

The board of directors' of Biovitrum AB (publ) proposal regarding guidelines for remuneration for the management (item 16)

The board of directors proposes that the annual general meeting resolves to approve the board of directors' proposal regarding guidelines for remuneration for the management as set forth below, which shall apply until the annual general meeting 2010. The proposal is in all material respects in line with the guidelines for remuneration for the management which were approved by the annual general meeting 2008. The board of directors has appointed a compensation & benefit committee to prepare matters regarding remuneration and other terms of employment for the management.

Motives

Biovitrum shall offer a total remuneration in line with market conditions to enable the company to recruit and retain competent personnel. The remuneration to the management consists of fixed salary, variable salary, pension and other customary benefits. Long-term incentive programs may be offered in addition to the above and will then be submitted to the annual general meeting for approval. The remuneration is based on, *inter alia*, position, performance and the company's and the member's, respectively, fulfilment of objectives determined in advance.

Fixed salary

The fixed salary for the managing director and the other members of the management shall be in line with market conditions. The fixed salary for the managing director and the other members of the management is reviewed once every year, as per 1 January, by the board of directors and the compensation & benefit committee.

Variable salary

The variable salary for the managing director and the other members of the management shall be based on the company's and the member's, respectively, performance in relation to objectives determined in advance. The variable salary shall not amount to more than 50 per cent of the fixed salary for the managing director and not more than 30 – 50 per cent of the fixed salary for the other members of the management.

Long-term incentive programs

Biovitrum's long-term incentive programs constitute a complement to the fixed salary and the variable salary. The program participants are nominated based on competence, performance and to retain key employees with the company. The outcome is dependent on the fulfillment of certain predetermined performance requirements. The aim with having long-term incentive programs is to create a long-term commitment to Biovitrum, to offer the participants to take part in Biovitrum's long-term success and value creation and to create possibilities to attract and retain members of the management and key employees. For more information about Biovitrum's current incentive programs, see the annual report 2008, note 13.

The board of directors proposes that the annual general meeting 2009 resolves to implement a performance based, long-term share program for 2009. A more detailed description of the performance based, long-term share program 2009 follows from the board of directors' separate proposal (item 20 on the agenda for the annual general meeting).

Additional remuneration and terms of employment

The pension benefits for the managing director and the other members of the management shall consist of premium based pension plans (the "Manager Plan") The ITP plan applies to the managing director and the other members of the management and the Manager Plan shall constitute the alternative ITP plan. For one member of the management, the previous beneficial pension plan for the management shall continue to apply.

The employment agreements with the members of the management may be terminated with a reciprocal notice period of six months. Upon termination by the company a severance payment is paid corresponding to maximum 18 monthly salaries. Upon a material change in the business, the employee is provided, under certain circumstances, with the possibility to terminate the employment with a right to severance payment in accordance with the above corresponding to maximum 12 monthly salaries. The managing director shall in the event of termination of his employment in connection with a change of control resulting in that more than 50 percent of the shares of the company is owned by one shareholder be entitled to severance pay corresponding to 18 monthly salaries. However, the total severance pay for all members of the management may not exceed the existing salary for the remaining months up to the age of 65. There are no agreements on severance payment for the management other than as described above.

Deviation from the guidelines

The board of directors may, in special circumstances and for specific individuals, resolve to deviate from the guidelines.
