including its sustainability), value creation and financial growth and shall be designed in a way that encourages compliant behaviour. The maximum annual Short-Term Incentive may vary but shall not amount to more than 100 per cent of the annual gross fixed base pay. To which extent the criteria for awarding annual Short-Term Incentive has been satisfied shall be evaluated and determined by the Board of Directors upon the recommendation from the Compensation & Benefits Committee.

Further variable pay may also be paid out in extraordinary circumstances, provided that such arrangement is of a one-time nature and is agreed on an individual basis for management recruitment or retention purposes or as compensation for extraordinary efforts beyond the individual's ordinary assignment. Such compensation shall be in line with market practice and may for example include a one-time cash payment, retention bonus or severance payment in case of a change of control, or similar. The compensation shall not exceed the amount of the gross fixed base pay for three (3) years and shall not be paid more than once a year per individual. Resolutions on such compensation shall be made by the Board of Directors based on a proposal from the Compensation & Benefits Committee.

#### *Long-term Incentives*

Long-term share-related incentive plans have been implemented in the Company. Such plans are proposed by the Board of Directors and presented to the Annual General Meeting for approval and are therefore excluded from these guidelines. The performance criteria used to assess the outcome of the long-term share-related incentive plan for the Executive Committee are distinctly linked to the business strategy and thereby to the Company's long-term value creation. For more information about the

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<sup>2</sup> Earnings before interest, tax and amortisation.

Company's long-term share-related incentive plans, including the criteria which the outcome depends on, please see [www.sobi.com](http://www.sobi.com).

#### *Pension and benefits*

The preferred pension plan design is defined contribution<sup>3</sup>. If the operating environment requires the establishment of a defined benefit pension plan under mandatory collective agreement provisions, law or other regulations, such a plan may be established. The defined benefit level should in such cases be limited to the mandatory level.

The pension premiums or allowance for pension shall amount to not more than 40 per cent of the member's pensionable salary, which may include a capped level of the variable pay to the extent required by mandatory collective agreement provisions.

Other benefits may include, for example, life insurance, health insurance, medical insurance, and company cars. Premiums and other costs relating to such benefits shall be based on market practice but amount to no more than 20 per cent of the annual gross fixed base pay.

Executives who are expatriates to or from Sweden may receive additional remuneration and other benefits, such as a support package including relocation and tax filing support as well as tax equalization, to the extent reasonable in light of the special circumstances associated with the expat arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such benefits may not in total exceed 40 per cent of the annual gross fixed base pay.

#### *Termination of employment*

The notice period may not exceed twelve (12) months. Fixed salary during notice period and severance pay, including payments for any restrictions on competition, shall in total not exceed an amount equivalent to the gross fixed base pay for two (2) years.

#### *Consultancy fees to the members of the Board of Directors*

The members of the Board of Directors elected by the general meeting may receive consultancy fees for services provided to the Company. Such services must contribute to the Company's business strategy and long-term interests, including its sustainability, and may not relate to regular board work. Any consultancy fee shall be based on market terms and may for each member of the Board of Directors not exceed the annual remuneration for the board assignment. The above applies correspondingly to services performed by a wholly-owned company of a member of the Board of Directors.

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<sup>3</sup> A defined contribution pension plan defines a percentage level of the employee's annual gross fixed base pay as contribution that will be paid into the pension plan for each employee.

*Salary and employment conditions for employees*

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account. Information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, have been included in the Compensation & Benefits Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

*The decision-making process to determine, review and implement the guidelines*

The Board of Directors has established a Compensation & Benefits Committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration to the Executive Committee. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and present it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Compensation & Benefits Committee shall also monitor and evaluate programs for variable remuneration for the Executive Committee, the application of these guidelines as well as the current remuneration structures and compensation levels in the Company. The members of the Compensation & Benefits Committee are independent of the Company and the Executive Committee. The CEO and other members of the Executive Committee do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

*Derogation from the guidelines*

The Board of Directors may temporarily resolve to derogate from these guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Compensation & Benefits Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from these guidelines.