

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

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 programs 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's Compensation & Benefits committee

The Board of Directors of Swedish Orphan Biovitrum has established a Compensation & Benefits committee, consisting of three Board members: Bo Jesper Hansen (Chairman), Hans GCP Schikan and Helena Saxon. Hans GCP Schikan and Helena Saxon are independent in relation to the senior management. The Company's director of Human Resources serves as secretary of the committee, but is not a member.

The Compensation & Benefits committee's work

The Compensation & Benefits committee has held 6 meetings during 2015, with the presence of all three members at all 6 of those meetings. At these meetings the committee discussed and followed up on, among other things, the annual salary revision and short term incentives for the managing director and senior management. The committee has also presented proposals for nominations to and design of the long-term incentive program, as well as a proposal regarding guidelines for remuneration to the senior management. Proposal regarding guidelines for remuneration to the senior management will be presented to the Annual General Meeting in May 2016, for the approval of the shareholders.

The Compensation & Benefits committee's evaluation and assessment

The Compensation & Benefits committee has in its work considered that Swedish Orphan Biovitrum 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 senior management.

In its assessment, the Compensation & Benefits committee has evaluated the long-term incentive program approved by the Annual General Meeting 2015 and found that the Executive Program and the All Employee Program works well. A separate program for the

CEO with the same structure as the program proposed for the 2015 annual general meeting is not proposed this year. In general, the Compensation & Benefits committee has found that the remuneration structures and levels of compensation in Swedish Orphan Biovitrum are appropriate. This is also true for other conditions of employment for the senior management. The Compensation & Benefits committee has further concluded that the compensation paid to the senior management has been in accordance with the guidelines established by the Annual General Meeting 2015. The application of the guidelines regarding remuneration to the senior management has thus been correct.

Stockholm in April 2016

Swedish Orphan Biovitrum AB (publ)

The Board of Directors