

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's 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 who are all independent in relation to the senior management. The Compensation & Benefits Committee consists of Bo Jesper Hansen (chairman), Hans Glemstedt and Michael Steinmetz. Maria Berggren is the committee secretary but not a committee member.

The Compensation & Benefits Committee's work

The Compensation & Benefits Committee has held six meetings during 2010 at which all three members were present, and one meeting at which two members were present. At these meetings the committee discussed and followed up on the annual salary review and the bonus outcome for the CEO and other members of the senior management. The Compensation & Benefits Committee also carried out an evaluation of the guidelines for remuneration to the senior management, decided upon by the Annual General Meeting, and the remuneration structures and levels of remuneration in Swedish Orphan Biovitrum. As part of this work, a follow-up and evaluation of the employee stock option programs and the share programs comprising the senior management of Swedish Orphan Biovitrum was conducted. Finally, the annual evaluation of the CEO's work was carried out and a proposed report describing the Compensation & Benefits Committee's evaluations and other work during the year was prepared.

The Compensation & Benefits Committee's evaluation and assessment

The Compensation & Benefits Committee has in its work considered that Swedish Orphan Biovitrum shall maintain the remuneration levels and terms of employment necessary to recruit and retain a management with good level of competence and the capacity to reach determined goals and that the overall principle shall be for the salary and other remuneration to senior management in Swedish Orphan Biovitrum to be on market terms.

In its assessment, the Compensation & Benefits Committee has found that existing, and during the year completed, incentive programs as well as the remuneration structures

and levels of compensation in Swedish Orphan Biovitrum are appropriate. This also holds 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. The application of the guidelines regarding compensation to the executive management has thus been correct.

Stockholm on 28 March 2011

Swedish Orphan Biovitrum AB (publ)
The Board of Directors