

ARTICLES OF ASSOCIATION



of

H. LUNDBECK A/S

Central Business Register (CVR) no. 56 75 99 13

## ARTICLES OF ASSOCIATION

### 1. **Name**

1.1 The Company's name is H. Lundbeck A/S. The Company also carries on business under the name of Kefalas A/S.

### 2. **Objects**

2.1 The objects for which the Company is established are to carry on business within the fields of research in and manufacture and sale of pharmaceuticals, chemicals and the like, and to undertake, perform and carry on all such other things as the Board of Directors deems incidental, conducive or ancillary to the attainment of such objects. The Company is committed to conducting its business in a financially, environmentally and socially responsible manner.

### 3. **Capital and Shares**

3.1 The Company's share capital is DKK 994,657,390 divided into shares of DKK 5 or any multiple thereof.

3.2 The shares shall be registered in the names of the holders and shall be entered in the Company's register of shareholders. The Company's register of shareholders shall be kept by Computershare A/S, Central Business Register (CVR) no. 27 08 88 99, which has been appointed keeper of the register of shareholders on behalf of the Company.

3.3 The shares shall be negotiable instruments and shall not be subject to restrictions on transferability. No share shall carry any special rights.

3.4 When listed on Nasdaq OMX Copenhagen A/S, the shares shall be issued as non-certificated shares (dematerialised securities) through VP SECURITIES A/S, Central Business Register (CVR) no. 21 59 93 36. All rights attaching to the shares shall be notified to VP SECURITIES A/S in accordance with the applicable rules.

#### 4. **Authority to Implement Capital Increases**

4.1 The Board of Directors is authorised, for the period until 25 March 2020, to increase, in one or more rounds, the Company's share capital by a nominal amount of up to DKK 100,000,000. The new shares shall be issued at market price and the capital increase shall be implemented without pre-emption rights for the Company's existing shareholders. The Board of Directors may decide to implement the increase of the share capital wholly or partly by way of non-cash contribution, including as consideration for the Company's acquisition of an existing business or other assets.

4.2 The Board of Directors is authorised, for the period until 25 March 2020, to increase, in one or more rounds, the Company's share capital by a nominal amount of up to DKK 100,000,000. The capital increase shall be implemented with pre-emption rights for the Company's existing shareholders. The Board of Directors shall determine the subscription price. The Board of Directors may decide to implement the increase of the share capital wholly or partly by way of non-cash contribution, including as consideration for the Company's acquisition of an existing business or other assets.

4.3 The capital increase which the Board of Directors may decide upon pursuant to articles 4.1 and 4.2 cannot exceed a total aggregate nominal amount of DKK 100,000,000.

4.4 In addition to the authorisations granted in Articles 4.1 to 4.2, the Board of Directors is authorised, for the period until 29 March 2017, to issue, in one or more rounds and without pre-emption rights to the existing shareholders, warrants granting the right to subscribe for shares in the Company of a nominal value of up to DKK 25,000,000 in connection with the issue of new shares to the Board of Management, executive officers and other employees of the Company and/or its subsidiaries as determined by the Board of Directors. The warrants shall give the right to subscribe for shares in the Company at a fixed price by the Board of Directors, which may be lower than the market price. The Board of Directors shall stipulate the terms governing the warrants issued under this authority. According to the rules in force at any time, the Board of Directors may reuse or reissue any lapsed non-exercised warrants provided that such reuse or reissue takes place on the terms and within the time limits that appear from this authorisation. Reuse means the right of the

Board of Directors to allow another contracting party to enter into a pre-existing agreement on warrants. Reissue means the right of the Board of Directors within the same authorisation to reissue new warrants in the event of lapse of warrants that have already been issued.

- 4.5 All new shares issued under Articles 4.1 to 4.2 and 4.4 shall be negotiable instruments and shall be registered in the names of the holders in the register of shareholders. In connection with any future increases of the share capital, the same pre-emption rights shall apply to the new shares as to the existing shares. The provisions on shares in these Articles shall also apply.

The new shares shall carry the right to dividends and other rights in the Company as from the time determined by the Board of Directors, but no later than 12 months after the registration of the capital increase.

- 4.6 The Board of Directors is authorised to stipulate the detailed terms and conditions governing capital increases under the authority given above. The Board of Directors is also authorised to amend these Articles of Association as required in connection with its use of such authority.

- 4.7 At the ordinary board meeting held on 22 April 2008, the Board of Directors resolved to issue warrants of a nominal value of up to DKK 2,500,000 pursuant to an authorization which expired on 14 April 2010. At the same time, the Board of Directors resolved to implement the related capital increase. The terms governing the issue of warrants as resolved by the Board of Directors at the board meeting are set out in Appendix 4.

- 4.8 At the ordinary board meeting held on 6 May 2008, the Board of Directors resolved to issue warrants of a nominal value of up to DKK 750,000 pursuant to an authorization which expired on 21 April 2013. At the same time, the Board of Directors resolved to implement the related capital increase. The terms governing the issue of warrants are set out in Appendix 5.

- 4.9 At the ordinary board meeting held on 21 April 2009, the Board of Directors resolved to issue warrants of a nominal value of up to DKK 3,000,000 pursuant to an authorization which expired on 21 April 2013. At the same time, the Board of Directors resolved to implement the related capital

increase. The terms governing the issue of warrants as resolved by the Board of Directors at the board meeting are set out in Appendix 6.

- 4.10 At the ordinary board meeting held on 3 March 2010, the Board of Directors resolved to issue warrants of a nominal value of up to DKK 5,000,000, corresponding to 1,000,000 shares, pursuant to an authorization which expired on 21 April 2013. At the same time, the Board of Directors resolved to implement the related capital increase. The terms governing the issue of warrants as resolved by the Board of Directors at the board meeting are set out in Appendix 7.
- 4.11 At an ordinary board meeting on 23 February 2011, the Board of Directors, pursuant to an authorization which expired on 21 April 2013, resolved to issue warrants for the subscription of shares of up to nominally DKK 7,500,000, corresponding to 1,500,000 shares, on the terms set out above. At the same time, the Board of Directors resolved to implement the related capital increase. The terms governing the issue of warrants as resolved at the ordinary board meeting are set out in Appendix 8.
- 4.12 At an ordinary board meeting on 29 March 2012, the Board of Directors, pursuant to an authorization which expired on 21 April 2013, resolved to issue warrants for the subscription of shares of up to nominally DKK 3,750,000, corresponding to 750,000 shares. At the same time, the Board of Directors resolved to implement the related capital increase. The terms governing the issue of warrants as resolved at the ordinary board meeting are set out in Appendix 9.
- 4.13 At an ordinary board meeting on 29 March 2012, the Board of Directors, pursuant to an authorization which expired on 21 April 2013, resolved to issue warrants for the subscription of shares of up to nominally DKK 5,000,000, corresponding to 1,000,000 shares. At the same time, the Board of Directors resolved to implement the related capital increase. The terms governing the issue of warrants as resolved at the ordinary board meeting are set out in Appendix 10.
- 4.14 At an ordinary board meeting on 26 March 2014, the Board of Directors, pursuant to the authorization in Article 4.4, resolved to issue warrants for the subscription of shares of up to nominally DKK 6,775,000, corresponding to 1,355,000 shares. At the same time, the Board of Directors resolved to implement the related capital increase. The terms governing the issue of warrants as resolved at the ordinary board meeting are set out in Appendix 11.

4.15 At an ordinary board meeting on 10 May 2016, the Board of Directors, pursuant to the authorization in Article 4.4, resolved to issue warrants for the subscription of shares of up to nominally DKK 2,000,000 corresponding to 400,000 shares. At the same time, the Board of Directors resolved to implement the related capital increase. The terms governing the issue of warrants as resolved at the ordinary board meeting are set out in Appendix 12.

## 5. **Management**

5.1 The Company is managed by a Board of Directors consisting of four to six members elected by the general meeting to hold office for one-year terms. The board members are eligible for re-election. However, no member may remain on the Board of Directors after the annual general meeting of the calendar year in which the member reaches the age of 70. In addition to the members elected by the general meeting, the employees of H. Lundbeck A/S and its subsidiaries shall elect a number of members to the Board of Directors in accordance with the Danish Companies Act (*selskabsloven*) in force from time to time.

5.2 The Board of Directors shall elect a Chairman and a Deputy Chairman from among its members. All business transacted by the Board of Directors shall be decided by a simple majority of votes. In the event of an equality of votes, the Chairman, and in his absence the Deputy Chairman, shall have a casting vote.

5.3 The Board of Directors shall adopt rules of procedure governing the performance of its duties.

5.4 Minutes of the proceedings at meetings of the Board of Directors shall be entered in a minute book and shall be signed by all board members present at the meeting.

5.5 The Board of Directors shall appoint a Board of Management consisting of two to six members to be responsible for day-to-day operations.

5.6 Guidelines for incentive pay to the Board of Management have been adopted in accordance with section 139 of the Danish Companies Act. The guidelines are available on the Company's website.

**6. Power to Bind the Company**

6.1 The Company shall be bound by the joint signatures of four members of the Board of Directors, or by the joint signatures of two members of the Board of Management, or by the joint signatures of one member of the Board of Directors and one member of the Board of Management.

**7. General Meetings**

7.1 General meetings shall be held in the Capital Region of Denmark. General meetings shall be convened by the Board of Directors giving no less than three weeks' and no more than five weeks' notice on the Company's website and – if the meeting is not convened electronically as provided by Article 16 – by announcement in one or more national Danish newspapers at the discretion of the Board of Directors, and, where requested, notice shall also be provided in writing to shareholders registered in the register of shareholders. The Board of Directors may also give notice of general meetings in foreign newspapers or magazines distributed internationally. The notice shall set out the time and place of the meeting, the agenda, and the essential contents of any proposed amendments to these Articles of Association. However, the notice shall include the full text of any proposed resolution amending these Articles under sections 77(2), 92(1), 92(5), 107(1) or 107(2) of the Danish Companies Act. The notice shall also contain: 1) information on the amount of the share capital and the shareholders' voting rights; 2) a clear and accurate description of the procedures to be followed by the shareholders in order to attend and vote at the general meeting as provided by section 97(2) of the Danish Companies Act; 3) the date of registration as provided by section 84(1) of the Act, explaining the effect of such date for the shareholders; 4) instructions on where and how to obtain the full and unabridged text of any documents to be submitted to the general meeting, including the agenda and the full text of all proposals; and 5) the website on which the information referred to in Article 7.4 will be made available.

7.2 The annual general meeting shall be held once every year before the end of April. The date of any general meeting shall be announced on the Company's website no later than eight weeks before the meeting. All shareholders are entitled to have specific issues considered at general meetings, subject to submitting a written request to such effect to the Board of Directors in time

for the issue to be included on the agenda of the meeting. Any request made no later than six weeks before the date of the general meeting shall be deemed submitted in time for the issue to be included on the agenda. This time limit shall be announced on the Company's website no later than eight weeks before the date of the general meeting.

7.3 Extraordinary general meetings to consider specific issues shall be convened by the Board of Directors within two weeks of receipt at the Company's office of a written request to such effect from shareholders representing 5% of the share capital.

7.4 No later than three weeks before the date of any general meeting, the following information shall be published on the Company's website: 1) the notice convening the general meeting; 2) the total number of shares and voting rights at the date of the notice; 3) all documents to be submitted to the general meeting, including, in the case of the annual general meeting, the audited annual report; 4) the agenda and the full text of all proposals to be submitted to the meeting; and 5) postal and proxy voting forms.

## 8. **Agenda**

8.1 The agenda of the annual general meeting shall include:

- a) Report of the Board of Directors on the Company's activities during the past year.
- b) Presentation and adoption of the annual report.
- c) Approval of remuneration for the Board of Directors for the current financial year.
- d) Resolution on the appropriation of profit or loss as recorded in the adopted annual report.
- e) Election of members to the Board of Directors.
- f) Election of one or two state-authorized public accountants.
- g) Any proposal by shareholders or the Board of Directors.



h) Any other business.

9. **Proceedings and Voting**

9.1 Proceedings at general meetings shall be presided over by a chairman appointed by the Board of Directors. The chairman shall decide all matters relating to the transaction of business, voting and its outcome.

9.2 All business transacted by general meetings shall be decided by a simple majority of votes, unless special rules on representation and majority are provided by these Articles or the Danish Companies Act.

10. **Admission, Proxies and Voting Rights**

10.1 All shareholders are entitled to attend general meetings subject to having obtained an admission card upon presentation of proper identification no later than three days before the date of the meeting. Admission cards shall be provided to shareholders with voting rights under Article 10.4.

10.2 Shareholders may attend general meetings in person or by proxy and together with an adviser. Voting rights may be exercised by proxy holders who have received an admission card to attend the general meeting on behalf of their principal upon presentation of a written and dated instrument of proxy. However, proxy instruments issued to the Board of Directors shall be valid only for one particular general meeting for which the agenda is known in advance, and may not be given for more than one year.

10.3 All general meetings shall be open to representatives of the press who have obtained an admission card upon presentation of a press card.

10.4 All shareholders who are registered in the register of shareholders no later than one week before the date of the general meeting, or have given notice to the Company of the acquisition of their shares and have established good title to them for the purpose of registration in the register of shareholders no later than one week before the meeting, are entitled to vote at general meetings.

10.5 All shareholders with voting rights under Article 10.4 may vote by post. Postal voting forms shall be available on the Company's website no later than three

weeks before the date of the general meeting. Postal votes shall reach the Company no later than 12 noon one business day before the general meeting.

10.6 Each share of a nominal amount of DKK 5 shall carry one vote.

11. **Minute Book**

11.1 Brief minutes of the proceedings at general meetings shall be entered in a minute book approved by the Board of Directors and shall be signed by the chairman of the meeting and the members of the Board of Directors present at the meeting. The minutes and the results of voting shall be made available on the Company's website no later than two weeks after the date of the general meeting.

12. **Dividends**

12.1 Any distribution of dividends out of the Company's funds shall be based on the annual report last approved by the general meeting.

12.2 Dividends shall be paid by transfer to the accounts specified by the shareholders in accordance with the rules governing VP SECURITIES A/S.

12.3 Any dividend remaining unclaimed five years after the due date of payment shall accrue to the Company.

13. **Auditing**

13.1 The Company's annual report shall be audited by one or two state-authorized public accountants elected by the general meeting.

14. **Annual Report**

14.1 The Company's financial year shall be the calendar year.

14.2 The annual report shall be prepared in a clear and readily understandable form in accordance with applicable law and shall give a true and fair view of the Company's assets and liabilities, financial position, and results.

14.3 The Company's annual report shall be prepared in English only.

15. **Public Availability**

15.1 These Articles of Association and the last approved annual report are available to the public, and copies can be obtained on the Company's website, [www.lundbeck.com](http://www.lundbeck.com).

16. **Electronic Communications**

16.1 All communications from the Company to the individual shareholders may be sent electronically by e-mail, and general messages will be available to the shareholders on the Company's website, [www.lundbeck.com](http://www.lundbeck.com), unless otherwise provided by the Danish Companies Act. The Company may at any time choose to communicate by regular post.

16.2 Accordingly, notices convening annual and extraordinary general meetings, including the full text of any proposed resolutions amending these Articles of Association, the agenda of meetings, subscription lists, annual reports, stock exchange announcements, admission cards, and any other general information from the Company to the shareholders may be sent by e-mail. Except for admission cards for general meetings, the above documents will also be available on the Company's website, [www.lundbeck.com](http://www.lundbeck.com).

16.3 The Company shall request registered shareholders to provide an electronic address to which notices, etc. may be sent. Each shareholder shall be responsible for ensuring that the Company has the correct e-mail address. All communications from shareholders to the Company may be sent electronically by e-mail to [information@lundbeck.com](mailto:information@lundbeck.com).

16.4 Additional information about system requirements and the procedure for electronic communications are available to shareholders on the Company's website, [www.lundbeck.com](http://www.lundbeck.com).

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As amended by the annual general meeting of the Company on 20 April 2010, by the Board of Directors on 23 February 2011, as a result of the capital increase on 16 May 2011, by the Board of Directors on 29 March 2012, by the annual general meeting of the

Company on 29 March 2012, as a result of capital increases on 21 May 2012, 16 May 2013, 20 August 2013, 19 November 2013 and 19 February 2014, by the Board of Directors and the annual general meeting of the Company on 26 March 2014, and as a result of capital increases on 21 May 2014, 20 August 2014, 18 November 2014, 18 February 2015, by the annual general meeting of the Company 25 March 2015, and as a result of capital increases on 21 May 2015, 1 September 2015, 17 November 2015 and 23 February 2016, by the Board of Directors on 10 May 2016, and as a result of capital increases on 25 May 2016, on 6 September 2016, on 15 November 2016, on 21 February 2017, on 24 May 2017 and on 22 August 2017.

As chairman of the general meeting:

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Attorney Jørgen Kjergaard Madsen

## **Appendix 4 to the Articles of Association of H. Lundbeck A/S**

Terms of issue of warrants at a maximum nominal amount up to DKK 2,500,000, see Article 4.7 of the Articles of Association:

### **1. Issue of warrants**

#### 1.1 Persons entitled to subscribe and definition of group

The members of H. Lundbeck A/S's Board of Management, a future member of H. Lundbeck's Board of Management who is hired as chief executive officer, and senior officers appointed by the Board of Management and employed in H. Lundbeck A/S (the "Company") or in an H. Lundbeck A/S subsidiary (the "members of the Board of Management") are entitled to subscribe. The said subsidiaries constitute Danish and foreign companies in which H. Lundbeck A/S is the direct or indirect owner of at least 50% of the shares, and the subsidiaries together with the Company are referred to as the "H. Lundbeck A/S Group" in this subscription list. It is a condition for a future member of the Company's Board of Management who is hired as the chief executive officer to be entitled to subscribe that this person takes office (first business day) no later than 1 October 2008.

#### 1.2 Number of warrants which the persons entitled to subscribe can subscribe for

The Board of Directors of H. Lundbeck A/S shall determine for each of the members H. Lundbeck A/S's Board of Management and for a future member of H. Lundbeck A/S's Board of Management, who will be engaged as chief executive officer, the number of warrants which the individual member of the Board of Management may subscribe for. The Board of Directors shall determine a further number of warrants which one of the members of H. Lundbeck A/S's Board of

Management may subscribe for if one of the members takes office of H. Lundbeck A/S's chief executive officer no later than 1 October 2008.

In the following, the "Company's future chief executive officer" comprises a new member of the Company's Board of Management who takes office of chief executive officer no later than 1 October 2008, see 1.1, or a member of the Company's Board of Management who takes office of chief executive officer no later than 1 October 2008, as regards the further number of warrants, see above.

The Board of Management of H. Lundbeck A/S shall determine for each of the persons entitled to subscribe appointed by the Board of Management the number of warrants which the individual person entitled to subscribe may subscribe for.

- 1.3 No consideration will be payable for the warrants.
- 1.4 The issue of the warrants shall in no way affect the access to change or terminate the employment of the member of the Board of Management.
- 1.5 Terms and conditions attaching to the acquisition of all or any of the warrants

The right to subscribe for warrants under the terms of this subscription list shall be granted to the persons entitled to subscribe for warrants at 6 May 2008, but see below as regards the Company's future chief executive officer, in that acquisition of all or any of the warrants on 6 May 2011 is on the condition that the member of the Board of Management has not been dismissed or resigned in the period from and including 6 May 2008 up to and including 6 May 2011, so that the member of the Board of Management is under notice to terminate within the H. Lundbeck A/S group. However, this condition solely concerns dismissal or resignation where section 5(1) of the Danish Share Option Act does not apply. As regards the members of the Company's Board of Management, acquisition of all or any of the warrants on 6 May 2011 is further subject to achievement of targets, as this condition is based on H. Lundbeck A/S's ranking in a benchmark group of companies as regards total return to the shareholders. Rules about ranking, including a specification of the actual companies comprised by the benchmark group, will appear from the subscription list. The Company's future chief executive officer is similarly granted the right to subscribe for warrants under the terms of this subscription list on the day that the CEO takes office, if the CEO takes office in the period from 6 May 2008 to 1 October 2008, both dates included, included

the date of any acquisition of all or any of the warrants is for instance 1 August 2011 if the time of granting is 1 August 2008.

In the following, "warrants subscribed for" and "issue of warrants" will include all warrants whether acquired or not, whereas "warrants" will only include acquired warrants.

#### 1.6 Subscription for shares

Each warrant shall entitle the holder to subscribe for 1 (one) share of nominally DKK 5 in the Company. Subscription for shares shall be made at a price per share of DKK 5 corresponding to the average of the H. Lundbeck A/S share closing prices at the Copenhagen Stock Exchange, all transactions, on the business days in the period from 23 April to 29 April 2008, both days included, rounded down to the nearest whole number expressed in DKK. However, the price per nominally DKK 1 cannot be lower than 85% of the H. Lundbeck A/S share market price at the time of granting, on 6 May 2008, or the time of granting as regards the Company's future chief executive officer, see clause 1.5, all transactions, divided by 5 and increased to the nearest whole number expressed in DKK.

## **2. Exercise of the warrants**

- 2.1 a) The warrants can be exercised in the period from and including 6 May 2011 up to and including 5 May 2016, but see clause b), or in a similar period from and including the date of acquisition as regards the Company's future chief executive officer, see clause 1.5 (the "Exercise Period").

The members of the Board of Management may not exercise the warrants until at the beginning of the Exercise Period.

- b) During the Exercise Period, all or any of the warrants may be exercised at the member of the Board of Management's option. However, exercise may only be made during "Windows" according to the Danish calendar and in accordance with the Company's internal rules applicable from time to time under the Danish Securities Trading Act. The member of the Board of Management may only exercise warrants on the following business days:

- the first 8 business days after the date of the publication of the Company's annual report notification;

- the first 8 business days after the date of the publication of the Company's interim financial statements; and
- the first 8 business days after the date of the publication of one of the Company's quarterly reports;

If one of the Windows which forms the basis of the above exercise periods of 8 business days is changed by the Company or replaced by other Windows according to the Company's internal rules applicable from time to time, the member of the Board of Management may exercise warrants under the resolution adopted by the Company.

- c) The member of the Board of Management can exercise all or any of the warrants in the Exercise Period at the latest 30 days after the Company has given the member of the Board of Management written notice of one of the following resolutions:
- (i) Change of Ownership in the Company;
  - (ii) A resolution to the effect that the Company's shares shall no longer be listed on a stock exchange; or
  - (iii) A resolution to liquidate the Company.

The definition of Change of Ownership, see above, includes transfer of shares in the Company, merger of the Company, demerger of the Company and asset transfer; the changes of ownership in question will be specified in the subscription list.

- d) The member of the Board of Management can exercise all or any of the warrants. However, exercise shall be made by at least 500 warrants for each exercise.

### **3. Procedure for exercise**

- 3.1 Exercise of the warrants shall be made as follows: at the address where the Company's Board of Management sits, the member of the Board of Management shall notify the Company's Board of Management or a representative appointed by the Board of Management by fax or registered letter of the exercise of the warrants and subscription for shares by sending a form prepared by the Company's Board of Management. Rules



regarding forwarding of form, payment of the shares subscribed and custody account to which the shares subscribed can be transferred will be specified in the subscription list.

- 3.2 All warrants exercised, see clause 3.1, shall be considered to have been exercised on the last day of the chosen exercise period, see clause 2.1 b) and c). The Company shall register the capital increase made as soon as possible. The Company shall transfer the shares subscribed for to the member of the Board of Management's custody account no later than 10 business days after the registration of the capital increase. The form prepared by the Company's Board of Management, see clause 3.1, shall contain detailed stipulations thereof. The member of the Board of Management shall bear the risk of the price development of the shares subscribed in the period from the date of exercise, see above, and until the date of the member of the Board of Management's first option of having the disposal of the shares subscribed.

#### **4. Expiry of the warrants**

- 4.1 Warrants not exercised in the Exercise Period shall expire together with the expiry of the Exercise Period.
- 4.2 If the employment of the member of the Board of Management ceases before the expiry of the Exercise Period so that the member of the Board of Management is no longer employed by the H. Lundbeck A/S group, the Company is entitled, but not under an obligation, to purchase all the remaining warrants of the member of the Board of Management. The purchase price shall be calculated by the Company's auditor according to the Black-Scholes formula, so that the price per warrant constitutes the price at the date of the termination of the employment. The Company's notice of the exercise of the option to buy shall be made no later than 8 days after the termination of the employment. The purchase price shall be paid no later than 14 days after the termination of the employment. The member of the Board of Management may not exercise warrants when the member of the Board of Management has received the above notification about exercise of the option to buy.
- 4.3 If the company in which the member of the Board of Management is employed ceases to be a company comprised by the H. Lundbeck A/S group, clause 4.2 shall apply. The date of the said expiry shall replace the date of the termination of the employment.

#### **5. Change of the number of warrants subscribed**

- 5.1 If it is resolved to adjust the nominal value of the H. Lundbeck A/S shares, the number of warrants subscribed which have not been exercised at the date of the resolution, and the subscription price, see clause 1.6, shall be adjusted so that the number and subscription price correspond to the number and subscription price before the adjustment. Calculation rules about the adjustment will appear from the subscription list.
- 5.2 If it is resolved to issue bonus shares, the number of warrants subscribed which have not been exercised at the date of the resolution, and the subscription price, see clause 1.6, shall be adjusted to the effect that the number and the subscription price correspond to the number and the subscription price before the adjustment. However, in no case can the adjusted subscription price be a price which entails that the price per nominally DKK 1 is lower than 85% of the market price of the H. Lundbeck A/S share at the time of granting, on 6 May 2008, as regards the Company's future chief executive officer, see clause 1.5, all transactions, divided by 5 and rounded upwards to the nearest whole number expressed in DKK. Calculation rules about the adjustment and an example of adjustment will appear from the subscription list.
- 5.3 If an extraordinary event occurs which materially affects the premises of the grant or changes the Company's activities and strategies, including resolutions comprised by clause 2.1 c), and which is not comprised by 5.1, 5.2, 6.1 and 6.1, the Board of Directors reserves the right to change the number of warrants subscribed which have not been exercised at the date of such extraordinary event.

## **6. Statutory rights upon mergers, demergers, etc.**

- 6.1 The statutory rights of the member of the Board of Management shall not be changed in the event of capital increase, capital reduction, issue of convertible debt instruments, issue of new warrants or dissolution, including merger or demerger, except for the changes specified in clauses 2.1 c), 5.2 and 6.2.
- 6.2 If the Company still exists after a demerger, the warrants subscribed shall remain unchanged in the Company. If the Company ceases to exist as a result of a demerger, the warrants subscribed shall be transferred to the company in which the member of the Board of Management is employed as a consequence of the

demerger, and the terms of the warrants subscribed shall be amended according to a resolution adopted by the Company's Board of Directors.

## **7. Restrictions**

The warrants subscribed for shall be subject to the following restrictions:

- 7.1 The warrants subscribed cannot be transferred by the member of the Board of Management, except for transfer in the event of the death of the member of the Board of Management during employment in the Lundbeck A/S Group on 1 January 2011 or later. The condition regarding the employment of the member of the Board of Management shall be disregarded, but for the members of the Company's Board of Management it is a condition, in the event of death in the period from 1 January 2011 to 5 May 2011, or in the case of the Company's future chief executive officer, 1 January 2011 to the day before the acquisition date that the condition regarding achievement of targets has been met, see clause 1.5. The member of the Board of Management's surviving spouse retaining the undivided possession of the estate or the estate of the member of the Board of Management may exercise the warrants in the Exercise Period, but no later than 12 months after the date of death. The rules on exercise, see clauses 3.1 and 3.2 shall apply by analogy, in that the member of the Board of Management's surviving spouse retaining the undivided possession of the estate/the estate of the member of the Board of Management, shall exercise the warrants in an exercise period specified in clause 2.1 b). As long as the member of the Board of Management is alive, the warrants can only be exercised by the member of the Board of Management personally.
- 7.2 The warrants subscribed for may not be subject to enforcement proceedings or any other kind of enforcement.
- 7.3 The warrants subscribed for may not be charged to a third party.
- 7.4 Transfer of the warrants subscribed for by inheritance cannot take place.
- 7.5 In one or more periods in which the warrants can be exercised, the Company may suspend the option of exercising warrants of one or more members of the Board of Management if at the Company's discretion such suspension is necessary for the Company to observe acts or delegated legislation under the laws of any country which may apply to the Company and/or its activities.

## **8. Tax affairs - Section 7H of the Danish Tax Assessment Act**

8.1 Section 7H of the Danish Tax Assessment Act shall apply provided that the provision can be applied in relation to each member of the Board of Management. The individual member of the Board of Management and the company in which the member of the Board of Management is employed shall for the tax purposes enter into an agreement that the provisions of section 7H of the Danish Tax Assessment Act shall apply. A copy of the agreement shall be submitted to the Danish tax authorities. The subscription form, see clause 11 below, shall be used in this connection.

## **9. Disputes**

9.1 Any dispute arising out of the terms and conditions of the subscribed warrants shall be settled by arbitration under Danish law according to the "Rules of Procedure of the Danish Institute of Arbitration (Danish Arbitration)". Members of the arbitration tribunal shall be appointed by the Institute according to the rules specified. Danish law and the English language shall be applied during arbitration proceedings. The Company and the member of the Board of Management shall keep confidential all matters regarding any arbitration proceedings, including the existence of any arbitration proceedings, the subject-matter and the arbitration award.

## **10. Expenses**

10.1 The Company shall incur the expenses incidental to the issue of warrants and the subsequent exercise thereof, but not the expenses in connection with a custody account, see clause 3.1. The total expenses to be incurred by the Company are estimated at DKK 400,000.

## **11. Other terms and conditions**

Other terms and conditions for the issue of warrants

that existing shareholders shall have no pre-emption right in respect of the warrants;

that the subscription period is from and including 7 May 2008 up to and including 20 May 2008. However the subscription period for Company's future chief executive

officer is similarly 14 days from and including the day after the date of granting, if the right to subscribe for warrants under the terms of this subscription list, see clause 1.5, is granted to the chief executive officer in the period from 6 May 2008 to 1 October 2008, both dates included;

that subscription is made by signing a subscription form prepared by the Company's Board of Management, which completed form shall reach H. Lundbeck A/S no later than the last day of the subscription period at 16.00.

Other terms and conditions for new shares subscribed for on the basis of the warrants

that the maximum amount of the capital increase for which shares can be subscribed is nominally DKK 2,500,000, and the minimum amount is nominally DKK 2,500.

that existing shareholders shall have no pre-emption rights in respect of any new shares;

that the new shares shall be negotiable instruments;

that in future capital increases, the new shares shall carry the same pre-emption rights as existing shares;

that the new shares shall confer on the holders the right to dividends and other rights in the Company from the time of the registration of the capital increase;

that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report concerning the financial year immediately prior to the accounting year in which the capital increase was registered, if registration was made before the date of the Company's annual general meeting provided that the general meeting of the Company adopted a resolution to distribute dividend;

that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report regarding the financial year in which the capital increase was registered, if registration was made on the date of the Company's annual general meeting or later in the same financial year, provided that the general meeting of the Company adopted a resolution to distribute dividend;

- that if prior to the exercise of the warrants the Company made a general change in the rights carried by the shares, the new shares shall, however, carry the same rights as the Company's other shares at the time of the exercise;
- that the new shares shall be registered in the name of the holder and shall be entered in the Company's register of shareholders,
- that the new shares shall be issued in denominations of nominally DKK 5;
- that if the nominal value of the H. Lundbeck A/S shares is changed before the exercise of warrants, the nominal value of the new shares shall be changed accordingly;
- that the new shares shall be registered in VP Securities.

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## **Appendix 5 to the Articles of Association of H. Lundbeck A/S**

Terms of issue of warrants at a maximum amount of nominally DKK 750,000, see Article 4.8 of the Articles of Association:

### **1. Issue of warrants**

#### 1.1 Persons entitled to subscribe

Senior officers appointed by members of H. Lundbeck A/S's Board of Management and employed by H. Lundbeck A/S (the "Company") or in an H. Lundbeck A/S subsidiary (the "Employees") are entitled to subscribe. The said subsidiaries constitute Danish and foreign companies in which H. Lundbeck A/S is the direct or indirect owner of at least 50% of the shares, and the subsidiaries together with the Company are referred to as the "H. Lundbeck A/S Group" in this subscription list.

#### 1.2 Number of warrants which the persons entitled to subscribe can subscribe for

The Board of Management of H. Lundbeck A/S shall determine for each of the persons entitled to subscribe, the number of warrants which the individual persons entitled to subscribe may subscribe for.

#### 1.3 No consideration will be payable for the warrants.

#### 1.4 The issue of the warrants shall in no way affect the access to change or terminate the Employee's employment.

#### 1.5 Terms and conditions attaching to the acquisition of the warrants

The right to subscribe for warrants under the terms of this subscription list shall be granted to the persons entitled to subscribe on 6 May 2008. Acquisition of the warrants on 6 May 2011 is subject to the Employee not having been dismissed or having resigned in the period from and including 6 May 2008 up to and including 6 May 2011 to the effect that the Employee is under notice of termination within the

H. Lundbeck A/S Group. However this condition solely concerns dismissal or resignation where section 5(1) of the Danish Share Option Act does not apply.

In the following, "warrants subscribed for" and "issue of warrants" will include all warrants whether acquired or not, whereas "warrants" will only include acquired warrants.

#### 1.6 Subscription for shares

Each warrant shall entitle the holder to subscribe for 1 (one) share of nominally DKK 5 in the Company. Subscription for shares shall be made at a price per share of DKK 5 corresponding to the average of the H. Lundbeck A/S share closing prices at the Copenhagen Stock Exchange, all transactions, on the business days in the period from 23 April to 29 April 2008, both days included, rounded down to a whole number expressed in DKK. However, the price per nominally DKK 1 cannot be lower than 85% of the H. Lundbeck A/S share market price at the time of granting, on 6 May 2008, all transactions, divided by 5 and increased to the nearest whole number expressed in DKK.

## **2. Exercise of the warrants**

- 2.1 a) The warrants may be exercised in the period from and including 6 May 2011 up to and including 5 May 2016 (the "Exercise Period"), but see clause b).

The employees may not exercise the warrants until at the beginning of the Exercise Period.

- b) During the Exercise Period, all or any of the warrants may be exercised at the Employee's option. However, exercise may only be made during "Windows" according to the Danish calendar and in accordance with the Company's internal rules applicable from time to time under the Danish Securities Trading Act. The Employee may only exercise warrants on the following business days:

- the first 8 business days after the date of the publication of the Company's annual report notification;
- the first 8 business days after the date of the publication of the Company's interim financial statements; and



- the first 8 business days after the date of the publication of one of the Company's quarterly reports;

If one of the Windows which forms the basis of the above exercise periods of 8 business days is changed by the Company or replaced by other Windows according to the Company's internal rules applicable from time to time, the Employee may exercise warrants under the resolution adopted by the Company.

- c) The Employee can exercise all or any of the warrants in the Exercise Period at the latest 30 days after the Company has given the Employee written notice of one of the following resolutions:
  - (i) Change of Ownership (as defined below) in the Company;
  - (ii) A resolution to the effect that the Company's shares shall no longer be listed on a stock exchange; or
  - (iii) A resolution to liquidate the Company.

Change of Ownership, see above, shall mean:

- (i) Transfer of shares in the Company, whether through purchase of existing shares and/or by subscription for new shares, which entails that the same natural or legal person (except Lundbeckfonden and its wholly owned subsidiary LFI A/S) controls shares in the Company representing more than 50% of the votes of the Company; "Intra-group" transfers (that is transfer of companies which are directly or indirectly wholly owned by Lundbeckfonden) within Lundbeckfonden thus do not constitute a Change of Ownership; or
- (ii) Merger of the Company with one or more other companies if after the merger Lundbeckfonden owns, directly or indirectly, less than 50% of the voting rights in the surviving company; or
- (iii) Demerger of the Company if after the demerger Lundbeckfonden owns, directly or indirectly, less than 50% of the voting rights in the Company and the Employee remains employed by the Company after the demerger, or owns, directly or indirectly, less than 50% of the voting rights in another company which is the result of the demerger, and in which the Employee is employed after the demerger; or

- (iv) Transfer of shares of the subsidiary of the Company in which the Employee is employed, whereby such company does not remain a subsidiary comprised by the H. Lundbeck A/S group; or
  - (v) Transfer of assets whereby the Employee is no longer employed in the H. Lundbeck A/S group.
- d) The Employee can exercise all or any of the warrants. However, exercise shall be made by at least 500 warrants for each exercise.

### **3. Procedure for exercise**

- 3.1 Exercise of the warrants shall be made as follows: at the address where the Company's Board of Management sits, the Employee shall notify the Company's Board of Management or a representative appointed by the Board of Management by fax or registered letter of the exercise of the warrants and subscription for shares by sending a form prepared by the Company's Board of Management. The form shall be sent to the "Board of Management" or to the representative appointed by the Company and shall reach the Company by the last day of the chosen exercise period, see clause 2.1 b) and c).
- 3.2 Payment of the shares subscribed shall be made in cash by the last day of the chosen exercise period, see clause 2.1 b) and c), in which the Company receives notification about exercise under clause 3.1.
- 3.3 If the form and payment, see clauses 3.1 and 3.2 respectively, have not reached the Company in due time, the said warrants will be considered not exercised, and any notification about exercise of warrants according to the form received by the Company shall be deemed to have lapsed and thus cannot be valid in connection with any subsequent exercise periods, see clause 2.1 b) and c). The Company shall return any amounts paid as soon as possible.
- 3.4 Exercise of the warrants is subject to the Employee having opened a custody account with a Danish bank acceptable to the Company, to which the shares subscribed can be transferred.
- 3.5 All expenses in connection with the custody account specified in clause 3.4 shall be paid by the Employee.

3.6 All warrants exercised, see clauses 3.1 to 3.4, shall be considered to have been exercised on the last day of the chosen exercise period, see clause 2.1 b) and c). The Company shall register the capital increase made as soon as possible. The Company transfer the shares subscribed for to the Employee's custody account no later than 10 business days after the registration of the capital increase. The form prepared by the Company's Board of Management, see clause 3.1, shall contain detailed stipulations thereof. The Employee shall bear the risk of the price development of the shares subscribed in the period from the date of exercise, see above, and until the date of the Employee's first option of having the disposal of the shares subscribed.

#### **4. Expiry of the warrants**

4.1 Warrants not exercised in the Exercise Period shall expire together with the expiry of the Exercise Period.

4.2 If the Employee's employment ceases before the expiry of the Exercise Period so that the Employee is no longer employed by the H. Lundbeck A/S group, the Company is entitled, but not under an obligation, to purchase all the remaining warrants of the Employee. The purchase price shall be calculated by the Company's auditor according to the Black-Scholes formula, so that the price per warrant constitutes the price at the date of the termination of the employment. The Company's notice of the exercise of the option to buy shall be made no later than 8 days after the termination of the employment. The purchase price shall be paid no later than 14 days after the termination of the employment. The Employee may not exercise warrants when the Employee has received the above notification about exercise of the option to buy.

4.3 If the company in which the Employee is employed ceases to be a company comprised by the H. Lundbeck A/S group, clause 4.2 shall apply. The date of the said expiry shall replace the date of the termination of the employment.

#### **5. Change of the number of warrants subscribed**

5.1 If it is resolved to adjust the nominal value of the H. Lundbeck A/S shares, the number of warrants subscribed which have not been exercised at the date of the resolution, and the subscription price, see clause 1.6, shall be adjusted as follows:

The subscription price according to clause 1.6 is multiplied by the factor:

$$\alpha = \frac{A}{B}$$

And the number of warrants subscribed but not exercised is multiplied by the factor:

$$\frac{1}{\alpha}$$

Where:

A: is the nominal value of each share after the adjustment, and

B: is the nominal value of each share before the adjustment.

If the adjusted subscription price and/or the adjusted number of warrants subscribed are not whole numbers, they shall be separately rounded down to the nearest whole number.

- 5.2 If it is resolved to issue bonus shares, the number of warrants subscribed which have not been exercised at the date of the resolution, and the subscription price, see clause 1.6, shall be adjusted as follows:

The subscription price according to clause 1.6 is multiplied by the factor:

$$\alpha = \frac{A}{(A+B)}$$

And the number of warrants subscribed but not exercised is multiplied by the factor:

$$\frac{1}{\alpha}$$

Where:

A: is the nominal share capital before the issue of bonus shares, and

B: is the total nominal value of the bonus shares.

If the adjusted subscription price and/or the adjusted number of warrants subscribed are not whole numbers, they shall be separately rounded down to the nearest whole number.

However, in no event can the adjusted subscription price be a price which entails that the price per nominally DKK 1 is lower than 85% of the market price of the H. Lundbeck A/S share at the time of granting, on 6 May 2008, see clause 1.5, all transactions, divided by 5, and rounded up to the nearest whole number expressed in DKK. If the calculation of the adjusted subscription price entails that the price per nominally DKK 1 is lower than the said calculated price, the adjusted subscription price shall be increased so that the price corresponds to the said calculated price per nominally DKK 1.

An example: At the time of granting the market price of the H. Lundbeck A/S share is DKK 130. 85% of this price divided by 5 and rounded up to the nearest whole number expressed in DKK is DKK 23. The adjusted subscription price per share of nominally DKK 5 is calculated to DKK 90, which entails that the price per nominally DKK 1 constitutes DKK 18. As DKK 18 is a lower amount than DKK 23, the adjusted subscription price per share of nominally DKK 5 is increased from DKK 90 to DKK 115. (5 x DKK 23).

- 5.3 If an extraordinary event occurs which materially affects the premises of the grant or changes the Company's activities and strategies, including resolutions comprised by clause 2.1 c), and which is not comprised by 5.1, 5.2, 6.1 and 6.1, the Board of Directors reserves the right to change the number of warrants subscribed which have not been exercised at the date of such extraordinary event.

## **6. Statutory rights upon mergers, demergers, etc.**

- 6.1 The Employee's statutory rights shall not be changed in the event of capital increase, capital reduction, issue of convertible debt instruments, issue of new warrants or dissolution, including merger or demerger, except for the changes specified in clauses 2.1 c), 5.2 and 6.2.
- 6.2 If the Company still exists after a demerger, the warrants subscribed shall remain unchanged in the Company. If the Company ceases to exist as a result of a demerger, the warrants subscribed shall be transferred to the company in which the Employee is employed as a consequence of the demerger, and the terms of the warrants subscribed shall be amended according to a resolution adopted by the Company's Board of Directors.

## **7. Restrictions**

The warrants subscribed for shall be subject to the following restrictions:

- 7.1 The warrants subscribed cannot be transferred by the Employee, except for transfer upon the Employee's death during employment with the H. Lundbeck A/S Group on 1 January 2011 or later. The term concerning the Employee's employment shall be disregarded. The Employee's surviving spouse retaining the undivided possession of the estate or the estate of the Employee may exercise the warrants in the Exercise Period, but no later than 12 months after the date of death. The rules on exercise in clauses 3.1 to 3.6 shall apply by analogy, in that the Employee's surviving spouse retaining the undivided possession of the estate/the estate of the Employee shall exercise the warrants in an exercise period specified in clause 2.1 b). As long as the Employee is alive, the warrants can only be exercised by the Employee personally.
- 7.2 The warrants subscribed for may not be subject to enforcement proceedings or any other kind of enforcement.
- 7.3 The warrants subscribed for may not be charged to a third party.
- 7.4 Transfer of the warrants subscribed for by inheritance cannot take place.
- 7.5 In one or more periods, in which the warrants can be exercised, the Company may suspend one or more Employees' option of exercising warrants if at the Company's discretion such suspension is necessary for the Company to observe acts or delegated legislation under the laws of any country which may apply to the Company and/or its activities.

## **8. Tax affairs - Section 7H of the Danish Tax Assessment Act**

- 8.1 Section 7H of the Danish Tax Assessment Act shall apply provided that the provision can be applied in relation to each Employee. The individual Employee and the company in which the Employee is employed shall for tax purposes enter into an agreement that the provisions of section 7H of the Danish Tax Assessment Act shall apply. A copy of the agreement shall be submitted to the Danish tax authorities. The subscription form, see clause 11 below, shall be used in this connection.

## **9.0 Disputes**

9.1 Any dispute arising out of the terms and conditions of the subscribed warrants shall be settled by arbitration under Danish law according to the "Rules of Procedure of the Danish Institute of Arbitration (Danish Arbitration)". Members of the arbitration tribunal shall be appointed by the Institute according to the rules specified. Danish law and the English language shall be applied during arbitration proceedings. The Company and the Employee shall keep confidential all matters regarding any arbitration proceedings, including the existence of any arbitration proceedings, the subject-matter and the arbitration award.

#### **10.0 Expenses**

10.1 The Company shall incur the expenses incidental to the issue of warrants and the subsequent exercise thereof, but see clause 3.5. The total expenses to be incurred by the Company are estimated at DKK 200,000.

#### **11.0 Other terms and conditions**

Other terms and conditions for the issue of warrants

- that existing shareholders shall have no pre-emption right in respect of the warrants;
- that the subscription period is from and including 9 May 2008 up to and including 30 May 2008;
- that subscription is made by signing a subscription form prepared by the Company's Board of Management, which completed form shall reach H. Lundbeck A/S no later than the last day of the subscription period at 16.00.

Other terms and conditions for new shares subscribed for on the basis of the warrants

- that the maximum amount of the capital increase for which shares can be subscribed is nominally DKK 750,000, and the minimum amount is nominally DKK 2,500.
- that existing shareholders shall have no pre-emption rights in respect of any new shares;
- that the new shares shall be negotiable instruments;

- that in future capital increases, the new shares shall carry the same pre-emption rights as existing shares;
- that the new shares shall confer on the holders the right to dividends and other rights in the Company from the time of the registration of the capital increase;
- that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report concerning the financial year immediately prior to the accounting year in which the capital increase was registered, if registration was made before the date of the Company's annual general meeting provided that the general meeting of the Company adopted a resolution to distribute dividend;
- that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report regarding the financial year in which the capital increase was registered, if registration was made on the date of the Company's annual general meeting or later in the same financial year, provided that the general meeting of the Company adopted a resolution to distribute dividend;
- that if prior to the exercise of the warrants the Company made a general change in the rights carried by the shares, the new shares shall, however, carry the same rights as the Company's other shares at the time of the exercise;
- that the new shares shall be registered in the name of the holder and shall be entered in the Company's register of shareholders,
- that the new shares shall be issued in denominations of nominally DKK 5;
- that if the nominal value of the H. Lundbeck A/S shares is changed before the exercise of warrants, the nominal value of the new shares shall be changed accordingly;
- that the new shares shall be registered in VP Securities.



## **Appendix 6 to the Articles of Association of H. Lundbeck A/S**

Terms of issue of warrants at a maximum nominal amount up to DKK 3,000,000, see Article 4.9 of the Articles of Association:

### **1. Issue of warrants**

#### 1.1 Persons entitled to subscribe and definition of group

The members of H. Lundbeck A/S's Board of Management and senior officers appointed by the Board of Management and employed in H. Lundbeck A/S (the "Company") or in an H. Lundbeck A/S subsidiary (the "members of the Board of Management") are entitled to subscribe. The said subsidiaries constitute Danish and foreign companies in which H. Lundbeck A/S is the direct or indirect owner of at least 50% of the shares, and the subsidiaries together with the Company are referred to as the "H. Lundbeck A/S Group" in this appendix 6 to the Articles of Association of H. Lundbeck A/S.

#### 1.2 Number of warrants which the persons entitled to subscribe can subscribe for

The Board of Directors of H. Lundbeck A/S shall determine for each member of H. Lundbeck A/S's Board of Management the number of warrants which the individual member of the Board of Management may subscribe for.

The Board of Management of H. Lundbeck A/S shall determine for each of the persons entitled to subscribe appointed by the Board of Management the number of warrants which the individual persons entitled to subscribe may subscribe for.

#### 1.3 No consideration will be payable for the warrants.

1.4 The issue of the warrants shall in no way affect the access to change or terminate the employment of the member of the Board of Management.

1.5 Terms and conditions attaching to the acquisition of all or any of the warrants

The right to subscribe for warrants under the terms of the subscription list shall be granted to the persons entitled to subscribe on 16 March 2009. Acquisition of all or any of the warrants on 16 March 2012 is on the condition that the member of the Board of Management has not been dismissed or resigned in the period from and including 16 March 2009 up to and including 16 March 2012, to the effect that the member of the Board of Management is under notice of termination within the H. Lundbeck A/S Group. However, this condition only comprises dismissal or resignation where section 5(1) of the Danish Share Option Act does not apply. As regards the members of the Company's Board of Management, acquisition of all or any of the warrants on 16 March 2012 is further subject to achievement of targets, as this condition is based on H. Lundbeck A/S ranking in a benchmark group of companies as regards total return to the shareholders. Rules about ranking, including a specification of the actual companies comprised by the benchmark group, will appear from the subscription list.

In the following, "warrants subscribed for" and "issue of warrants" will include all warrants whether acquired or not, whereas "warrants" will only include acquired warrants.

1.6 Subscription for shares

Each warrant shall entitle the holder to subscribe for 1 (one) share of nominally DKK 5 in the Company. Subscription for shares shall be made at a price per share of DKK 5 corresponding to the average of the H. Lundbeck A/S share closing prices at the Copenhagen Stock Exchange, all transactions, on the business days in the period from 4 March to 10 March 2009, both days included, rounded down to the nearest whole number expressed in DKK. However, the price per nominally DKK 1 cannot be lower than 85% of the H. Lundbeck A/S share market price at the time of granting, on 16 March 2009, divided by 5 and increased to the nearest whole number expressed in DKK.

## **2. Exercise of the warrants**

2.1 a) The warrants may be exercised in the period from and including 16 March 2012 up to and including 15 March 2017 (the "Exercise Period"), but see clause b).

The members of the Board of Management may not exercise the warrants until at the beginning of the Exercise Period.

b) During the Exercise Period, all or any of the warrants may be exercised at the member of the Board of Management's option. However, exercise may only be made during "Windows" according to the Danish calendar and in accordance with the Company's internal rules applicable from time to time under the Danish Securities Trading Act. The member of the Board of Management may only exercise warrants on the following business days:

- the first 8 business days after the date of the publication of the Company's annual report notification;
- the first 8 business days after the date of the publication of the Company's interim financial statements; and
- the first 8 business days after the date of the publication of one of the Company's quarterly reports;

If one of the Windows which forms the basis of the above exercise periods of 8 business days is changed by the Company or replaced by other Windows according to the Company's internal rules applicable from time to time, the member of the Board of Management may exercise warrants under the resolution adopted by the Company.

c) The member of the Board of Management can exercise all or any of the warrants in the Exercise Period at the latest 30 days after the Company has given the member of the Board of Management written notice of one of the following resolutions:

- (i) Change of Ownership in the Company;
- (ii) A resolution to the effect that the Company's shares shall no longer be listed on a stock exchange; or
- (iii) A resolution to liquidate the Company.

The definition of Change of Ownership, see above, includes transfer of shares in the Company, merger of the Company, demerger of the Company and asset transfer; the changes of ownership in question will be specified in the subscription list.

- d) The member of the Board of Management can exercise all or any of the warrants. However, exercise shall be made by at least 500 warrants for each exercise.

### **3. Procedure for exercise**

- 3.1 Exercise of the warrants shall be made as follows: the member of the Board of Management shall, under a resolution adopted by the Company's Board of Management, digitally notify the Company's Board of Management or a representative appointed by the Board of Management of the exercise of the warrants and the subscription for shares. Rules regarding digital notification of exercise, payment of the shares subscribed and custody account to which the shares subscribed can be transferred will be specified in the subscription list.
- 3.2 All warrants exercised, see clause 3.1, shall be considered to have been exercised on the last day of the chosen exercise period, see clause 2.1 b) and c). The Company shall register the capital increase made as soon as possible. The Company shall transfer the shares subscribed for to the member of the Board of Management's custody account no later than 10 business days after the registration of the capital increase. The digital exercise, see clause 3.1, shall contain detailed stipulations thereof. The member of the Board of Management shall bear the risk of the price development of the shares subscribed in the period from the date of exercise, see above, and until the date of the member of the Board of Management's first option of having the disposal of the shares subscribed.

### **4. Expiry of the warrants**

- 4.1 Warrants not exercised in the Exercise Period shall expire together with the expiry of the Exercise Period, but see clause 4.4.
- 4.2 If the member of the Board of Management is dismissed or resigns before the expiry of the Exercise Period so that the member of the Board of Management is under notice of termination within the H. Lundbeck A/S group, where section 5(1) of the Danish Public Companies Act does not apply, the Company is entitled, but not under an obligation, to purchase all the remaining warrants of the member of the Board of Management. The Company shall give notice of exercise of the option to purchase in the period between the dismissal or termination of the employment and the first following period in which the warrants can be exercised, see clause 2.1 b) and c). The purchase price shall be calculated by the Company's auditor according to the Black-Scholes formula, so that the price per warrant constitutes

the price at the date of the above notification, and the purchase price shall be paid no later than 14 days after that date. The member of the Board of Management may not exercise warrants when the member of the Board of Management has received the above notification about exercise of the option to buy.

- 4.3 If the company in which the member of the Board of Management is employed ceases to be a company comprised by the H. Lundbeck A/S group, clause 4.2 shall apply. The date of the said expiry shall replace the date of the dismissal or resignation.
- 4.4 If the member of the Board of Management is dismissed or resigns before the expiry of the Exercise Period so that the member of the Board of Management is under notice of termination within the H. Lundbeck A/S group, where section 5(1) of the Danish Public Companies Act does not apply, the member of the Board of Management's remaining warrants which have not been exercised in the first period after the dismissal or resignation in which the warrants may be exercised, see clause 2.1 b and c), shall expire together with the expiry of this period.
- 4.5 If the member of the Board of Management is dismissed or the employment terminated where section 5(1) of the Danish Share Option Act applies, the Company has the right, but is not under an obligation to purchase all the warrants subscribed which have not been exercised by the member of the Board of Management, against payment of a cash amount determined by the Company and subject to the Danish Share Option Act.

## **5. Change of the number of warrants subscribed**

- 5.1 If it is resolved to adjust the nominal value of the H. Lundbeck A/S shares, the number of warrants subscribed which have not been exercised at the date of the resolution, and the subscription price, see clause 1.6, shall be adjusted so that the number and subscription price correspond to the number and subscription price before the adjustment. Calculation rules about the adjustment will appear from the subscription list.
- 5.2 If it is resolved to issue bonus shares, the number of warrants subscribed which have not been exercised at the date of the resolution, and the subscription price, see clause 1.6, shall be adjusted to the effect that the number and the subscription price correspond to the number and the subscription price before the

adjustment. However, in no case can the adjusted subscription price be a price which entails that the price per nominally DKK 1 is lower than 85% of the market price of the H. Lundbeck A/S share at the time of granting, on 16 March 2009, all transactions, divided by 5 and rounded upwards to the nearest whole number expressed in DKK. Calculation rules about the adjustment and an example of adjustment will appear from the subscription list.

- 5.3 If an extraordinary event occurs which materially affects the premises of the grant or changes the Company's activities and strategies, including resolutions comprised by clause 2.1 c), and which is not comprised by 5.1, 5.2, 6.1 and 6.1, the Board of Directors reserves the right to change the number of warrants subscribed which have not been exercised at the date of the such extraordinary event.

## **6. Statutory rights upon mergers, demergers, etc.**

- 6.1 The statutory rights of the member of the Board of Management shall not be changed in the event of capital increase, capital reduction, issue of convertible debt instruments, issue of new warrants or dissolution, including merger or demerger, except for the changes specified in clauses 2.1 c), 5.2 and 6.2.
- 6.2 If the Company still exists after a demerger, the warrants subscribed shall remain unchanged in the Company. If the Company ceases to exist as a result of a demerger, the warrants subscribed shall be transferred to the company in which the member of the Board of Management is employed as a consequence of the demerger, and the terms of the warrants subscribed shall be amended according to a resolution adopted by the Company's Board of Directors.

## **7. Restrictions**

The warrants subscribed for shall be subject to the following restrictions:

- 7.1 The warrants subscribed cannot be transferred by the member of the Board of Management, except for transfer in the event of the death of the member of the Board of Management during employment in the Lundbeck A/S group on 1 January 2012 or later. The condition regarding the employment of the member of the Board of Management shall be disregarded, but for the members of the Company's Board of Management it is a condition, in the event of death in the period from 1 January 2012

to 15 March 2012, that the condition regarding achievement of targets has been met, see clause 1.5. The member of the Board of Management's surviving spouse retaining the undivided possession of the estate or the estate of the member of the Board of Management may exercise the warrants in the Exercise Period, but no later than 12 months after the date of death. The rules on exercise, see clauses 3.1 and 3.2 shall apply by analogy, in that the member of the Board of Management's surviving spouse retaining the undivided possession of the estate/the estate of the member of the Board of Management, shall exercise the warrants in an exercise period specified in clause 2.1 b). As long as the member of the Board of Management is alive, the warrants can only be exercised by the member of the Board of Management personally.

- 7.2 The warrants subscribed for may not be subject to enforcement proceedings or any other kind of enforcement.
- 7.3 The warrants subscribed for may not be charged to a third party.
- 7.4 Transfer of the warrants subscribed for by inheritance cannot take place.
- 7.5 In one or more periods in which the warrants can be exercised, the Company may suspend the option of exercising warrants of one or more members of the Board of Management if at the Company's discretion such suspension is necessary for the Company to observe acts or delegated legislation under the laws of any country which may apply to the Company and/or its activities.

## **8. Tax affairs - Section 7H of the Danish Tax Assessment Act**

- 8.1 Section 7H of the Danish Tax Assessment Act shall apply provided that the provision can be applied in relation to each member of the Board of Management. The individual member of the Board of Management and the company in which the member of the Board of Management is employed shall for tax purposes enter into an agreement that the provisions of section 7H of the Danish Tax Assessment Act shall apply. A copy of the agreement shall be submitted to the Danish tax authorities.

## **9. Disputes**

- 9.1 Any dispute arising out of the terms and conditions of the subscribed warrants shall be settled by arbitration under Danish law according to the "Rules of Procedure of the Danish Institute of Arbitration (Danish Arbitration)". Members of

the arbitration tribunal shall be appointed by the Institute according to the rules specified. Danish law and the English language shall be applied during arbitration proceedings. The Company and the member of the Board of Management shall keep confidential all matters regarding any arbitration proceedings, including the existence of any arbitration proceedings, the subject-matter and the arbitration award.

## **10. Expenses**

10.1 The Company shall incur the expenses incidental to the issue of warrants and the subsequent exercise thereof, but not the expenses in connection with a custody account, see clause 3.1. The total expenses to be incurred by the Company are estimated at DKK 200,000.

## **11. Other terms and conditions**

Other terms and conditions for the issue of warrants.

that existing shareholders shall have no pre-emption right in respect of the warrants;

that the subscription period is from and including 16 March 2009 up to and including 30 March 2009;

that subscription must be made digitally according to a resolution adopted by the Company's Board of Management no later than at 16.00 hours on the last day of the subscription period.

Other terms and conditions for new shares subscribed for on the basis of the warrants

that the maximum amount of the capital increase for which shares can be subscribed is nominally DKK 3,000,000, and the minimum amount is nominally DKK 2,500.

that existing shareholders shall have no pre-emption rights in respect of any new shares;

that the new shares shall be negotiable instruments;



- that in future capital increases, the new shares shall carry the same pre-emption rights as existing shares;
- that the new shares shall confer on the holders the right to dividends and other rights in the Company from the time of the registration of the capital increase;
- that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report concerning the financial year immediately prior to the accounting year in which the capital increase was registered, if registration was made before the date of the Company's annual general meeting provided that the general meeting of the Company adopted a resolution to distribute dividend;
- that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report regarding the financial year in which the capital increase was registered, if registration was made on the date of the Company's annual general meeting or later in the same financial year, provided that the general meeting of the Company adopted a resolution to distribute dividend;
- that if prior to the exercise of the warrants the Company made a general change in the rights carried by the shares, the new shares shall, however, carry the same rights as the Company's other shares at the time of the exercise;
- that the new shares shall be registered in the name of the holder and shall be entered in the Company's register of shareholders,
- that the new shares shall be issued in denominations of nominally DKK 5;
- that if the nominal value of the H. Lundbeck A/S shares is changed before the exercise of warrants, the nominal value of the new shares shall be changed accordingly;
- that the new shares shall be registered in VP Securities.

## **Appendix 7 to the Articles of Association of H. Lundbeck A/S**

Terms of issue of warrants at a maximum nominal amount up to DKK 5,000,000, corresponding to 1,000,000 shares, see Article 4.10 of the Articles of Association.

### **1. Issue of warrants**

#### 1.1 Persons entitled to subscribe and definition of group

The members of H. Lundbeck A/S's Board of Management and senior officers appointed by the Board of Management and employed in H. Lundbeck A/S (the "Company") or in an H. Lundbeck A/S subsidiary (the "members of the Board of Management") are entitled to subscribe. The said subsidiaries constitute Danish and foreign companies in which H. Lundbeck A/S is the direct or indirect owner of at least 50% of the shares, and the subsidiaries together with the Company are referred to as the "H. Lundbeck A/S Group" in this appendix 7 to the Articles of Association of H. Lundbeck A/S.

#### 1.2 Number of warrants which the persons entitled to subscribe can subscribe for

The Board of Directors of H. Lundbeck A/S shall determine for each member of H. Lundbeck A/S's Board of Management the number of warrants which the individual member of the Board of Management may subscribe for.

The Board of Management of H. Lundbeck A/S shall determine for each of the persons entitled to subscribe appointed by the Board of Management the number of warrants which the individual persons entitled to subscribe may subscribe for.

#### 1.3 No consideration will be payable for the warrants.

#### 1.4 The issue of the warrants shall in no way affect the access to change or terminate the employment of the member of the Board of Management.

#### 1.5 Terms and conditions attaching to the acquisition of all or any of the warrants

The right to subscribe for warrants under the terms of the subscription list shall be granted to the persons entitled to subscribe on 16 March 2010. Any acquisition of all or any of the warrants on 16 March 2013 shall be subject to the member of the Board of Management not having been dismissed or having resigned, except for the retirement of the member of the Board of Management, in the period from and including 16 March 2010 up to and including 16 March 2013, to the effect that the member of the Board of Management is under notice of termination within the H. Lundbeck A/S Group. However, this condition solely concerns dismissal or resignation where section 5(1) of the Danish Share Option Act does not apply. H. Lundbeck A/S's CEO is furthermore authorised to grant awards in the period from 17 March 2010 to 1 October 2010. Such awards may for example be granted to employees commencing employment after 16 March 2010. However, the authorisation is not limited to new employees. The terms of this appendix 7 also apply to such additional awards with the required amendments, including amendments necessary to comply with the remuneration guidelines applicable to the Board of Management of H. Lundbeck A/S. As regards the members of the Company's Board of Management, acquisition of all or any of the warrants on 16 March 2013 is further subject to achievement of targets, as this condition is based on H. Lundbeck A/S ranking in a benchmark group of companies as regards total return to the shareholders. Rules about ranking, including a specification of the actual companies comprised by the benchmark group, will appear from the subscription list.

In the following, "warrants subscribed for" and "issue of warrants" will include all warrants whether acquired or not, whereas "warrants" will only include acquired warrants.

#### 1.6 Subscription for shares

Each warrant shall entitle the holder to subscribe for 1 (one) share of nominally DKK 5 in the Company. Subscription for shares shall be made at a price per share of DKK 5 corresponding to the average of the H. Lundbeck A/S share closing prices at the Copenhagen Stock Exchange, all transactions, on the business days in the period from 4 March to 10 March 2010, both days included, rounded down to the nearest whole number expressed in DKK. However, the price per nominally DKK 1 cannot be lower

than 85% of the H. Lundbeck A/S share market price at the time of granting, on 16 March 2010, divided by 5 and increased to the nearest whole number expressed in DKK.

## **2. Exercise of the warrants**

- 2.1 a) The warrants may be exercised in the period from and including 16 March 2013 up to and including 16 March 2018 (the "Exercise Period"), but see clause b).

The members of the Board of Management may not exercise the warrants until at the beginning of the Exercise Period.

- b) During the Exercise Period, all or any of the warrants may be exercised at the member of the Board of Management's option. However, exercise may only be made during "Windows" according to the Danish calendar and in accordance with the Company's internal rules applicable from time to time under the Danish Securities Trading Act. The member of the Board of Management may only exercise warrants on the following business days:

- the first 8 business days after the date of the publication of the Company's annual report notification;
- the first 8 business days after the date of the publication of the Company's interim financial statements; and
- the first 8 business days after the date of the publication of one of the Company's quarterly reports;

If one of the Windows which forms the basis of the above exercise periods of 8 business days is changed by the Company or replaced by other Windows according to the Company's internal rules applicable from time to time, the member of the Board of Management may exercise warrants under the resolution adopted by the Company.

- c) The member of the Board of Management can exercise all or any of the warrants in the Exercise Period at the latest 30 days after the Company has given the member of the Board of Management written notice of one of the following resolutions:
- (i) Change of Ownership in the Company;

- (ii) A resolution to the effect that the Company's shares shall no longer be listed on a stock exchange; or
- (iii) A resolution to liquidate the Company.

The definition of Change of Ownership, see above, includes transfer of shares in the Company, merger of the Company, demerger of the Company and asset transfer; the changes of ownership in question will be specified in the subscription list.

- d) The member of the Board of Management can exercise all or any of the warrants. However, exercise shall be made by at least 500 warrants for each exercise.

### **3. Procedure for exercise**

- 3.1 Exercise of the warrants shall be made as follows: the member of the Board of Management shall, under a resolution adopted by the Company's Board of Management, digitally notify the Company's Board of Management or a representative appointed by the Board of Management of the exercise of the warrants and the subscription for shares. Rules regarding digital notification of exercise, payment of the shares subscribed and custody account to which the shares subscribed can be transferred will be specified in the subscription list.
- 3.2 All warrants exercised, see clause 3.1, shall be considered to have been exercised on the last day of the chosen exercise period, see clause 2.1 b) and c). The Company shall register the capital increase made as soon as possible. The Company shall transfer the shares subscribed for to the member of the Board of Management's custody account no later than 10 business days after the registration of the capital increase. The digital exercise, see clause 3.1, shall contain detailed stipulations thereof. The member of the Board of Management shall bear the risk of the price development of the shares subscribed in the period from the date of exercise, see above, and until the date of the member of the Board of Management's first option of having the disposal of the shares subscribed.

### **4. Expiry of the warrants**

- 4.1 Warrants not exercised in the Exercise Period shall expire together with the expiry of the Exercise Period.

- 4.2 If the employment of the member of the Board of Management ceases before the expiry of the Exercise Period so that the member of the Board of Management is no longer employed by the H. Lundbeck A/S Group, the Company is entitled, but not under an obligation, to purchase all the remaining warrants of the member of the Board of Management. The purchase price shall be calculated by the Company's auditor according to the Black-Scholes formula, so that the price per warrant constitutes the price at the date of the termination of the employment. The Company's notice of the exercise of the option to buy shall be made no later than 8 days after the termination of the employment. The purchase price shall be paid no later than 14 days after the termination of the employment. The member of the Board of Management may not exercise warrants when the member of the Board of Management has received the above notification about exercise of the option to buy.
- 4.3 If the company in which the member of the Board of Management is employed ceases to be a company comprised by the H. Lundbeck A/S group, clause 4.2 shall apply. The date of the said expiry shall replace the date of the termination of the employment.

## **5. Change of the number of warrants subscribed**

- 5.1 If it is resolved to adjust the nominal value of the H. Lundbeck A/S shares, the number of warrants subscribed which have not been exercised at the date of the resolution, and the subscription price, see clause 1.6, shall be adjusted so that the number and subscription price correspond to the number and subscription price before the adjustment. Calculation rules about the adjustment will appear from the subscription list.
- 5.2 If it is resolved to issue bonus shares, the number of warrants subscribed which have not been exercised at the date of the resolution, and the subscription price, see clause 1.6, shall be adjusted to the effect that the number and the subscription price correspond to the number and the subscription price before the adjustment. However, in no case can the adjusted subscription price be a price which entails that the price per nominally DKK 1 is lower than 85% of the market price of the H. Lundbeck A/S share at the time of granting, on 16 March 2010, all transactions, divided by 5 and rounded upwards to the nearest whole number expressed in DKK. Calculation rules about the adjustment and an example of adjustment will appear from the subscription list.

- 5.3 If an extraordinary event occurs which materially affects the premises of the grant or changes the Company's activities and strategies, including resolutions comprised by clause 2.1 c), and which is not comprised by 5.1, 5.2, 6.1 and 6.1, the Board of Directors reserves the right to change the number of warrants subscribed which have not been exercised at the date of such extraordinary event.

## **6. Statutory rights upon mergers, demergers, etc.**

- 6.1 The statutory rights of the member of the Board of Management shall not be changed in the event of capital increase, capital reduction, issue of convertible debt instruments, issue of new warrants or dissolution, including merger or demerger, except for the changes specified in clauses 2.1 c), 5.2 and 6.2.
- 6.2 If the Company still exists after a demerger, the warrants subscribed shall remain unchanged in the Company. If the Company ceases to exist as a result of a demerger, the warrants subscribed shall be transferred to the company in which the member of the Board of Management is employed as a consequence of the demerger, and the terms of the warrants subscribed shall be amended according to a resolution adopted by the Company's Board of Directors.

## **7. Restrictions**

The warrants subscribed for shall be subject to the following restrictions:

- 7.1 The warrants subscribed cannot be transferred by the member of the Board of Management, except for transfer in the event of the death of the member of the Board of Management during employment in the H. Lundbeck A/S group or retirement from the H. Lundbeck group on 1 January 2013 or later. The condition regarding the employment of the member of the Board of Management shall be disregarded. However, it is a condition for the members of the Company's Board of Management and retired members of the Company's Board of Management in the event of their death in the period from 1 January 2013 to 15 March 2013 that the condition regarding achievement of targets has been met, see clause 1.5. The member of the Board of Management's surviving spouse retaining the undivided possession of the estate or the estate of the member of the Board of Management may exercise the warrants in the Exercise Period, but no later than 12 months after the date of death. The rules on exercise, see clauses 3.1 and 3.2 shall apply by analogy, in that the member of the

Board of Management's surviving spouse retaining the undivided possession of the estate/the estate of the member of the Board of Management, shall exercise the warrants in an exercise period specified in clause 2.1 b). As long as the member of the Board of Management is alive, the warrants can only be exercised by the member of the Board of Management personally.

- 7.2 The warrants subscribed for may not be subject to enforcement proceedings or any other kind of enforcement.
- 7.3 The warrants subscribed for may not be charged to a third party.
- 7.4 Transfer of the warrants subscribed for by inheritance cannot take place.
- 7.5 In one or more periods in which the warrants can be exercised, the Company may suspend the option of exercising warrants of one or more members of the Board of Management if at the Company's discretion such suspension is necessary for the Company to observe acts or delegated legislation under the laws of any country which may apply to the Company and/or its activities.

## **8. Tax affairs - Section 7H of the Danish Tax Assessment Act**

- 8.1 Section 7H of the Danish Tax Assessment Act shall apply provided that the provision can be applied in relation to each member of the Board of Management. The individual member of the Board of Management and the company in which the member of the Board of Management is employed shall for tax purposes enter into an agreement that the provisions of section 7H of the Danish Tax Assessment Act shall apply. A copy of the agreement shall be submitted to the Danish tax authorities.

## **9. Disputes**

- 9.1 Any dispute arising out of the terms and conditions of the subscribed warrants shall be settled by arbitration under Danish law according to the "Rules of Procedure of the Danish Institute of Arbitration (Danish Arbitration)". Members of the arbitration tribunal shall be appointed by the Institute according to the rules specified. Danish law and the English language shall be applied during arbitration proceedings. The Company and the Manager shall keep confidential all matters regarding any arbitration proceedings, including the existence of any arbitration proceedings, the subject-matter and the arbitration award.



## **10. Expenses**

10.1 The Company shall incur the expenses incidental to the issue of warrants and the subsequent exercise thereof, but not the expenses in connection with a custody account, see clause 3.1. The total expenses to be incurred by the Company are estimated at DKK 200,000.

## **11. Other terms and conditions**

Other terms and conditions for the issue of warrants

- that there is no pre-emption right to the warrants subscribed for already existing shareholders,
- that the subscription period is from and including 16 March 2010 up to and including 30 March 2010,
- that subscription must be made digitally according to a resolution adopted by the Company's Board of Management no later than at 16.00 hours on the last day of the subscription period.

Other terms and conditions for new shares subscribed for on the basis of the warrants

- that the majority of the capital increase for which shares can be subscribed is nominally DKK 5,000,000, and the minimum amount is nominally DKK 2,500.
- that existing shareholders shall have no pre-emption rights in respect of any new shares;
- that the new shares shall be negotiable instruments;
- that in future capital increases, the new shares shall carry the same pre-emption rights as existing shares;
- that the new shares shall confer on the holders the right to receive dividends and other rights in the Company from the time of the registration of the capital increase;

- that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report concerning the financial year immediately prior to the accounting year in which the capital increase was registered, if registration was made before the date of the Company's annual general meeting provided that the general meeting of the Company adopted a resolution to distribute dividend;
- that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report regarding the financial year in which the capital increase was registered, if registration was made on the date of the Company's annual general meeting or later in the same financial year, provided that the general meeting of the Company adopted a resolution to distribute dividend;
- that if prior to the exercise of the warrants the Company made a general change in the rights carried by the shares, the new shares shall, however, carry the same rights as the Company's other shares at the time of the exercise;
- that the new shares shall be registered in the name of the holder and shall be entered in the Company's register of shareholders,
- that the new shares shall be issued in denominations of nominally DKK 5;
- that if the nominal value of the H. Lundbeck A/S shares is changed before the exercise of warrants, the nominal value of the new shares shall be changed accordingly;
- that the new shares shall be registered in VP Securities.

## **Appendix 8 to the Articles of Association of H. Lundbeck A/S**

Terms of issue of warrants for the subscription of shares of up to nominally DKK 7,500,000, corresponding to 1,500,000 shares, see Article 4.11 of the Articles of Association.

### **1. Issue of warrants**

#### 1.1 Persons entitled to subscribe and definition of group

The members of H. Lundbeck A/S's Board of Management and senior officers appointed by the Board of Management and employed in H. Lundbeck A/S (the "Company") or in an H. Lundbeck A/S subsidiary (the "members of the Board of Management") are entitled to subscribe. The said subsidiaries constitute Danish and foreign companies in which H. Lundbeck A/S is the direct or indirect owner of at least 50% of the shares, and the subsidiaries together with the Company are referred to as the "H. Lundbeck A/S Group" in this appendix 8 to the Articles of Association of H. Lundbeck A/S.

#### 1.2 Number of warrants which the persons entitled to subscribe can subscribe for

The Board of Directors of H. Lundbeck A/S shall determine for each member of H. Lundbeck A/S's Board of Management the number of warrants which the individual member of the Board of Management may subscribe for.

The Board of Management of H. Lundbeck A/S shall determine for each of the persons entitled to subscribe appointed by the Board of Management the number of warrants which the individual persons entitled to subscribe may subscribe for.

#### 1.3 No consideration will be payable for the warrants.

#### 1.4 The issue of the warrants shall in no way affect the access to change or terminate the employment of the member of the Board of Management.

#### 1.5 Terms and conditions attaching to the acquisition of all or any of the warrants

The right to subscribe for warrants under the terms of the subscription list shall be granted to the persons entitled to subscribe in April 2011. Any acquisition of all or any of the warrants in April 2011 shall be subject to the member of the Board of Management not having been dismissed or having resigned, except for the retirement of the member of the Board of Management, in the period from and including the date of grant in April 2011 up to and including the third anniversary of the grant, in April 2014, to the effect that the member of the Board of Management is under notice of termination within the H. Lundbeck A/S Group. However, this condition solely concerns dismissal or resignation where section 5(1) of the Danish Share Option Act does not apply. H. Lundbeck A/S's CEO is furthermore authorised to grant awards in the period until 31 December 2011. Such awards may for example be granted to employees commencing employment after the grant in April 2011. However, the authorisation is not limited to new employees. The terms of this appendix 8 also apply to such additional awards with the required amendments, including amendments necessary to comply with the remuneration guidelines applicable to the Board of Management of H. Lundbeck A/S. Also, acquisition of the warrants or part of them on the third anniversary in April 2014 is contingent on the attainment of targets. For members of the Board of Management, these targets are based on H. Lundbeck A/S' ranking in a benchmark group of companies as regards total return to shareholders, whereas for other employees the targets are based on the Company's floor guidance (expressing a number of financial targets). Rules about ranking, including a specification of the actual companies comprised by the benchmark group and details on the rules about floor guidance, will appear from the subscription list.

In the following, "warrants subscribed for" and "issue of warrants" will include all warrants whether acquired or not, whereas "warrants" will only include acquired warrants.

#### 1.6 Subscription for shares

Each warrant shall entitle the holder to subscribe for 1 (one) share of nominally DKK 5 in the Company. Shares will be subscribed for at a price of nominally DKK 5 per share, corresponding to the average of the H. Lundbeck A/S share closing price on the Copenhagen Stock Exchange, all trades, over the period 24 February - 2 March 2011 (inclusive), rounded downwards to nearest whole number of Kroner, save that the price per nominally DKK 1 must be at least 85% of the H. Lundbeck A/S share closing price

on the date of grant, April 2011, divided by five and rounded upwards to nearest whole number of Kroner.

## **2. Exercise of the warrants**

- 2.1 a) The warrants may be exercised in the period from and including the third anniversary in April 2014 up to and including the same date in April 2019 (the "Exercise Period").

The members of the Board of Management may not exercise the warrants until at the beginning of the Exercise Period.

- b) During the Exercise Period, all or any of the warrants may be exercised at the member of the Board of Management's option. However, exercise may only be made during "Windows" according to the Danish calendar and in accordance with the Company's internal rules applicable from time to time under the Danish Securities Trading Act. The member of the Board of Management may only exercise warrants on the following business days:

- the first 8 business days after the date of the publication of the Company's annual report notification;
- the first 8 business days after the date of the publication of the Company's interim financial statements; and
- the first 8 business days after the date of the publication of one of the Company's quarterly reports;

If one of the Windows which forms the basis of the above exercise periods of 8 business days is changed by the Company or replaced by other Windows according to the Company's internal rules applicable from time to time, the member of the Board of Management may exercise warrants under the resolution adopted by the Company.

- c) The member of the Board of Management can exercise all or any of the warrants in the Exercise Period at the latest 30 days after the Company has given the member of the Board of Management written notice of one of the following resolutions:

- (i) Change of Ownership in the Company;

- (ii) A resolution to the effect that the Company's shares shall no longer be listed on a stock exchange; or
- (iii) A resolution to liquidate the Company.

The definition of Change of Ownership, see above, includes transfer of shares in the Company, merger of the Company, demerger of the Company and asset transfer; the changes of ownership in question will be specified in the subscription list.

- d) The member of the Board of Management can exercise all or any of the warrants. However, exercise shall be made by at least 500 warrants for each exercise.

### **3. Procedure for exercise**

- 3.1 Exercise of the warrants shall be made as follows: the member of the Board of Management shall, under a resolution adopted by the Company's Board of Management, digitally notify the Company's Board of Management or a representative appointed by the Board of Management of the exercise of the warrants and the subscription for shares. Rules regarding digital notification of exercise, payment of the shares subscribed and custody account to which the shares subscribed can be transferred will be specified in the subscription list.
- 3.2 All warrants exercised, see clause 3.1, shall be considered to have been exercised on the last day of the chosen exercise period, see clause 2.1 b) and c). The Company shall register the capital increase made as soon as possible. The Company shall transfer the shares subscribed for to the member of the Board of Management's custody account no later than 10 business days after the registration of the capital increase. The digital exercise, see clause 3.1, shall contain detailed stipulations thereof. The member of the Board of Management shall bear the risk of the price development of the shares subscribed in the period from the date of exercise, see above, and until the date of the member of the Board of Management's first option of having the disposal of the shares subscribed.

### **4. Expiry of the warrants**

- 4.1 Warrants not exercised in the Exercise Period shall expire together with the expiry of the Exercise Period.

- 4.2 If the employment of the member of the Board of Management ceases before the expiry of the Exercise Period so that the member of the Board of Management is no longer employed by the H. Lundbeck A/S Group, the Company is entitled, but not under an obligation, to purchase all the remaining warrants of the member of the Board of Management. The purchase price shall be calculated by the Company's auditor according to the Black-Scholes formula, so that the price per warrant constitutes the price at the date of the termination of the employment. The Company's notice of the exercise of the option to buy shall be made no later than 8 days after the termination of the employment. The purchase price shall be paid no later than 14 days after the termination of the employment. The member of the Board of Management may not exercise warrants when the member of the Board of Management has received the above notification about exercise of the option to buy.
- 4.3 If the company in which the member of the Board of Management is employed ceases to be a company comprised by the H. Lundbeck A/S group, clause 4.2 shall apply. The date of the said expiry shall replace the date of the termination of the employment.

## **5. Change of the number of warrants subscribed**

- 5.1 If it is resolved to adjust the nominal value of the H. Lundbeck A/S shares, the number of warrants subscribed which have not been exercised at the date of the resolution, and the subscription price, see clause 1.6, shall be adjusted so that the number and subscription price correspond to the number and subscription price before the adjustment. Calculation rules about the adjustment will appear from the subscription list.
- 5.2 If it is resolved to issue bonus shares, the number of warrants subscribed which have not been exercised at the date of the resolution, and the subscription price, see clause 1.6, shall be adjusted to the effect that the number and the subscription price correspond to the number and the subscription price before the adjustment. However, in no case can the adjusted subscription price be a price which entails that the price per nominally DKK 1 is lower than 85% of the market price of the H. Lundbeck A/S share at the time of granting, in April 2011, all trades, divided by 5 and rounded upwards to the nearest whole number of Kroner. Calculation rules about the adjustment and an example of adjustment will appear from the subscription list.

- 5.3 If an extraordinary event occurs which materially affects the premises of the grant or changes the Company's activities and strategies, including resolutions comprised by clause 2.1 c), and which is not comprised by 5.1, 5.2, 6.1 and 6.2, the Board of Directors reserves the right to change the number of warrants subscribed which have not been exercised at the date of the such extraordinary event.
- 5.4 The Company, in accordance with the Recommendations on Corporate Governance, may reclaim in full or in part variable components of remuneration that were paid on the basis of data which proved to be manifestly misstated, if the member of the Board of Management acted in bad faith. As far as warrants are concerned, this means the Company's Board of Directors reserves the right in such cases to change the number of warrants unexercised or to claim repayment of any gain - realised or not - on warrants exercised.

## **6. Statutory rights upon mergers, demergers, etc.**

- 6.1 The statutory rights of the member of the Board of Management shall not be changed in the event of capital increase, capital reduction, issue of convertible debt instruments, issue of new warrants or dissolution, including merger or demerger, except for the changes specified in clauses 2.1 c), 5.2 and 6.2.
- 6.2 If the Company still exists after a demerger, the warrants subscribed shall remain unchanged in the Company. If the Company ceases to exist as a result of a demerger, the warrants subscribed shall be transferred to the company in which the member of the Board of Management is employed as a consequence of the demerger, and the terms of the warrants subscribed shall be amended according to a resolution adopted by the Company's Board of Directors.

## **7. Limitations**

The warrants subscribed for shall be subject to the following restrictions:

- 7.1 The warrants subscribed cannot be transferred by the member of the Board of Management, except for transfer upon the member's death during employment with or retirement from the H. Lundbeck A/S Group on 01 January 2014 or later. The term concerning the member's employment shall be disregarded. However, if death occurs



between 1 January 2014 and the third anniversary in April 2014, the condition of attainment of targets, see clause 1.5, stands. The member of the Board of Management's surviving spouse retaining the undivided possession of the estate or the estate of the member of the Board of Management may exercise the warrants in the Exercise Period, but no later than 12 months after the date of death. The rules on exercise, see clauses 3.1 and 3.2 shall apply by analogy, in that the member of the Board of Management's surviving spouse retaining the undivided possession of the estate/the estate of the member of the Board of Management, shall exercise the warrants in an exercise period specified in clause 2.1 b). As long as the member of the Board of Management is alive, the warrants can only be exercised by the member of the Board of Management personally.

- 7.2 The warrants subscribed for may not be subject to enforcement proceedings or any other kind of enforcement.
- 7.3 The warrants subscribed for may not be charged to a third party.
- 7.4 Transfer of the warrants subscribed for by inheritance cannot take place.
- 7.5 In one or more periods in which the warrants can be exercised, the Company may suspend the option of exercising warrants of one or more members of the Board of Management if at the Company's discretion such suspension is necessary for the Company to observe acts or delegated legislation under the laws of any country which may apply to the Company and/or its activities.

## **8. Tax affairs - Section 7H of the Danish Tax Assessment Act**

- 8.1 Section 7H of the Danish Tax Assessment Act shall apply provided that the provision can be applied in relation to each member of the Board of Management. The individual member of the Board of Management and the company in which the member of the Board of Management is employed shall for tax purposes enter into an agreement that the provisions of section 7H of the Danish Tax Assessment Act shall apply. A copy of the agreement shall be submitted to the Danish tax authorities.

## **9. Dispute**

- 9.1 Any dispute arising out of the terms and conditions of the subscribed warrants shall be settled by arbitration under Danish law according to the "Rules of

Procedure of the Danish Institute of Arbitration (Danish Arbitration)". Members of the arbitration tribunal shall be appointed by the Institute according to the rules specified. Danish law and the English language shall be applied during arbitration proceedings. The Company and the member of the Board of Management shall keep confidential all matters regarding any arbitration proceedings, including the existence of any arbitration proceedings, the subject-matter and the arbitration award.

## **10. Costs**

10.1 The Company shall incur the expenses incidental to the issue of warrants and the subsequent exercise thereof, but not the expenses in connection with a custody account, see clause 3.1. The total expenses to be incurred by the Company are estimated at DKK 200,000.

## **11. Other terms and conditions**

Other terms and conditions for the issue of warrants

- that existing shareholders shall have no pre-emption right in respect of the warrants;
- that the subscription period is from and including April 2011 up to and including 31 December 2011;
- that subscription must be made digitally according to a resolution adopted by the Company's Board of Management no later than at 16.00 hours on the last day of the subscription period.

Other terms and conditions for new shares subscribed for on the basis of the warrants

- that the maximum amount of the capital increase for which shares can be subscribed is nominally DKK 7,500,000, and the minimum amount is nominally DKK 2,500;
- that existing shareholders shall have no pre-emption rights in respect of any new shares;

- that the new shares shall be negotiable instruments;
- that in future capital increases, the new shares shall carry the same pre-emption rights as existing shares;
- that the new shares shall confer on the holders the right to dividends and other rights in the Company from the time of the registration of the capital increase;
- that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report concerning the financial year immediately prior to the accounting year in which the capital increase was registered, if registration was made before the date of the Company's annual general meeting provided that the general meeting of the Company adopted a resolution to distribute dividend;
- that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report regarding the financial year in which the capital increase was registered, if registration was made on the date of the Company's annual general meeting or later in the same financial year, provided that the general meeting of the Company adopted a resolution to distribute dividend;
- that if prior to the exercise of the warrants the Company made a general change in the rights carried by the shares, the new shares shall, however, carry the same rights as the Company's other shares at the time of the exercise;
- that the new shares shall be registered in the name of the holder and shall be entered in the Company's register of shareholders,
- that the new shares shall be issued in denominations of nominally DKK 5;
- that if the nominal value of the H. Lundbeck A/S shares is changed before the exercise of warrants, the nominal value of the new shares shall be changed accordingly;
- that the new shares shall be registered in VP Securities.

## **Appendix 9 to the Articles of Association of H. Lundbeck A/S**

Terms of issue of warrants for the subscription of shares of up to nominally DKK 3,750,000, corresponding to 750,000 shares, see Article 4.12 of the Articles of Association.

### **1. Issue of warrants**

#### 1.1 Persons entitled to subscribe

Senior officers appointed by the Board of Management and employed in H. Lundbeck A/S (the "Company") or in an H. Lundbeck A/S subsidiary (the "Participants") will be entitled to subscribe. The said subsidiaries are those Danish and foreign companies in which H. Lundbeck A/S is the direct or indirect owner of at least 50% of the shares, such subsidiaries and the Company hereinafter jointly referred to as the "H. Lundbeck A/S Group".

#### 1.2 Number of warrants which the persons entitled to subscribe can subscribe for

The Board of Management of H. Lundbeck A/S shall determine for each of the persons entitled to subscribe appointed by the Board of Management the number of warrants which the individual persons entitled to subscribe may subscribe for.

#### 1.3 No consideration will be payable for the warrants.

#### 1.4 The issue of the warrants shall in no way affect the access to change or terminate the employment of a Participant.

#### 1.5 Terms and conditions attaching to the acquisition of all or any of the warrants

The right to subscribe for warrants under the terms of this Subscription List shall be granted to the persons entitled to subscribe in April 2012. Acquisition of all or any of the warrants in April 2012 shall be subject to the Participant not having been dismissed or having resigned, except for the retirement of the Participant, in

the period from and including the date of grant in April 2012 up to and including the third anniversary of the grant, in April 2015, to the effect that such Participant is under notice of termination within the H. Lundbeck A/S Group. However, this condition solely concerns dismissal or resignation where section 5(1) of the Danish Share Option Act (*aktieoptionsloven*) does not apply. H. Lundbeck A/S's CEO is furthermore authorised to grant awards in the period until 31 December 2012. Such awards may for example be granted to employees commencing employment after April 2012. However, the authorisation is not limited to new employees. The terms of this Subscription List will also apply to such additional grants with the required amendments, including the amendments required for compliance with the remuneration guidelines applicable to the Board of Management of H. Lundbeck A/S. Also, acquisition of the warrants or part of them on the third anniversary in April 2015 will be contingent on the attainment of targets, see below.

#### Attainment of targets

Acquisition of all of the warrants subscribed for will be contingent on the attainment of the accumulated floor guidance targets of the Company for 2012, 2013 and 2014.

If the accumulated floor guidance targets of the Company are met in each of the years 2012, 2013 and 2014, the share of the warrants to be acquired in April 2015 will be 100 %. If, however, the accumulated floor guidance targets of the Company are not met in each of the years 2012, 2013 and 2014, the share of the warrants to be acquired in April 2015 will be 0 %. The Company's floor guidance for 2011, 2012 and 2013 reflects a number of financial targets. Floor guidance for 2012, 2013 and 2014 will be available, on request, from the Company's HR department.

In the following, "warrants subscribed for" and "issue of warrants" will include all warrants whether acquired or not, whereas "warrants" will only include acquired warrants.

#### 1.6. Subscription for shares

Each warrant will entitle the holder to subscribe for 1 (one) share in the Company of a nominal value of DKK 5. The subscription price per share of a nominal value of DKK 5 will be the average of the prices of the H. Lundbeck A/S share as recorded

on the Copenhagen Stock Exchange, all trades, on the trading days in the period from 22 March to 10 April 2012, both days included, rounded down to the nearest whole Krone.

The Board of Directors may adjust the terms for subscribed warrants before acquisition in cases of 1) acquisition/divestment of assets (including the in-licensing and out-licensing of products), 2) acquisition and divestment of companies, 3) atypical restructurings and other lump-sum payments, 4) write-down of products or other assets.

## **2. Exercise of the warrants**

- 2.1 a) The warrants are exercisable in the period from and including the third anniversary in April 2015 up to and including the same date in April 2020 (the "Exercise Period"), but see b) below. The Participants may not exercise the warrants until at the beginning of the Exercise Period.
- b) During the Exercise Period, the warrants or any portion thereof may be exercised at the discretion of the Participant. However, warrants may only be exercised in "Exercise Windows" in accordance with the Danish calendar and subject to the Company's internal regulations in force from time to time in accordance with the Danish Securities Trading Act (*værdipapirhandelsloven*). Participants will be entitled to exercise warrants on the following business days only:
- the first 8 business days after the date of the publication of the Company's annual report notification
  - the first 8 business days after the date of the publication of the Company's interim financial statements; and
  - the first 8 business days after the date of the publication of one of the Company's quarterly reports.

If one of the Windows which forms the basis of the above exercise periods of 8 business days is changed by the Company or replaced by other Windows according

to the Company's internal rules applicable from time to time, the Participant may exercise warrants under the resolution adopted by the Company.

c) The Participant can exercise all or any of the warrants in the Exercise Period at the latest 30 days after the Company has given the Participant written notice of one of the following resolutions:

- (i) Change of Ownership (as defined below) in the Company;
- (ii) A resolution to the effect that the Company's shares shall no longer be listed on a stock exchange; or
- (iii) A resolution to liquidate the Company.

Change of Ownership (see above) means:

- (i) A transfer of shares in the Company, whether through the acquisition of existing shares and/or through the subscription for new shares, by which transfer one legal entity or individual (with the exception of the Lundbeck Foundation and its wholly owned subsidiary LFI A/S) gains control of shares in the Company representing more than 50 per cent of the voting rights in the Company. "Intra-group" transfers (i.e. transfers to companies which are directly or indirectly wholly owned by the Lundbeck Foundation) do not, therefore, qualify as a Change of Ownership; or
- (ii) a merger of the Company with one or more other companies, if after such merger the Lundbeck Foundation directly or indirectly holds less than 50 per cent of the voting rights in the surviving company; or
- (iii) a demerger of the Company, if after such demerger the Lundbeck Foundation directly or indirectly holds less than 50 per cent of the voting rights in the Company and the Participant continues to be employed in the Company after the demerger, or less than 50 per cent of the voting rights in another company resulting from the demerger in which the Participant is employed after the demerger; or

- (iv) a transfer of shares in that subsidiary of the Company in which the Participant is employed, if after such transfer that subsidiary is no longer part of the H. Lundbeck A/S Group; or
  - (v) a transfer of assets entailing that the Participant is no longer employed in the H. Lundbeck A/S Group.
- d) The Participant may exercise all or part of the warrants. However, each exercise must be for a minimum of 500 warrants.

### **3. Procedure for exercise**

- 3.1 The required procedure for the exercise of warrants is by digital notice from the Participant, according to a decision by the Company's Board of Management, to the Company's Board of Management or any representative appointed by the Board of Management, of the exercise of the warrants and the subscription for shares. The notice must be registered by the Company or a representative appointed by the Board of Management not later than on the last day of the exercise period selected, see clause 2.1 b) and c) above.
- 3.2 Payment for the shares subscribed for must be effected not later than on the last day of the exercise period selected, see clause 2.1.b) and c) above, in which the Company or the Company's representative receives digital notice of the exercise in accordance with clause 3.1 above.
- 3.3 If the digital notice of exercise and the payment, see clauses 3.1 and 3.2 above, are not received in due time by the Company or the Company's representative, the warrants in question will be considered not to have been exercised, and any such notice received will be considered null and void and will have no effect in connection with any subsequent exercise periods, see clause 2.1 b) and c) above. The Company will return any payments received as soon as possible.
- 3.4 The exercise of the warrants will be subject to the Participant opening a custody account with a Danish bank approved by the Company, into which the shares subscribed for can be transferred



- 3.5 All costs relating to the custody account referred to in clause 3.4 are payable by the Participant.
- 3.6 All warrants exercised, see clauses 3.1-3.4 above, will be considered exercised on the last day of the exercise period selected, see clause 2.1 b) and c) above. The Company will arrange for the capital increase to be registered as soon as possible. Not later than 10 business days after registration of the capital increase, the Company will transfer the shares subscribed for to the custody account of the Participant, details of which must be contained in the digital notice of exercise, see clause 3.1 above. Any changes in the price of the shares subscribed for in the period from the date of exercise, see above, until the date from which they will be at the Participant's disposal will be at the risk of the Participant.

#### **4. Expiry of the warrants**

- 4.1 Warrants that have not been exercised in the Exercise Period will expire simultaneously with the expiry of the Exercise Period, but see clause 4.4.
- 4.2 If during the Exercise Period the employment of the Participant is terminated, with or without notice, to the effect that the Participant is under notice or is in fact dismissed, where such termination is not covered by section 5(1) of the Danish Share Option Act, the Company will have a right but not an obligation to purchase all of the Participant's remaining warrants. The Company must give notice of its exercise of the purchase right in the period between the date of termination of the employment, with or without notice, and the first Exercise Period thereafter, see clause 2.1 b) and c). The purchase price will be calculated by the Company's auditor in accordance with the Black & Scholes formula, so that the price per warrant will be the price on the date of the above notice of exercise, and the purchase price must be paid not later than two weeks after that date. The Participant will not be entitled to exercise warrants after receipt of the above notice of exercise of the purchase right.
- 4.3 If the company in which the Participant is employed ceases to be part of the H. Lundbeck A/S Group, clause 4.2 will apply accordingly, and the date of such cessation will replace the date of the termination, with or without notice, of the employment.

If during the Exercise Period the employment of the Participant is terminated, with or without notice, to the effect that the Participant is under notice or is in fact dismissed, where such termination is not covered by section 5(1) of the Danish Share Option Act, all the Participant's remaining warrants that have not been exercised in the first Exercise Period after such termination, see clause 2.1 b) and c), will expire simultaneously with the expiry of that period.

- 4.5 If the employment of the Participant is terminated, with or without notice, and where such termination is covered by section 5(1) of the Danish Share Option Act, the Company will have a right but not an obligation to purchase all of the Participant's warrants subscribed for but not yet exercised against payment of a cash amount to be determined by the Company in accordance with the Danish Share Option Act.

## **5. Change of the number of warrants subscribed**

- 5.1 If it is resolved to adjust the nominal value of the H. Lundbeck A/S shares, the number of warrants subscribed which have not been exercised at the date of such resolution, and the subscription price, see clause 1.6, shall be adjusted as follows:

The price according to clause 1.6 will be multiplied by the factor:

$$a = A/B$$

and the number of warrants subscribed for but not exercised will be multiplied by the factor:

$$1 / a$$

Where:

A is the nominal value of each share after the change, and

B is the nominal value of each share before the change.

If the adjusted subscription price and/or the adjusted number of warrants subscribed for are not whole figures, each will be rounded down to the nearest whole figure.

- 5.2 If it is resolved to issue bonus shares ("fondsaktier"), the number of warrants subscribed which have not been exercised at the date of such resolution, and the subscription price, see clause 1.6, shall be adjusted as follows:

The price according to clause 1.6 will be multiplied by the factor:

$$a = A / (A+B)$$

and the number of warrants subscribed for but not exercised will be multiplied by the factor:

$$1 / a$$

Where:

A is the nominal share capital before the issue of bonus shares, and

B is the total nominal value of the bonus shares.

If the adjusted subscription price and/or the adjusted number of warrants subscribed for are not whole figures, each will be rounded down to the nearest whole figure.

- 5.3 If an extraordinary event occurs which materially affects the premises of the grant or changes the Company's activities and strategies, including resolutions comprised by clause 2.1 c), and which is not comprised by 5.1, 5.2, 6.1 and 6.2, the Board of Directors reserves the right to change the number of warrants subscribed which have not been exercised at the date of the such extraordinary event.
- 5.4 The Company, in accordance with the Recommendations on Corporate Governance, may reclaim in full or in part variable components of remuneration that were paid on the basis of data which proved to be manifestly misstated, if the Participant acted in bad faith. As far as warrants are concerned, this means the Company's Board of Directors reserves the right in such cases to change the number of warrants unexercised or to claim repayment of any gain - realised or not - on warrants exercised.

## **6. Statutory rights upon mergers, demergers, etc.**

- 6.1 The statutory rights of the Participant shall not be changed in the event of capital increase, capital reduction, issue of convertible debt instruments, issue of new warrants or dissolution, including merger or demerger, except for the changes specified in clauses 2.1 c), 5.2 and 6.2.
- 6.2 If the Company still exists after a demerger, the warrants subscribed shall remain unchanged in the Company. If the Company ceases to exist as a result of a demerger, the warrants subscribed shall be transferred to the company in which the Participant is employed as a consequence of the demerger, and the terms of the warrants subscribed shall be amended according to a resolution adopted by the Company's Board of Directors.

## **7. Limitations**

The warrants subscribed for shall be subject to the following restrictions:

- 7.1 The warrants subscribed for cannot be transferred by the Participant, except for transfer upon the Participant's death during employment with H. Lundbeck or upon retirement from the H. Lundbeck A/S Group on 01 January 2015 or later, in which cases the condition concerning the Participant's employment shall be disregarded. However, if death occurs in the period from 1 January 2015 to full vesting in 2015, it is a condition that the floor guidance targets for the Company are met in 2012, 2013 and 2014, see clause 1.5 The estate of the deceased Participant, or the surviving spouse retaining undivided possession of the estate, may exercise the warrants in the Exercise Period, but not later than 12 months from the date of death. The rules on exercise set out in clauses 3.1-3.6 above will apply accordingly, the estate or the surviving spouse retaining undivided possession of the estate being required to effect any exercise the warrants in the course of an exercise period pursuant to clause 2.1 b) above. As long as the Participant is alive, the warrants can only be exercised by the Participant personally.
- 7.2 The warrants subscribed for may not be subject to enforcement proceedings or any other kind of enforcement.
- 7.3 The warrants subscribed for may not be charged to a third party.
- 7.4 Transfer of the warrants subscribed for by inheritance cannot take place.

7.5 In one or more periods in which the warrants can be exercised, the Company may suspend the option of exercising warrants of one or more Participants if at the Company's discretion such suspension is necessary for the Company to observe acts or delegated legislation under the laws of any country which may apply to the Company and/or its activities.

## **8. Dispute**

8.1 Any dispute arising out of the terms and conditions of the subscribed warrants shall be settled by arbitration under Danish law according to the "Rules of Procedure of the Danish Institute of Arbitration (Danish Arbitration)". Members of the arbitration tribunal shall be appointed by the Institute according to the rules specified. Danish law and the English language shall be applied during arbitration proceedings. The Company and the Participant shall keep confidential all matters regarding any arbitration proceedings, including the existence of any arbitration proceedings, the subject-matter and the arbitration award.

## **9. Costs**

9.1 The Company will pay all costs in connection with the issue of warrants and their subsequent exercise, but see clause 3.5. The costs to be paid by the Company are estimated at DKK 200,000.

## **10. Other terms and conditions**

Other terms and conditions for the issue of warrants

that existing shareholders shall have no pre-emption right in respect of the warrants;

that the subscription period is from the date of grant 2012 up to and including 31 December 2012;

that subscription must be made digitally according to a resolution adopted by the Company's Board of Management no later than at 16.00 hours on the last day of the subscription period.

Other terms and conditions for new shares subscribed for on the basis of the warrants

- that the maximum amount of the capital increase for which shares can be subscribed for is nominally DKK 3,750,000 and the minimum amount is nominally DKK 2,500;
- that existing shareholders shall have no pre-emption right in respect of the warrants;
- that the new shares shall be negotiable instruments;
- that in any future capital increases, the new shares shall carry the same pre-emption rights as existing shares;
- that the new shares shall confer on the holders the right to dividends and other rights in the Company from the time of the registration of the capital increase;
- that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report concerning the financial year immediately prior to the accounting year in which the capital increase was registered, if registration was made before the date of the Company's annual general meeting provided that the general meeting of the Company adopted a resolution to distribute dividend;
- that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report regarding the financial year in which the capital increase was registered, if registration was made on the date of the Company's annual general meeting or later in the same financial year, provided that the general meeting of the Company adopted a resolution to distribute dividend;
- that if prior to the exercise of the warrants the Company made a general change in the rights carried by the shares, the new shares shall, however, carry the same rights as the Company's other shares at the time of the exercise;
- that the new shares shall be registered in the name of the holder and shall be entered in the Company's register of shareholders;
- that the new shares shall be issued in denominations of nominally DKK 5;

that if the nominal value of the H. Lundbeck A/S shares is changed before the exercise of warrants, the nominal value of the new shares shall be changed accordingly;

that the new shares shall be registered in VP Securities.

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## **Appendix 10 to the Articles of Association of H. Lundbeck A/S**

Terms of issue of warrants for the subscription of shares of up to nominally DKK 5,000,000, corresponding to 1,000,000 shares, see Article 4.13 of the Articles of Association.

### **1. Issue of warrants**

#### 1.1 Persons entitled to subscribe

Members of H. Lundbeck A/S' (the "Company"s) Board of Management (the "Managers") will be entitled to subscribe.

#### 1.2 Number of warrants which the persons entitled to subscribe can subscribe for

The Board of Directors of H. Lundbeck A/S shall determine for each member of H. Lundbeck A/S's Board of Management the number of warrants which the individual member of the Board of Management may subscribe for. The number will be determined so that each member of the Board of Management will receive four warrants for every share such member has acquired at fair value, see clause 1.5 below.

#### 1.3 No consideration will be payable for the warrants.

#### 1.4 The issue of the warrants shall in no way affect the access to change or terminate the employment of the Manager.

#### 1.5 Terms and conditions attaching to the acquisition of all or any of the warrants

The right to subscribe for warrants under this Subscription List will be granted to the persons entitled to subscribe in April 2012 on terms such that 20 % of the warrants subscribed for will be acquired in April 2015, 30 % of the warrants subscribed for will be acquired in April 2016, and 50 % of the warrants subscribed for will be acquired in April 2017. Acquisition shall be subject to the Manager not



having been, at each of the three vesting dates ("Vesting Dates") as relevant, dismissed or having resigned, except for the retirement of the Manager, in the period from and including the date of grant in April 2012 up to and including the three Vesting Dates, as relevant, in April of 2015, 2016 and 2017, to the effect that the Manager is under notice of termination within the H. Lundbeck A/S Group. However, this condition solely concerns the dismissal or resignation of a so-called "bad leaver", see the principles of the Danish Share Option Act (*aktieoptionsloven*). H. Lundbeck A/S's chairman of the Board of Directors is furthermore authorised to grant awards in the period until 31 December 2012. Such awards may be granted to new Managers. The terms in Appendix 10 will also apply to such additional grants with the required amendments, including the amendments required for compliance with the remuneration guidelines applicable to the Board of Management of H. Lundbeck A/S.

Also, acquisition of the warrants or part of them on each of the three Vesting Dates will be contingent on the keeping of the share investment etc., see below.

#### Keeping of share investment

The persons entitled to subscribe will receive all of the warrants subscribed for only if the CEO acquires - or has acquired - at fair value and before the end of the 2012 calendar year shares of DKK 10 million in the Company and if the other members of the Board of Management acquire - or have acquired - at fair value and before the end of the 2012 calendar year shares of DKK 4 million in the Company. If, for example, the CEO acquires shares in the Company of only DKK 5 million, half of the warrants subscribed for by the CEO will lapse automatically, no notice given and no compensation payable, by the end of 2012. Shares acquired may be neither pledged nor disposed of in the period until April 2017. If a Manager disposes of all of part of the shares acquired before April 2017, any and all warrants still not vested at the time of such disposal will lapse automatically, no notice given and no compensation payable.

In the following, "warrants subscribed for" and "issue of warrants" will include all warrants whether acquired or not, whereas "warrants" will only include acquired warrants.

#### 1.6. Subscription for shares

Each warrant will entitle the holder to subscribe for 1 (one) share in the Company of a nominal value of DKK 5. The subscription price per share of a nominal value of DKK 5 will be the average of the prices of the H. Lundbeck A/S share as recorded on the Copenhagen Stock Exchange, all trades, on the trading days in the period from 22 March to 10 April 2012, both days included, rounded down to the nearest whole Krone, with the addition of 4 % per year less dividend payments, see clause 6.1.

The Board of Directors may adjust the terms for subscribed warrants before acquisition in cases of 1) acquisition/divestment of assets (including the in-licensing and out-licensing of products), 2) acquisition and divestment of companies, 3) atypical restructurings and other lump-sum payments, 4) write-down of products or other assets.

## **2. Exercise of the warrants**

- 2.1 a) The warrants are exercisable in the period from and including the relevant vesting dates, see clause 1.5, up to and including 31 December 2018 (the "Exercise Period"), but see b) below. The Managers may not exercise the warrants until at the beginning of the Exercise Period.
- b) During the Exercise Period, all or any of the warrants may be exercised at the Manager's option. However, exercise may only be made during "Windows" according to the Danish calendar and in accordance with the Company's internal rules applicable from time to time under the Danish Securities Trading Act. The Manager may only exercise warrants on the following business days:
- the first 8 business days after the date of the publication of the Company's annual report notification;
  - the first 8 business days after the date of the publication of the Company's interim financial statements; and
  - the first 8 business days after the date of the publication of one of the Company's quarterly reports.

If one of the Windows which forms the basis of the above exercise periods of 8 business days is changed by the Company or replaced by other Windows according to the Company's internal rules applicable from time to time, the Manager may exercise warrants under the resolution adopted by the Company.

c) The Manager can exercise all or any of the warrants in the Exercise Period at the latest 30 days after the Company has given the Manager written notice of one of the following resolutions:

- (i) Change of Ownership (as defined below) of the Company;
- (ii) A resolution to the effect that the Company's shares shall no longer be listed on a stock exchange; or
- (iii) A resolution to liquidate the Company.

Change of Ownership (see above) means:

- (i) A transfer of shares in the Company, whether through the acquisition of existing shares and/or through the subscription for new shares, by which transfer one legal entity or individual (with the exception of the Lundbeck Foundation and its wholly owned subsidiary LFI A/S) gains control of shares in the Company representing more than 50 per cent of the voting rights in the Company. "Intra-group" transfers (i.e. transfers to companies which are directly or indirectly wholly owned by the Lundbeck Foundation) do not, therefore, qualify as a Change of Ownership; or
- (ii) a merger of the Company with one or more other companies, if after such merger the Lundbeck Foundation directly or indirectly holds less than 50 per cent of the voting rights in the surviving company; or
- (iii) a demerger of the Company, if after such demerger the Lundbeck Foundation directly or indirectly holds less than 50 per cent of the voting rights in the Company and the Manager continues to be employed in the Company after the demerger, or less than 50 per cent

of the voting rights in another company resulting from the demerger in which the Manager is employed after the demerger; or

- (iv) a transfer of shares in that subsidiary of the Company in which the Manager is employed, if after such transfer that subsidiary is no longer part of the H. Lundbeck A/S Group; or
  - (v) a transfer of assets entailing that the Manager is no longer employed in the H. Lundbeck A/S Group.
- d) The Manager may exercise all or part of the warrants. However, each exercise must be for a minimum of 500 warrants.

### **3. Procedure for exercise**

- 3.1 Exercise of the warrants shall be made as follows: the Manager shall, under a resolution adopted by the Company's Board of Management, digitally notify the Company's Board of Management or a representative appointed by the Board of Management of the exercise of the warrants and the subscription for shares. The notice must be registered by the Company or a representative appointed by the Board of Management not later than on the last day of the exercise period selected, see clause 2.1 b) and c) above.
- 3.2 Payment for the shares subscribed for must be effected not later than on the last day of the exercise period selected, see clause 2.1.b) and c) above, in which the Company or the Company's representative receives digital notice of the exercise in accordance with clause 3.1 above.
- 3.3 If the digital notice of exercise and the payment, see clauses 3.1 and 3.2 above, are not received in due time by the Company or the Company's representative, the warrants in question will be considered not to have been exercised, and any such notice received will be considered null and void and will have no effect in connection with any subsequent exercise periods, see clause 2.1 b) and c) above. The Company will return any payments received as soon as possible.

- 3.4 The exercise of the warrants will be subject to the Manager opening a custody account with a Danish bank approved by the Company, into which the shares subscribed for can be transferred.
- 3.5 All costs relating to the custody account referred to in clause 3.4 are payable by the Manager.
- 3.6 All warrants exercised, see clauses 3.1-3.4 above, will be considered exercised on the last day of the exercise period selected, see clause 2.1 b) and c) above. The Company will arrange for the capital increase to be registered as soon as possible. Not later than 10 business days after registration of the capital increase, the Company will transfer the shares subscribed for to the custody account of the Manager, details of which must be contained in the digital notice of exercise, see clause 3.1 above. Any changes in the price of the shares subscribed for in the period from the date of exercise, see above, until the date from which they will be at the Manager's disposal will be at the risk of the Manager.

#### **4. Expiry of the warrants**

- 4.1 Warrants that have not been exercised in the Exercise Period shall expire simultaneously with the expiry of the Exercise Period, but see clause 4.4.
- 4.2 If during the Exercise Period the employment of the Manager is terminated, with or without notice, to the effect that the Manager is under notice or is in fact dismissed, and where the Manager is a so-called "bad leaver", cf. the principles of the Danish Share Option Act, the Company will have a right but not an obligation to purchase all of the Manager's remaining vested warrants. The Company must give notice of its exercise of the purchase right in the period between the date of termination of the employment, with or without notice, and the first Exercise Period thereafter, see clause 2.1 b) and c). The purchase price will be calculated by the Company's auditor in accordance with the Black & Scholes formula, so that the price per warrant will be the price on the date of the above notice of exercise, and the purchase price must be paid not later than two weeks after that date. The Manager will not be entitled to exercise warrants after receipt of the above notice of exercise of the purchase right.

- 4.3 If the company in which the Manager is employed ceases to be part of the H. Lundbeck A/S Group, clause 4.2 will apply accordingly, and the date of such cessation will replace the date of the termination, with or without notice, of the employment.
- 4.4 If during the Exercise Period the employment of the Manager is terminated, with or without notice, to the effect that the Manager is under notice or is in fact dismissed, and where the Manager is a so-called "bad leaver", cf. the principles of the Danish Share Option Act, all the Manager's remaining warrants that are not been exercised in the first Exercise Period after such termination, see clause 2.1 b) and c), will expire simultaneously with the expiry of that period.
- 4.5 If the employment of the Manager is terminated, with or without notice, and where the Manager is a so-called "good leaver", cf. the principles of the Danish Share Option Act, the Company will have a right but not an obligation to purchase all of the Manager's warrants subscribed for but not yet exercised against payment of a cash amount to be determined by the Company in accordance with the principles of the Danish Share Option Act.

## **5. Change of the number of warrants subscribed**

- 5.1 If it is resolved to adjust the nominal value of the H. Lundbeck A/S shares, the number of warrants subscribed which have not been exercised at the date of such resolution, and the subscription price, see clause 1.6, shall be adjusted as follows:

The price according to clause 1.6 will be multiplied by the factor:

$$a = A/B$$

and the number of warrants subscribed for but not exercised will be multiplied by the factor:

$$1 / a$$

Where:

A is the nominal value of each share after the change, and

B is the nominal value of each share before the change.

If the adjusted subscription price and/or the adjusted number of warrants subscribed for are not whole figures, each will be rounded down to the nearest whole figure.

- 5.2 If it is resolved to issue bonus shares ("fondsaktier"), the number of warrants subscribed which have not been exercised at the date of such resolution, and the subscription price, see clause 1.6, shall be adjusted as follows:

The price according to clause 1.6 will be multiplied by the factor:

$$a = A / (A+B)$$

and the number of warrants subscribed for but not exercised will be multiplied by the factor:

$$1 / a$$

Where:

A is the nominal share capital before the issue of bonus shares, and

B is the total nominal value of the bonus shares.

If the adjusted subscription price and/or the adjusted number of warrants subscribed for are not whole figures, each will be rounded down to the nearest whole figure.

- 5.3 If an extraordinary event occurs which materially affects the premises of the grant or changes the Company's activities and strategies, including resolutions comprised by clause 2.1 c), and which is not comprised by 5.1, 5.2, 6.1 and 6.2, the Board of Directors reserves the right to change the number of warrants subscribed which have not been exercised at the date of the such extraordinary event.
- 5.4 The Company, in accordance with the Recommendations on Corporate Governance, may reclaim in full or in part variable components of remuneration that were paid on the basis of data which proved to be manifestly misstated, if the Manager acted in bad faith. As far as warrants are concerned, this means the Company's Board of Directors reserves the right in such cases to change the

number of warrants unexercised or to claim repayment of any gain - realised or not - on warrants exercised.

## **6. Statutory rights upon mergers, demergers, etc.**

- 6.1 The statutory rights of the Manager shall not be changed in the event of capital increase, capital reduction, issue of convertible debt instruments, issue of new warrants or dissolution, including merger or demerger, except for the changes specified in clauses 2.1 c), 5.2 and 6.2. If the Company distributes dividend, however, the subscription price under clause 1.6 above shall be reduced to such extent that the value of the Warrants will not be thereby affected.
- 6.2 If the Company still exists after a demerger, the warrants subscribed shall remain unchanged in the Company. If the Company ceases to exist as a result of a demerger, the warrants subscribed shall be transferred to the company in which the Manager is employed as a consequence of the demerger, and the terms of the warrants subscribed shall be amended according to a resolution adopted by the Company's Board of Directors.

## **7. Limitations**

The warrants subscribed for shall be subject to the following restrictions:

- 7.1 The warrants subscribed for cannot be transferred by the Manager, except for transfer upon the Manager's death during employment with or retirement from the H. Lundbeck A/S Group on 01 January 2015 or later. The term concerning the Manager's employment shall be disregarded. The Manager's surviving spouse retaining the undivided possession of the estate or the estate of the Manager may exercise the warrants in the Exercise Period, but no later than 12 months after the date of death. Any warrants whose Vesting Date does not fall within this 12-month period will lapse automatically, no notice given and no compensation payable. The rules on exercise set out in clauses 3.1-3.6 above will apply accordingly, the estate or the surviving spouse retaining undivided possession of the estate being required to effect any exercise the warrants in the course of an exercise period pursuant to clause 2.1 b) above. As long as the Manager is alive, the warrants can only be exercised by the Manager personally.



- 7.2 The warrants subscribed for may not be subject to enforcement proceedings or any other kind of enforcement.
- 7.3 The warrants subscribed for may not be charged to a third party.
- 7.4 Transfer of the warrants subscribed for by inheritance cannot take place, but see clause 7.1 above.
- 7.5 In one or more periods in which the warrants can be exercised, the Company may suspend the option of exercising warrants of one or more Managers if at the Company's discretion such suspension is necessary for the Company to observe acts or delegated legislation under the laws of any country which may apply to the Company and/or its activities.

## **8. Dispute**

- 8.1 Any dispute arising out of the terms and conditions of the subscribed warrants shall be settled by arbitration under Danish law according to the "Rules of Procedure of the Danish Institute of Arbitration (Danish Arbitration)". Members of the arbitration tribunal shall be appointed by the Institute according to the rules specified. Danish law and the English language shall be applied during arbitration proceedings. The Company and the Manager shall keep confidential all matters regarding any arbitration proceedings, including the existence of any arbitration proceedings, the subject-matter and the arbitration award.

## **9. Costs**

- 9.1 The Company will pay all costs in connection with the issue of warrants and their subsequent exercise, but see clause 3.5. The costs to be paid by the Company are estimated at DKK 200,000.

## **10. Other terms and conditions**

Other terms and conditions for the issue of warrants

that existing shareholders shall have no pre-emption right in respect of the warrants;

that the subscription period is from the date of grant 2012 up to and including 31 December 2012;

that subscription must be made digitally according to a resolution adopted by the Company's Board of Management no later than at 16.00 hours on the last day of the subscription period.

Other terms and conditions for new shares subscribed for on the basis of the warrants

that the maximum amount of the capital increase for which shares can be subscribed for is nominally DKK 5,000,000 and the minimum amount is nominally DKK 2,500;

that existing shareholders shall have no pre-emption right in respect of the warrants;

that the new shares shall be negotiable instruments;

that in any future capital increases, the new shares shall carry the same pre-emption rights as existing shares;

that the new shares shall confer on the holders the right to dividends and other rights in the Company from the time of the registration of the capital increase;

that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report concerning the financial year immediately prior to the accounting year in which the capital increase was registered, if registration was made before the date of the Company's annual general meeting provided that the general meeting of the Company adopted a resolution to distribute dividend;

that the new shares shall confer on the holder the right to dividend on the basis of the approved annual report regarding the financial year in which the capital increase was registered, if registration was made on the date of the Company's annual general meeting or later in the same financial year, provided that the general meeting of the Company adopted a resolution to distribute dividend;

- that if prior to the exercise of the warrants the Company made a general change in the rights carried by the shares, the new shares shall, however, carry the same rights as the Company's other shares at the time of the exercise;
- that the new shares shall be registered in the name of the holder and shall be entered in the Company's register of shareholders;
- that the new shares shall be issued in denominations of nominally DKK 5;
- that if the nominal value of the H. Lundbeck A/S shares is changed before the exercise of warrants, the nominal value of the new shares shall be changed accordingly;
- that the new shares shall be registered in VP Securities.

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## **Appendix 11 to the Articles of Association of H. Lundbeck A/S**

Terms of issue of warrants for the subscription of shares of up to nominally DKK 6,775,000, corresponding to 1,355,000 shares, see Article 4.14 of the Articles of Association.

The Warrants will be granted on the following terms and conditions:

### **1. Definitions**

1.1 For the purpose of the Programme the following definitions apply, unless otherwise required by the context:

“Agreement” means the Agreement on grant and subscription of Warrants between the Company and the Participant, whereby the Participant accepts the Company’s grant of and subscribes for Warrants on the terms and conditions of the Programme.

“Award” means the Warrants granted to the Participant under the Programme.

“Board of Directors” means the Board of Directors of the Company as constituted from time to time.

“Business Day” means a business day according to the Danish calendar.

“Cessation Date” means, in case of cessation of the Participant’s employment with the Lundbeck Group, the earlier of:

- the last day of the Participant’s employment with the Lundbeck Group, i.e. – in case of cessation due to notice of termination – the date on which the Participant will be required or entitled to leave his position subject to proper notice; or
- if, in case of cessation due to notice of termination, the Participant is released from the duty to work during the notice period or part of it, the date when the Participant is released from the duty to work.

“Company” means H. Lundbeck A/S, a company registered in Denmark under CVR no. (company registration no.) 56759913.

“Executive Management” means the Executive Management of the Company as constituted from time to time.

“Exercise Period” means a period of three years starting on the third anniversary of the Grant Date (i.e the first day following the expiry of the Vesting Period) and ending on the day before the sixth anniversary of the Grant Date, both days included.

“Exercise Price” will have the meaning set out in clause 2.5.1 below.

“Grant Date” means the date when the Award is granted to the Participant, as set out in the Agreement.

“Group Company” means any company belonging to the Lundbeck Group.

“Internal Rules” means the internal trading rules (as amended from time to time) approved and adopted by the Board of Directors which govern the access of members of the Board of Directors, members of the Executive Management and other employees to trade, for their own or a third party’s account, in the securities issued by the Company which are admitted to trading and any related financial instruments.

“Lundbeck Group” means the Company and any Subsidiary or Subsidiaries.

“Participant” will have the meaning set out in the Agreement.

“Plan” means the H. Lundbeck A/S 2014 Warrants Plan for Executive Management.

“Programme” means the Plan and the Agreement, including any addendums to the Agreement.

“Remaining Award” means the part of the Award from time to time which has neither been exercised nor lapsed under the Rules.

“Rule” means a rule of the Programme.

“Share” will have the meaning set out in clause 2.5.3 below.

"Subsidiary" means any company in which the Company – directly or indirectly – holds at least 50% of the share capital.

"Subscription Date" will, for any part of the Award, have the meaning set out in clause 4.2.2 below.

"Taxes" means any tax and social security charges payable by the Participant under any applicable tax and social security legislation, including taxes which any Group Company is required to withhold. "Taxes" also includes other taxes and charges of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Vest" means the Participant becoming entitled to exercise the Award subject to the Rules, and "Vesting" is to be construed accordingly.

"Vested Award" means the part of the Award from time to time which has Vested but has neither been exercised nor lapsed under the Rules.

"Vesting Date" means the last date of the Vesting Period.

"Vesting Period" means a period of three years starting on the Grant Date and ending on the day before the third anniversary of the Grant Date, both days included.

"Warrant" will have the meaning set out in clause 2.5.1 below.

"Window Period" will have the meaning set out in clause 4.1.2 below.

1.2 Unless otherwise required by the context, reference to the singular includes the plural and vice versa, reference to one gender includes the other gender and reference to natural persons include corporate entities and bodies.

## **2. Grant of Warrants**

### 2.1 Eligibility

2.1.1 An individual will only be eligible to receive a grant of Warrants if he is a member of the Executive Management at the time of such grant.

2.1.2 The shareholders of the Company will have no any pre-emptive rights to the Warrants.

## 2.2 Participating persons

2.2.1 The Board of Directors will appoint the members of the Executive Management who are to be offered to participate in the Plan.

2.2.2 The grant of Warrants under the Plan to a member of the Executive Management must take place within the period from 26 March 2014 and until 31 December 2014, both days included.

Any grant of Warrants to a member of the Executive Management will be conditional on the respective person's acceptance of the relevant grant as prescribed by the Company within a time-limit that cannot be set to expire later than at 16.00 hours on the last day of the grant period referred to above.

## 2.3 Number of Warrants

2.3.1 The Board of Directors will determine the number of Warrants to be granted to each of the members of the Executive Management having been appointed to receive a grant of Warrants.

The number of Warrants granted to the Participant will be set out in the Agreement.

## 2.4 Terms and conditions of grant

2.4.1 The Award will be granted on:

- the terms and conditions set out in the Plan; and
- any such additional terms and conditions as the Board of Directors may decide.

Any additional terms and conditions will be set out in the Agreement, including an addendum to the Agreement.

2.4.2 No consideration will be payable by the Participant for the grant of the Award.

## 2.5 Eligibility to subscribe for Shares by exercise of the Award

2.5.1 Each Warrant constitutes a conditional right, but not an obligation – on exercise of the Warrant – to subscribe for one new Share against payment of the Exercise Price to the Company.

The number of Shares which may be subscribed for on exercise of Warrants may be adjusted in accordance with the Rules.

2.5.2 The Exercise Price amounts per Warrant to an amount in DKK equal to

- a basic amount calculated as the average amount of the average prices ("all trades") of one Share on NASDAQ OMX Copenhagen Stock Exchange over the 10 Business Days following the date of publication of the Company's preliminary announcement of its annual results 2013

plus

- an annual increase for each of the years following the year 2014 and until the end of the Exercise Period.

Each of these annual increases

- will be added the total of the said basic amount and any annual increases for previous years with effect from the first day of the month following the month of the Company's annual general meeting for the relevant year; and
- will be an amount equal to
- 4% of the total of the basic amount and any annual increases for previous years

less

- any dividend per Share paid under a resolution passed at the said annual general meeting.

The amount in annual increase cannot be a negative amount.



The above implies that the first annual increase will be an annual increase for 2015 which will be added to the said basic amount with effect from the first day of the month following the month of the Company's 2015 annual general meeting.

The Exercise Price may be adjusted in accordance with the Rules.

2.5.3 "Share" means one ordinary share in the Company with a nominal value of DKK 5.

If the nominal value of one ordinary share in the Company increases or decreases before the Subscription Date, "Share" will mean any number (and/or fraction) of ordinary shares in the Company having a total nominal value of DKK 5.

The purpose of the above provision, which reflects a scenario where the nominal value of one share in the Company is adjusted, is to ensure that the value of one Warrant is not affected by any increase or decrease in the nominal value of one ordinary share in the Company before the Subscription Date. Therefore, the above provision will apply only if such increase or decrease is based on a change in the denomination of the shares in the Company causing the number of shares in the Company to change while the amount of the Company's share capital remains unchanged. Consequently, the above provision will not apply if such increase or decrease is the result of a reduction of the Company's share capital in connection with a reduction (write-down) of the nominal value of all shares in the Company.

In consequence of the above, in case of a reduction of the Company's share capital in connection with a reduction (write-down) of the nominal value of all shares in the Company before the Subscription Date, "Share" will mean one ordinary share in the Company of the nominal value to which the nominal value of shares in the Company has been reduced (written down).

2.5.4 The Participant's eligibility to subscribe for Shares by exercise of the Award is generally subject to four Vesting conditions:

- The Participant's continued employment with the Lundbeck Group throughout the entire Vesting Period (see clause 3.2 below):

- The Board of Directors' assessment of that Vesting is justifiable having regard to factors relating to the Participant and/or the financial situation of the Lundbeck Group (see clause 3.3 below);
- The Board of Directors' discretionary decision on that the Award will Vest (see clause 3.4 below); and
- Non-occurrence of an extraordinary event (see clause 3.5 below).

## 2.6 No shareholder rights

2.6.1 The Participant will enjoy no shareholder rights as a result of the Award. Thus, on grant of the Award, the Participant will neither become a shareholder of the Company nor, on any other basis, be entitled to receive dividends or vote at or attend the Company's general meetings. Such shareholder rights will accrue only after the Participant's subscription of Shares by exercise of the Award (see clause 10.7 below).

## 2.7 Non-transferability

2.7.1 Until the Subscription Date, the Award must not, whether in whole or in part, be transferred, assigned, charged, made subject to debt enforcement proceedings (including – but not limited to – bankruptcy proceedings) or otherwise disposed of (except on the Participant's death as set out in clause 7 below), and the entire Award will lapse immediately and without any compensation on any such disposal of the Award in whole or in part.

## **3. Vesting of the Award**

### 3.1 Vesting Date

3.1.1 The Award will Vest on the Vesting Date, unless it is subject to early Vesting under clause 7.2.1(b), clause 9.1(a) and clause 9.2 below.

3.1.2 However, Vesting will only take place subject to the provisions of clauses 3.2 – 3.5 below. Vesting will further be subject to the claw-back provision in clause 6 below.

### 3.2 Vesting subject to continued employment

3.2.1 Vesting of the Award will be subject to the Participant retaining his employment with the Lundbeck Group during the entire Vesting Period (see, however, clause 7 below).

3.3 Vesting subject to assessment of Vesting being justifiable having regard to factors relating to the Participant and/or the financial situation of the Lundbeck Group

3.3.1 In addition to the condition set out in clause 3.2 above, Vesting of the Award will be subject to the Board of Directors' discretionary assessment of whether – and, if so, to which extent – Vesting is justified, having regard to the factors, criteria, data, assumptions, etc. underlying the grant of the Award.

In its discretionary assessment, the Board of Directors may include any factors relating (directly or indirectly) to the Participant which the Board of Directors deems to be relevant, including – but not limited to – proven value creation and other financial track record and performance, loyalty, flexibility, compliance (including – but not limited to – compliance with internal and external rules, regulations and policies as well as company standards and goals), ability to motivate and manage employees and colleagues, extraordinary actions or efforts (“above and beyond the call of duty”), etc.

The Board of Directors' discretionary assessment will include all relevant factors for the entire Vesting Period and will be made on the Vesting Date or shortly before or after.

3.3.2 In addition to the conditions set out in clauses 3.2 and 3.3.1 above, Vesting of the Award will be subject to the Board of Directors' discretionary assessment of whether – and, if so, to which extent – Vesting is justified having regard to factors, criteria, data, assumptions, etc. relating to the financial situation of the Lundbeck Group irrespective of whether such factors etc. have been considered on grant of the Award.

In its discretionary assessment, the Board of Directors may include any factors relating (directly or indirectly) to the financial situation of the Lundbeck Group (or one or more Group Companies) which the Board of Directors deems to be relevant, including – but not limited to – (realized as well as budgeted) turnover, revenue, growth, market position, market value, pipe-line, credit facilities, cash flow etc.

The Board of Directors' discretionary assessment may include all relevant factors for the entire Vesting Period and will be made on the Vesting Date or shortly before or after.

#### 3.4 Vesting subject to the Board of Directors' decision on Vesting

3.4.1 In addition to the conditions set out in clauses 3.2 and 3.3 above, Vesting of the Award will be subject to the Board of Directors' discretionary decision of whether – and, if so, to which extent – the Award will Vest.

As the basis for its discretionary decision, the Board of Directors may include any factors whatsoever which the Board of Directors deems to be relevant and irrespective of whether or not such factors are included in clauses 3.2 and/or 3.3 above.

3.4.2 Thus, the Company will without any limitation be entitled – based on the Board of Directors' discretionary decision – to decide that either no part or only a reduced part of the Award will Vest, irrespective of whether any of the other Vesting conditions in this clause 3 are met.

#### 3.5 Vesting subject to non-occurrence of an extraordinary event

3.5.1 In addition to the conditions set out in clauses 3.2, 3.3 and 3.4 above, Vesting of the Award will be subject to no extraordinary event occurring before the Vesting Date which, at the discretion of the Board of Directors, significantly changes the factors, criteria, data, assumptions, etc. underlying the grant of the Award or significantly changes the Company's activities and strategies.

Thus, in case of such extraordinary event, the Company will be entitled – based on the Board of Directors' fair assessment – to decide that either no part or only a reduced part of the Award will Vest, irrespective of whether any of the other Vesting conditions in this clause 3 are met.

#### 3.6 Notification to the Participant

3.6.1 If it is decided under clauses 3.3, 3.4 and/or 3.5 above that either no part or only a reduced part of the Award will Vest, the Company must notify the Participant as soon as reasonably practicable after the decision.

### **4. Exercise of the Award**

4.1 Time of exercise etc.

4.1.1 The Participant will only be entitled to exercise the Award to the extent that it has Vested but has neither been exercised nor lapsed under the Rules, i.e. the Vested Award.

4.1.2 Unless subject to early exercise under clause 7.2.1(b), clause 7.3.1(b), clause 7.4.1, clause 9.1(a) and clause 9.2 below, the Vested Award may only be exercised by the Participant in any Window Period during the Exercise Period.

“Window Period” means the first eight Business Days of the period of three weeks starting at the time of publication of any of the Company’s interim reports or preliminary announcements of annual results in which, under the Internal Rules, it is generally permissible for individuals on the Company’s insider list to trade in the securities issued by the Company which are admitted to trading and any related financial instruments.

If and to the extent required due to an amendment of the Internal Rules, the Company will be entitled to amend the meaning of Window Period.

4.1.3 The Vested Award may be exercised in full or in parts of not less than 500 Warrants. However, if the Vested Award covers less than 1,000 Warrants, the Vested Award may only be exercised to the full extent outstanding.

On exercise of the Vested Award, the Participant will only be entitled to subscribe for a whole number of ordinary shares in the Company. Consequently, if, on exercise of the Vested Award and for whatever reason, the Participant is in principle entitled to subscribe for a number of ordinary shares in the Company that is not a whole number, the number of ordinary shares in the Company which the Participant will be entitled to subscribe for will be rounded down to the nearest whole number.

4.1.4 To the extent it has not been exercised, the Vested Award will lapse automatically and without any compensation at the end of the Exercise Period unless it has lapsed earlier under clauses 6, 7 or 9 below.

#### 4.2 Method of exercise

4.2.1 In order to exercise the Vested Award, the Participant must comply with the following conditions:

(a) In a Window Period during the Exercise Period, the Participant must – in the manner and form prescribed by the Company – forward by electronic means an exercise notice to the Company.

The exercise notice must be received by the Company no later than at CET 16.00 on the last Business Day of the relevant Window Period.

The exercise notice must set out all required information, including the number of Warrants under the Vested Award which the Participant wishes to exercise.

(b) In the manner prescribed by the Company, the Participant must pay in cash the relevant total amount of the Exercise Price in time to allow the amount to be received by the Company no later than at CET 16.00 on the last Business Day of the relevant Window Period.

(c) The Participant must have a custody account in his own name with a bank in Denmark approved by the Company. Unless otherwise instructed by the Company, the custody account must be with (the Danish part of) Danske Bank.

Relevant details concerning this custody account must be included in the exercise notice referred to in clause 4.2.1(a) above. Such details include all relevant details about a bank account in the Participant's name with the same bank as the custody account.

4.2.2 If and to the extent the Participant exercises the Vested Award in accordance with the conditions in clause 4.2.1 above, the Participant will be considered to have exercised the relevant part of the Vested Award and, thus, subscribed for the relevant number of ordinary shares in the Company on the last day of the relevant Window Period (“Subscription Date”).

In case one or more of the conditions in clause 4.2.1 above are not complied with, the Participant will be considered not to have exercised the relevant part of the Vested Award. In such situation, any payment made by the Participant to the Company in order to exercise the relevant part of the Vested Award will be repaid to the Participant within reasonable time.

4.2.3 As soon as possible following the Subscription Date, the Company will arrange for the related capital increase to be registered with the Danish Business Authority.

No later than 10 Business Days following registration of the related capital increase, the Company will arrange for a transfer to the Participant's custody account referred to in clause 4.2.1(c) above of the ordinary shares in the Company which the Participant has subscribed for on the basis of the relevant part of the Vested Award.

Until the date of such transfer, any change in the value of the relevant shares subscribed for will be entirely at the Participant's risk.

## **5. Lapse of Award**

5.1 The Award will lapse:

- in accordance with the Rules; or
- to the extent it does not Vest under the Rules.

## **6. Claw-back**

6.1 If one or more of the factors, criteria, data, assumptions, etc. on which the grant and/or the Vesting of the Award is based turn out to be defective, incorrect or inaccurate and if the Participant knows or should have known this, the Participant will forfeit any entitlements under the Programme.

Consequently:

- if the Award has not yet Vested, the entire Award will lapse immediately and without any compensation;
- if the Award has Vested but has not yet been exercised, the Participant will immediately and without any compensation forfeit any entitlement to exercise the Award; and
- if the Award has Vested and been exercised, the Participant must immediately and without any compensation repay to the Company an amount equal to the total market value at the Subscription Date of the shares in the Company acquired on exercise of the Award less the total amount of the Exercise Price paid on exercise of the Award.

6.2 If so deemed appropriate by the Company having regard to all relevant circumstances, however, the Company may decide at its discretion only to reduce the Participant's entitlements under the Programme as a result of such defective, incorrect or inaccurate factors, criteria, data, etc. as well as the fact that the Employee knew or should have known about this.

## **7. Cessation of employment**

### 7.1 Effects of cessation of employment

7.1.1 If the Participant's employment with the Lundbeck Group ceases, this may – depending on the time of and the reason for the cessation of employment – have an effect on the Participant's entitlements to the Remaining Award.

### 7.2 Cessation of employment prior to the Vesting Date

7.2.1 If the Cessation Date is a date prior to the Vesting Date, the following will apply:

(a) If the Participant's employment with the Lundbeck Group ceases for any reasons other than the Participant's death, the entire Remaining Award will lapse automatically and without any compensation on the Cessation Date.

(b) If the Participant's employment with the Lundbeck Group ceases as a result of the Participant's death, the following will apply:

(i) The Participant's estate will retain and succeed to the entire Remaining Award and the Remaining Award will Vest immediately on the Cessation Date.

(ii) However, based on the Company's assessment of any (potential) effects of

- the Vesting conditions set out in clauses 3.3, 3.4 and 3.5 above had the Remaining Award not Vested before the Vesting Date; and

- the claw-back provision in clause 6 above,

the Company will be entitled to decide at its discretion that the Participant's estate will retain and succeed to only a part of the Remaining Award.



(iii) The Participant's estate will only be entitled to exercise the relevant part of the Remaining Award within a period on six months following the date of the Participant's death.

Within such period, the Remaining Award must be exercised in accordance with clause 4.1.3 and clause 4.2 above subject to any modifications required as a result of the Remaining Award being subject to early exercise under this clause 7.2.1(b).

(iv) The Remaining Award will lapse automatically and without any compensation on expiry of the period on six months set out in clause 7.2.1(b)(iii) above to the extent it has not been exercised by the Participant's estate in accordance with this clause 7.2.1(b).

### 7.3 Cessation of employment on or after the Vesting Date

7.3.1 If the Cessation Date is the Vesting Date or a later date, the following will apply:

(a) If the Participant's employment with the Lundbeck Group ceases for any reasons other than the Participant's death, then the Participant will retain the Remaining Award and, thus, be entitled to exercise the Remaining Award subject to the Rules.

(b) If the Participant's employment with the Lundbeck Group ceases as a result of the Participant's death, the Participant's estate will retain and succeed to the Remaining Award.

The provisions in clauses 7.2.1(b)(iii)-(iv) above will apply similarly.

### 7.4 Death following cessation of employment

7.4.1 If the Participant dies following cessation of his employment with the Lundbeck Group and if, on cessation of his employment, the Participant has under clause 7.3.1(a) above retained any Remaining Award, the Participant's estate will retain and succeed to the Remaining Award.

The provisions in clauses 7.2.1(b)(iii)-(iv) above will apply similarly.

## 8. **Changes in the Company's capital structure**

8.1 If any change is made to the Company's capital structure prior to the Subscription Date which either reduces or increases the value of the Remaining Award, the number of Shares which may be subscribed for on exercise of the Remaining Award and/or the Exercise Price will, subject to the provisions of this clause 8, be adjusted to ensure that the value of the Remaining Award remains unaffected by such change.

However, the Exercise Price must never be reduced to below par value and the number of Shares which may be subscribed for on exercise of the Remaining Award may only be increased to the extent that, based on a resolution passed by the Company's general meeting, the Board of Directors has the necessary authority to issue such additional number of Shares.

Such changes in the Company's capital structure include, but are not limited to, capital increase, capital reduction, and issue of bonus shares, warrants and convertible debt bonds.

8.2 However, the number of Shares which may be subscribed for on exercise of the Remaining Award and/or the Exercise Price will not be adjusted in case of any of the following events:

- (a) Any change in the Company's capital structure made at market value;
- (b) Any reduction in the Company's share capital in connection with a reduction (write-down) of the nominal value of all shares in the Company (see clause 2.5.3 above);
- (c) Any reduction in the Company's share capital by annulment of own shares;
- (d) Any sale and purchase by the Company of own shares; and
- (e) Any payment of dividend.

8.3 Further, the number of Shares which may be subscribed for on exercise of the Remaining Award and/or the Exercise Price will not be adjusted

- (a) if, as part of a share-based employee benefit plan, the Company decides to issue shares, warrants, share options, convertible debt instruments or any other financial instruments, which are in any way based on or related to shares in the Company, to one

or more employees, executive officers and/or members of the board of directors of any Group Company; or

(b) in consequence of any capital increase resulting from such share-based instruments.

This applies irrespective of whether the transaction is not completed at market price.

8.4 If, subject to the exceptions in clauses 8.2 and 8.3 above, any change in the Company's capital structure is implemented prior to the Subscription Date, the Company will ask its auditor or another expert appointed by the Company to calculate whether it is required to adjust the number of Shares which may be subscribed for on exercise of the Remaining Award and/or the Exercise Price and, if so, the amount of such adjustment. The result of the calculation must be sent to the Company and then to the Participant within reasonable time after the date of implementation of the change.

The auditor's calculation of any adjustment must be based on generally accepted principles. If the calculation requires determination of the market value of the Company's shares, such determination must be based on the average price ("all trades") of the Company's shares as listed on NASDAQ OMX Copenhagen Stock Exchange during the 5 Business Days preceding the decision to change the Company's capital structure.

The auditor's calculation of any adjustment will be final and binding on the Company and the Participant. The Company will pay the costs involved in the calculation.

## **9. Merger, demerger, share-for-share exchange, liquidation and delisting**

9.1 If a final resolution is passed either to merge the Company and in that connection discontinue the Company, to demerge the Company or to effect a share-for-share exchange comprising all of the shares in the Company (holding company set-up/non-cash contribution), the Board of Directors will at its discretion make one of the following two decisions:

(a) The Remaining Award will be subject to early exercise in accordance with clause 9.3 below.

However, if the Remaining Award has not Vested prior to the date of the resolution, it is only a pro rata part of the Remaining Award which will be subject to early exercise in accordance with clause 9.3 below.

This pro rata part of the Remaining Award will be calculated on the basis of the duration of the period from the Grant Date to the date of the resolution relative to the Vesting Period.

However, based on the Company's assessment of any (potential) effects of

- the Vesting conditions set out in clauses 3.3, 3.4 and 3.5 above had the relevant part of the Remaining Award not Vested before the Vesting Date; and
- the claw-back provision in clause 6 above,

the Company will be entitled to decide at its discretion to reduce the relevant part of the Remaining Award which will be subject to early exercise in accordance with clause 9.3 below.

(b) With effect as of the date of implementation of the relevant transaction, the Remaining Award will be converted to a new award similar to the Remaining Award conferring on the Participant the right to receive shares in either:

- (i) in case of a merger, the surviving company;
- (ii) in case of a demerger, the company in which the Participant will be employed after the demerger (or, if his employment with the Lundbeck Group has ceased, the Company in which he would have been employed after the demerger had his employment not ceased); or
- (iii) in case of a share-for-share exchange, the company holding all of the shares in the Company after the share-for-share exchange;

or – at the option of the said company – its parent company.

The value of this new award must be equal to the value of the Remaining Award immediately prior to the date of implementation of the relevant transaction and the terms and conditions governing the new award must essentially correspond to the Rules.

If the Company participates in a merger as the continuing company, the Award will continue to exist subject to the Rules.

9.2 If the Company's competent bodies resolve that the Company's shares will no longer be listed on NASDAQ OMX Copenhagen Stock Exchange (except where such listing will be replaced by a listing of the shares in the Company on another stock exchange or authorised or regulated market place) or that a process to liquidate the Company will be initiated, the Remaining Award will be subject to early exercise in accordance with clause 9.3 below.

However, if the Remaining Award has not Vested prior to the date of such resolution, it is only a pro rata part of the Remaining Award which will be subject to early exercise in accordance with clause 9.3 below.

This pro rata part of the Remaining Award will be calculated on the basis of the duration of the period from the Grant Date to the date of such resolution relative to the Vesting Period.

However, based on the Company's assessment of any (potential) effects of

- the Vesting condition set out in clauses 3.3, 3.4 and 3.5 above had the relevant part of the Remaining Award not Vested before the Vesting Date; and
- the claw-back provision in clause 6 above,

the Company will be entitled to decide at its discretion to reduce the relevant part of the Remaining Award which will be subject to early exercise in accordance with clause 9.3 below.

9.3 In the event of a resolution having the effect that the Remaining Award (or a part thereof) will be subject to early exercise under clause 9.1(a) or clause 9.2 above, the Company must notify the Participant to that effect.

Following such notification, the Participant will (only) be entitled to exercise the Remaining Award within an extraordinary exercise period of 10 Business Days (or any such longer extraordinary exercise period as may be decided by the Board of Directors)

starting on the first Business Day following the date of the Company's notice to the Participant.

Within such extraordinary exercise period, the Remaining Award must be exercised in accordance with clause 4.1.3 and clause 4.2 above subject to any modifications required as a result of the Remaining Award being subject to early exercise under this clause 9.3.

On the Participant's exercise of the Remaining Award, the Company must to the extent possible handle the subscription procedure in time for the shares in the Company which the Participant has subscribed for to be transferred to the Participant's custody account at least five Business Days before the last day of trading in the Company's shares.

The Remaining Award will lapse automatically and without any compensation on expiry of the said extraordinary exercise period to the extent it has not been exercised in accordance with this clause 9.3.

#### **10. New shares in the Company issued on exercise of Warrants etc.**

10.1 The following terms and conditions will apply to the new shares in the Company subscribed for by exercise of Warrants covered by the Plan:

10.1.1 The maximum capital increase that may be subscribed for on the basis of Warrants will be a nominal amount of DKK 6,775,000. However, the maximum amount may be increased or reduced in accordance with the provisions in clause 8 above.

10.1.2 The new shares will be issued in denominations of DKK 5 each. However, if, prior to the Subscription Date, the nominal value of the shares in the Company is changed, the nominal value of the new shares will be changed correspondingly.

10.1.3 The existing shareholders will have no pre-emptive rights to the new shares.

10.1.4 The new shares will be negotiable instruments.

10.1.5 In any future capital increases, the new shares will be subject to the same pre-emptive rights as those applicable to the existing shares.

10.1.6 The new shares will carry dividend and other rights in the Company from the date of registration of the capital increase, and as regards dividend the following applies.

(a) The new shares will carry dividend rights based on the Company's annual report as adopted for the financial year immediately preceding the financial year in which the capital increase was registered if registration has taken place prior to the date of the Company's annual general meeting in the same financial year provided, however, that a resolution is passed at the said annual general meeting to distribute dividends; and

(b) The new shares will carry dividend rights based on the Company's annual report as adopted for the financial year in which the capital increase was registered if registration has taken place on or after the date of the Company's annual general meeting in the same financial year provided, however, that a resolution is passed at the said annual general meeting to distribute dividends.

10.1.7 If, prior to the Subscription Date, the Company makes any general changes in the rights of the shares in the Company, the new shares will carry the same rights as the other shares in the Company at the time of exercise.

10.1.8 The new shares will be registered in the names of the holders and be entered in the Company's register of shareholders. Further, the new shares will be registered with VP Securities A/S.

10.2 The Company will pay the costs in connection with the issue of Warrants under the Plan and any subscription of new shares in the Company on exercise of the Warrants (see, however, clause 13.3 below). The maximum costs of the Company in connection with the issue of Warrants and the related capital increase will be an estimated DKK 250,000.

## **11. Data Protection**

11.1 Under the Danish Data Protection Act, the Participant will – by his acceptance of the Agreement – be deemed to have given his consent for the Company to process, including collection and transfer, his personal data for any purpose relating to the operation and management of the Programme. The consent given by the Participant includes:

- (a) providing personal data to any Group Company and any third party such as administrators of the Programme, registrars and brokers and any of their respective agents;
- (b) processing personal data by any such Group Company or third party
- (c) transferring personal data to a non-EEA country (including a country which does not afford the same level of protection as the European Economic Area);
- (d) providing personal data to potential acquirers of any Group Company or the business unit in which the Participant works, including in connection with a due diligence exercise carried out before the transfer of any Group Company or the business unit in which the Participant works; and
- (e) other processing of personal data, including – but not limited to – in connection with the establishment of a global HR system or other staff, administrative or management purposes relating to the Participant’s participation in the Programme or to the management of any benefits which the Participant is or may be entitled to receive under the Programme during his employment and/or after its termination.

11.2 The personal data which may be processed based on the Participant's consent is the type of personal data set out in section 6 of the Danish Data Protection Act, including data from the Participant’s personnel file, general data and information about all matters pertaining to the employment such as the Participant’s name, address, contact details, date of employment, job title, duties and responsibilities, pay data and performance appraisals, etc.

11.3 An updated list of the Group Companies and other third party processors, including the countries in which they are located, is available on the Company’s intranet, and the Participant is required to check regularly for updates.

## **12. Notices**

12.1 Unless otherwise instructed, all notices to the Company under the Programme must be in writing, delivered by hand or sent by mail or e-mail to the Programme Administrator at either of the following addresses:



Mail: H. Lundbeck A/S  
Att.: HR (Warrant Plan 2014 for Executive Management)  
Ottiliavej 9  
2500 Valby  
Denmark

E-mail: njw@lundbeck.com

12.2 All notices to the Participant under the Programme must be in writing, delivered by hand or sent by mail or e-mail to the Participant's workplace or, if the Participant's employment with the Lundbeck Group has ceased, to the Participant's home address.

The Participant must notify the Company if notices under the Programme should be sent to another home address than the address so designated in the Agreement.

The Participant's home address generally means the address so designated in the Agreement. If, however, the Participant has sent one or more notices to notify the Company of a change of his home address in accordance with the above provisions, the Participant's home address will be deemed to be the address stated by the Participant in the most recent such notice.

### **13. Taxes etc.**

13.1 Any and all Taxes relating to his participation in the Programme will be payable by the Participant, including any Taxes relating to the grant or Vesting of the Award, the subscription of any Shares under the Award and/or any other benefit delivered or deemed to be delivered under the Programme, and any liability for Taxes is therefore of no concern to any Group Company.

13.2 If so required under applicable tax and social security legislation, the Company and/or any other Group Company may withhold and pay to the relevant tax and social security authorities any amount in Taxes which would otherwise have been payable to the Participant, and make such other arrangements on behalf of the Participant, including a sale of all or part of any Shares which the Participant has subscribed for under the Award, as it deems necessary or appropriate to meet any obligation to withhold or pay such Taxes on behalf of the Participant.

The Participant will be deemed to have authorised any Group Company to carry out the provisions set out above.

13.3 Any share transfer duty or similar payments incurred as a result of any Shares subscribed for by the Participant under the Award and transferred to his custody account will be payable by the Participant.

Any fees relating to his custody account will also be payable by the Participant.

#### **14. Financial aspects**

14.1 The Warrants granted under the Award as well as any Shares subscribed for under the Award are financial instruments and various risks may be associated with such instruments, depending on fluctuations in the market value of the Company's shares and developments in the share market.

14.2 Therefore, there is no guarantee of profit to the Participant for his participation in the Programme, much less a guarantee that any amount received on the Participant's sale of any Shares subscribed for under the Award will exceed any Taxes payable.

#### **15. Miscellaneous**

15.1 The Participant's participation in the Programme is not intended to provide, and nor should it be construed as providing, any guarantee of employment to the Participant by any Group Company for any period of time. Nor does the Participant's participation in the Programme in any way preclude any Group Company or the Participant from terminating the employment relationship. Similarly, none of the Participant's rights and obligations under the terms and conditions governing his employment with any Group Company will be affected by his participation in the Programme.

The Participant is not entitled, and waives any and all rights, to compensation or damages resulting from the loss of any actual or prospective right, entitlement or benefit under the Programme due to the cessation of his employment with any Group Company which the Participant might have enjoyed but for the cessation of the Participant's employment with such Group Company.

The grant of Warrants under the Award does not imply that any further Warrants will be granted or that the Participant is in any way entitled to receive any additional Warrants.

15.2 Benefits provided under the Programme will neither be pensionable nor form part of or be included in the basis on which any other remuneration and other forms of payment which the Participant may be entitled to receive during his employment with the Lundbeck Group or on or after its termination are calculated, including – but not limited to – salary, non-pay benefits, variable pay of whatever nature, holiday pay and severance payment.

15.3 The Plan exists in both a Danish version (being the official version included in the Company’s Articles of Association) and an English version (being an unofficial version). In case of any inconsistency between the Danish and the English version, the Danish version will prevail.

Further, in case of any inconsistency between the Programme on the one hand and any description, reproduction or translation thereof on the other hand, the original wording of the Programme will prevail.

## **16. Governing law and disputes**

16.1 The Programme and the Award will be governed by and construed in accordance with Danish law to the extent that Danish law has not been derogated from by the Rules.

16.2 Any dispute arising out of or in connection with the Programme and the Award must be settled by arbitration in accordance with Danish law under the Rules of Arbitration Procedure of Danish Arbitration (the Danish Institute of Arbitration). The arbitration tribunal will consist of one arbitrator only who will be appointed by the Danish Institute of Arbitration in accordance with the above rules of the Institute. The arbitration proceedings will be conducted in accordance with Danish law, and the language of the proceedings will be English. The Company and the Participant must keep confidential all matters relating to any such arbitration proceedings, including their existence and subject-matter as well as the arbitrator’s award.

## Appendix 12 to the Articles of Association of H. Lundbeck A/S

Terms of issue of warrants for the subscription of shares of up to nominally DKK 2,000,000, corresponding to 400,000 shares, see Article 4.15 of the Articles of Association.

The Warrants will be granted on the following terms and conditions:

H. Lundbeck A/S 2016 Warrant Plan for the Chief Executive Officer

At a meeting of the Board of Directors on 10 May 2016 and pursuant to the authorization under clause 4.4 of the Company's Articles of Association, the Board of Directors has resolved to grant Warrants to the Chief Executive Officer.

The Warrants will be granted on the following terms and conditions:

### **1. Definitions**

1.1 For the purpose of the Programme the following definitions apply, unless otherwise required by the context:

"Agreement" means the Agreement on grant and subscription of Warrants between the Company and the Chief Executive Officer, whereby the Chief Executive Officer accepts the Company's grant of and subscribes for Warrants on the terms and conditions of the Programme.

"Award" means the Warrants granted to the Chief Executive Officer under the Programme.

"Board of Directors" means the Board of Directors of the Company as constituted from time to time.

"Business Day" means a business day according to the Danish calendar.

"Cessation Date" means, in case of cessation of the Chief Executive Officer's employment with the Lundbeck Group, the earlier of:

- the last day of the Chief Executive Officer's employment with the Lundbeck Group, i.e. – in case of cessation due to notice of termination – the date on which the Chief Executive Officer will be required or entitled to leave his position subject to proper notice; or
- if, in case of cessation due to notice of termination, the Chief Executive Officer is released from the duty to work during the notice period or part of it, the date when the Chief Executive Officer is released from the duty to work.

"Chief Executive Officer" means the Chief Executive Officer of the Company as constituted on 10 May 2016.

"Company" means H. Lundbeck A/S, a company registered in Denmark under CVR no. (company registration no.) 56759913.

"Exercise Period" means a period of three years starting on May 1st 2017 (i.e the first day following the expiry of the Vesting Period) and ending on April 30th 2020.

"Exercise Price" will have the meaning set out in clause 2.5.2 below.

"Grant Date" means the date when the Award is granted to the Chief Executive Officer, as set out in the Agreement.

"Group Company" means any company belonging to the Lundbeck Group.

"Internal Rules" means the internal trading rules (as amended from time to time) approved and adopted by the Board of Directors which govern the access of members of the Board of Directors, members of the executive management and other employees to trade, for their own or a third party's account, in the securities issued by the Company which are admitted to trading and any related financial instruments.

"Lundbeck Group" means the Company and any Subsidiary or Subsidiaries.

"Plan" means the H. Lundbeck A/S 2016 Warrants Plan for the Chief Executive Officer.

"Programme" means the Plan and the Agreement, including any addendums to the Agreement.

"Remaining Award" means the part of the Award from time to time which has neither been exercised nor lapsed under the Rules.

"Rule" means a rule of the Programme.

"Share" will have the meaning set out in clause 2.5.3 below.

"Subsidiary" means any company in which the Company – directly or indirectly – holds at least 50% of the share capital.

"Subscription Date" will, for any part of the Award, have the meaning set out in clause 4.2.2 below.

"Taxes" means any tax and social security charges payable by the Chief Executive Officer under any applicable tax and social security legislation, including taxes which any Group Company is required to withhold. "Taxes" also includes other taxes and charges of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Vest" means the Chief Executive Officer becoming entitled to exercise the Award subject to the Rules, and "Vesting" is to be construed accordingly.

"Vested Award" means the part of the Award from time to time which has Vested but has neither been exercised nor lapsed under the Rules.

"Vesting Date" means the last date of the Vesting Period.

"Vesting Period" means a period starting on the Grant Date and ending on April 30th 2017, both days included.

"Warrant" will have the meaning set out in clause 2.5.1 below.

"Window Period" will have the meaning set out in clause 4.1.2 below.

1.2 Unless otherwise required by the context, reference to the singular includes the plural and vice versa, reference to one gender includes the other gender and reference to natural persons include corporate entities and bodies.

## **2. Grant of Warrants**

### 2.1 Eligibility

2.1.1 The Chief Executive Officer will only be eligible to receive a grant of Warrants if he is constituted as Chief Executive Officer at the time of such grant.

2.1.2 The shareholders of the Company will have no pre-emptive rights to the Warrants.

## 2.2 Participating person

2.2.1 The Board of Directors will decide if the Chief Executive Officer is to be offered to participate in the Plan.

2.2.2 The grant of Warrants under the Plan to the Chief Executive Officer must take place within the period from 1 April 2016 and until 31 December 2016, both days included. Any grant of Warrants to the Chief Executive Officer will be conditional on his acceptance of the relevant grant as prescribed by the Company within a time-limit that cannot be set to expire later than at 16.00 hours on the last day of the grant period referred to above.

## 2.3 Number of Warrants

2.3.1 The Board of Directors will determine the number of Warrants to be granted to the Chief Executive Officer.

The number of Warrants granted to the Chief Executive Officer will be set out in the Agreement.

## 2.4 Terms and conditions of grant

2.4.1 The Award will be granted on:

- the terms and conditions set out in the Plan; and
- any such additional terms and conditions as the Board of Directors may decide.

Any additional terms and conditions will be set out in the Agreement, including an addendum to the Agreement.

2.4.2 No consideration will be payable by the Chief Executive Officer for the grant of the Award.

## 2.5 Eligibility to subscribe for Shares by exercise of the Award

2.5.1 Each Warrant constitutes a conditional right, but not an obligation – on exercise of the Warrant – to subscribe for one new Share against payment of the Exercise Price to the Company.

2.5.2 The number of Shares which may be subscribed for on exercise of Warrants may be adjusted in accordance with the Rules. The Exercise Price amounts per Warrant to an amount of DKK equal to

- A basic amount calculated as the average amount of the average prices (“all trades”) of one Share on NASDAQ OMX Copenhagen Stock Exchange over the 10 Business Days following the date of publication of the Company’s preliminary announcement of its annual results 2013 (equal to DKK 141) plus
- an annual increase for each of the years following the year 2014 and until the end of the Exercise Period.

Each of these annual increases

- will be added the total of the said basic amount and any annual increases for previous years with effect from the first day of the month following the month of the Company’s annual general meeting for the relevant year; and
- will be an amount equal to
- 4% of the total of the basic amount and any annual increases for previous years

less

- any dividend per Share paid under a resolution passed at the said annual general meeting.

The amount in annual increase cannot be a negative amount.

The above implies that the first annual increase will be an annual increase for 2015 which will be added to the said basic amount with effect from the first day of the month following the month of the Company’s 2015 annual general meeting.

The Exercise Price may be adjusted in accordance with the Rules.

2.5.3 “Share” means one ordinary share in the Company with a nominal value of DKK 5.



If the nominal value of one ordinary share in the Company increases or decreases before the Subscription Date, "Share" will mean any number (and/or fraction) of ordinary shares in the Company having a total nominal value of DKK 5.

The purpose of the above provision, which reflects a scenario where the nominal value of one share in the Company is adjusted, is to ensure that the value of one Warrant is not affected by any increase or decrease in the nominal value of one ordinary share in the Company before the Subscription Date. Therefore, the above provision will apply only if such increase or decrease is based on a change in the denomination of the shares in the Company causing the number of shares in the Company to change while the amount of the Company's share capital remains unchanged. Consequently, the above provision will not apply if such increase or decrease is the result of a reduction of the Company's share capital in connection with a reduction (write-down) of the nominal value of all shares in the Company.

In consequence of the above, in case of a reduction of the Company's share capital in connection with a reduction (write-down) of the nominal value of all shares in the Company before the Subscription Date, "Share" will mean one ordinary share in the Company of the nominal value to which the nominal value of shares in the Company has been reduced (written down).

2.5.4 The Chief Executive Officer's eligibility to subscribe for Shares by exercise of the Award is generally subject to four Vesting conditions:

- The Chief Executive Officer's continued employment with the Lundbeck Group throughout the entire Vesting Period (see clause 3.2 below);
- The Board of Directors' assessment of that Vesting is justifiable having regard to factors relating to the Chief Executive Officer and/or the financial situation of the Lundbeck Group (see clause 3.3 below);
- The Board of Directors' discretionary decision on that the Award will Vest (see clause 3.4 below); and
- Non-occurrence of an extraordinary event (see clause 3.5 below).

2.6 No shareholder rights

2.6.1 The Chief Executive Officer will enjoy no shareholder rights as a result of the Award. Thus, on grant of the Award, the Chief Executive Officer will neither become a shareholder of

the Company nor, on any other basis, be entitled to receive dividends or vote at or attend the Company's general meetings. Such shareholder rights will accrue only after the Chief Executive Officer's subscription of Shares by exercise of the Award (see clause 10.7 below).

## 2.7 Non-transferability

2.7.1 Until the Subscription Date, the Award must not, whether in whole or in part, be transferred, assigned, charged, made subject to debt enforcement proceedings (including – but not limited to – bankruptcy proceedings) or otherwise disposed of (except on the Chief Executive Officer's death as set out in clause 7 below), and the entire Award will lapse immediately and without any compensation on any such disposal of the Award in whole or in part.

## **3. Vesting of the Award**

### 3.1 Vesting Date

3.1.1 The Award will Vest on the Vesting Date, unless it is subject to early Vesting under clause 7.2.1(b), clause 9.1(a) and clause 9.2 below.

3.1.2 However, Vesting will only take place subject to the provisions of clauses 3.2 – 3.5 below. Vesting will further be subject to the claw-back provision in clause 6 below.

### 3.2 Vesting subject to continued employment

3.2.1 Vesting of the Award will be subject to the Chief Executive Officer retaining his employment with the Lundbeck Group during the entire Vesting Period (see, however, clause 7 below).

3.3 Vesting subject to assessment of Vesting being justifiable having regard to factors relating to the Chief Executive Officer and/or the financial situation of the Lundbeck Group

3.3.1 In addition to the condition set out in clause 3.2 above, Vesting of the Award will be subject to the Board of Directors' discretionary assessment of whether – and, if so, to which extent – Vesting is justified, having regard to the factors, criteria, data, assumptions, etc. underlying the grant of the Award.

In its discretionary assessment, the Board of Directors may include any factors relating (directly or indirectly) to the Chief Executive Officer which the Board of Directors deems to be relevant, including – but not limited to – proven value creation and other financial track

record and performance, loyalty, flexibility, compliance (including – but not limited to – compliance with internal and external rules, regulations and policies as well as company standards and goals), ability to motivate and manage employees and colleagues, extraordinary actions or efforts (“above and beyond the call of duty”), etc.

The Board of Directors’ discretionary assessment will include all relevant factors for the entire Vesting Period and will be made on the Vesting Date or shortly before or after.

3.3.2 In addition to the conditions set out in clauses 3.2 and 3.3.1 above, Vesting of the Award will be subject to the Board of Directors’ discretionary assessment of whether – and, if so, to which extent – Vesting is justified having regard to factors, criteria, data, assumptions, etc. relating to the financial situation of the Lundbeck Group irrespective of whether such factors etc. have been considered on grant of the Award.

In its discretionary assessment, the Board of Directors may include any factors relating (directly or indirectly) to the financial situation of the Lundbeck Group (or one or more Group Companies) which the Board of Directors deems to be relevant, including – but not limited to – (realized as well as budgeted) turnover, revenue, growth, market position, market value, pipe-line, credit facilities, cash flow etc.

The Board of Directors’ discretionary assessment may include all relevant factors for the entire Vesting Period and will be made on the Vesting Date or shortly before or after.

3.4 Vesting subject to the Board of Directors’ decision on Vesting

3.4.1 In addition to the conditions set out in clauses 3.2 and 3.3 above, Vesting of the Award will be subject to the Board of Directors’ discretionary decision of whether – and, if so, to which extent – the Award will Vest.

As the basis for its discretionary decision, the Board of Directors may include any factors whatsoever which the Board of Directors deems to be relevant and irrespective of whether or not such factors are included in clauses 3.2 and/or 3.3 above.

3.4.2 Thus, the Company will without any limitation be entitled – based on the Board of Directors’ discretionary decision – to decide that either no part or only a reduced part of the Award will Vest, irrespective of whether any of the other Vesting conditions in this clause 3 are met.

3.5 Vesting subject to non-occurrence of an extraordinary event

3.5.1 In addition to the conditions set out in clauses 3.2, 3.3 and 3.4 above, Vesting of the Award will be subject to no extraordinary event occurring before the Vesting Date which, at the discretion of the Board of Directors, significantly changes the factors, criteria, data, assumptions, etc. underlying the grant of the Award or significantly changes the Company's activities and strategies.

Thus, in case of such extraordinary event, the Company will be entitled – based on the Board of Directors' fair assessment – to decide that either no part or only a reduced part of the Award will Vest, irrespective of whether any of the other Vesting conditions in this clause 3 are met.

3.6 Notification to the Chief Executive Officer

3.6.1 If it is decided under clauses 3.3, 3.4 and/or 3.5 above that either no part or only a reduced part of the Award will Vest, the Company must notify the Chief Executive Officer as soon as reasonably practicable after the decision.

#### **4. Exercise of the Award**

4.1 Time of exercise etc.

4.1.1 The Chief Executive Officer will only be entitled to exercise the Award to the extent that it has Vested but has neither been exercised nor lapsed under the Rules, i.e. the Vested Award.

4.1.2 Unless subject to early exercise under clause 7.2.1(b), clause 7.3.1(b), clause 7.4.1, clause 9.1(a) and clause 9.2 below, the Vested Award may only be exercised by the Chief Executive Officer in any Window Period during the Exercise Period.

“Window Period” means the first eight Business Days of the period of three weeks starting at the time of publication of any of the Company's interim reports or preliminary announcements of annual results in which, under the Internal Rules, it is generally permissible for individuals on the Company's insider list to trade in the securities issued by the Company which are admitted to trading and any related financial instruments.

If and to the extent required due to an amendment of the Internal Rules, the Company will be entitled to amend the meaning of Window Period.

4.1.3 The Vested Award may be exercised in full or in parts of not less than 500 Warrants. However, if the Vested Award covers less than 1,000 Warrants, the Vested Award may only be exercised to the full extent outstanding.

On exercise of the Vested Award, the Chief Executive Officer will only be entitled to subscribe for a whole number of ordinary shares in the Company. Consequently, if, on exercise of the Vested Award and for whatever reason, the Chief Executive Officer is in principle entitled to subscribe for a number of ordinary shares in the Company that is not a whole number, the number of ordinary shares in the Company which the Chief Executive Officer will be entitled to subscribe for will be rounded down to the nearest whole number.

4.1.4 To the extent it has not been exercised, the Vested Award will lapse automatically and without any compensation at the end of the Exercise Period unless it has lapsed earlier under clauses 6, 7 or 9 below.

#### 4.2 Method of exercise

4.2.1 In order to exercise the Vested Award, the Chief Executive Officer must comply with the following conditions:

(a) In a Window Period during the Exercise Period, the Chief Executive Officer must – in the manner and form prescribed by the Company – forward by electronic means an exercise notice to the Company.

The exercise notice must be received by the Company no later than at CET 16.00 on the last Business Day of the relevant Window Period.

The exercise notice must set out all required information, including the number of Warrants under the Vested Award which the Chief Executive Officer wishes to exercise.

(b) In the manner prescribed by the Company, the Chief Executive Officer must pay in cash the relevant total amount of the Exercise Price in time to allow the amount to be received by the Company no later than at CET 16.00 on the last Business Day of the relevant Window Period.

(c) The Chief Executive Officer must have a custody account in his own name with a bank in Denmark approved by the Company. Unless otherwise instructed by the Company, the custody account must be with (the Danish part of) Danske Bank.

Relevant details concerning this custody account must be included in the exercise notice referred to in clause 4.2.1(a) above. Such details include all relevant details about a bank account in the Chief Executive Officer's name with the same bank as the custody account.

4.2.2 If and to the extent the Chief Executive Officer exercises the Vested Award in accordance with the conditions in clause 4.2.1 above, the Chief Executive Officer will be considered to have exercised the relevant part of the Vested Award and, thus, subscribed for the relevant number of ordinary shares in the Company on the last day of the relevant Window Period ("Subscription Date").

In case one or more of the conditions in clause 4.2.1 above are not complied with, the Chief Executive Officer will be considered not to have exercised the relevant part of the Vested Award. In such situation, any payment made by the Chief Executive Officer to the Company in order to exercise the relevant part of the Vested Award will be repaid to the Chief Executive Officer within reasonable time.

4.2.3 As soon as possible following the Subscription Date, the Company will arrange for the related capital increase to be registered with the Danish Business Authority.

No later than 10 Business Days following registration of the related capital increase, the Company will arrange for a transfer to the Chief Executive Officer's custody account referred to in clause 4.2.1(c) above of the ordinary shares in the Company which the Chief Executive Officer has subscribed for on the basis of the relevant part of the Vested Award.

Until the date of such transfer, any change in the value of the relevant shares subscribed for will be entirely at the Chief Executive Officer's risk.

## **5. Lapse of Award**

5.1 The Award will lapse:

- in accordance with the Rules; or
- to the extent it does not Vest under the Rules.

## **6. Claw-back**

6.1 If one or more of the factors, criteria, data, assumptions, etc. on which the grant and/or the Vesting of the Award is based turn out to be defective, incorrect or inaccurate and

if the Chief Executive Officer knows or should have known this, the Chief Executive Officer will forfeit any entitlements under the Programme.

Consequently:

- if the Award has not yet Vested, the entire Award will lapse immediately and without any compensation;
- if the Award has Vested but has not yet been exercised, the Chief Executive Officer will immediately and without any compensation forfeit any entitlement to exercise the Award; and
- if the Award has Vested and been exercised, the Chief Executive Officer must immediately and without any compensation repay to the Company an amount equal to the total market value at the Subscription Date of the shares in the Company acquired on exercise of the Award less the total amount of the Exercise Price paid on exercise of the Award.

6.2 If so deemed appropriate by the Company having regard to all relevant circumstances, however, the Company may decide at its discretion only to reduce the Chief Executive Officer's entitlements under the Programme as a result of such defective, incorrect or inaccurate factors, criteria, data, etc. as well as the fact that the Employee knew or should have known about this.

## **7. Cessation of employment**

### 7.1 Effects of cessation of employment

7.1.1 If the Chief Executive Officer's employment with the Lundbeck Group ceases, this may – depending on the time of and the reason for the cessation of employment – have an effect on the Chief Executive Officer's entitlements to the Remaining Award.

### 7.2 Cessation of employment prior to the Vesting Date

7.2.1 If the Cessation Date is a date prior to the Vesting Date, the following will apply:

(a) If the Chief Executive Officer's employment with the Lundbeck Group ceases for any reasons other than the Chief Executive Officer's death, the entire Remaining Award will lapse automatically and without any compensation on the Cessation Date.

(b) If the Chief Executive Officer's employment with the Lundbeck Group ceases as a result of the Chief Executive Officer's death, the following will apply:

(i) The Chief Executive Officer's estate will retain and succeed to the entire Remaining Award and the Remaining Award will Vest immediately on the Cessation Date.

(ii) However, based on the Company's assessment of any (potential) effects of

- the Vesting conditions set out in clauses 3.3, 3.4 and 3.5 above had the Remaining Award not Vested before the Vesting Date; and
- the claw-back provision in clause 6 above,

the Company will be entitled to decide at its discretion that the Chief Executive Officer's estate will retain and succeed to only a part of the Remaining Award.

(iii) The Chief Executive Officer's estate will only be entitled to exercise the relevant part of the Remaining Award within a period on six months following the date of the Chief Executive Officer's death.

Within such period, the Remaining Award must be exercised in accordance with clause 4.1.3 and clause 4.2 above subject to any modifications required as a result of the Remaining Award being subject to early exercise under this clause 7.2.1(b).

(iv) The Remaining Award will lapse automatically and without any compensation on expiry of the period on six months set out in clause 7.2.1(b)(iii) above to the extent it has not been exercised by the Chief Executive Officer's estate in accordance with this clause 7.2.1(b).

### 7.3 Cessation of employment on or after the Vesting Date

7.3.1 If the Cessation Date is the Vesting Date or a later date, the following will apply:

(a) If the Chief Executive Officer's employment with the Lundbeck Group ceases for any reasons other than the Chief Executive Officer's death, then the Chief Executive Officer will retain the Remaining Award and, thus, be entitled to exercise the Remaining Award subject to the Rules.



(b) If the Chief Executive Officer's employment with the Lundbeck Group ceases as a result of the Chief Executive Officer's death, the Chief Executive Officer's estate will retain and succeed to the Remaining Award.

The provisions in clauses 7.2.1(b)(iii)-(iv) above will apply similarly.

#### 7.4 Death following cessation of employment

7.4.1 If the Chief Executive Officer dies following cessation of his employment with the Lundbeck Group and if, on cessation of his employment, the Chief Executive Officer has under clause 7.3.1(a) above retained any Remaining Award, the Chief Executive Officer's estate will retain and succeed to the Remaining Award.

The provisions in clauses 7.2.1(b)(iii)-(iv) above will apply similarly.

### **8. Changes in the Company's capital structure**

8.1 If any change is made to the Company's capital structure prior to the Subscription Date which either reduces or increases the value of the Remaining Award, the number of Shares which may be subscribed for on exercise of the Remaining Award and/or the Exercise Price will, subject to the provisions of this clause 8, be adjusted to ensure that the value of the Remaining Award remains unaffected by such change.

However, the Exercise Price must never be reduced to below par value and the number of Shares which may be subscribed for on exercise of the Remaining Award may only be increased to the extent that, based on a resolution passed by the Company's general meeting, the Board of Directors has the necessary authority to issue such additional number of Shares.

Such changes in the Company's capital structure include, but are not limited to, capital increase, capital reduction, and issue of bonus shares, warrants and convertible debt bonds.

8.2 However, the number of Shares which may be subscribed for on exercise of the Remaining Award and/or the Exercise Price will not be adjusted in case of any of the following events:

(a) Any change in the Company's capital structure made at market value;

(b) Any reduction in the Company's share capital in connection with a reduction (write-down) of the nominal value of all shares in the Company (see clause 2.5.3 above);

- (c) Any reduction in the Company's share capital by annulment of own shares;
- (d) Any sale and purchase by the Company of own shares; and
- (e) Any payment of dividend.

8.3 Further, the number of Shares which may be subscribed for on exercise of the Remaining Award and/or the Exercise Price will not be adjusted

- (a) if, as part of a share-based employee benefit plan, the Company decides to issue shares, warrants, share options, convertible debt instruments or any other financial instruments, which are in any way based on or related to shares in the Company, to one or more employees, executive officers and/or members of the board of directors of any Group Company; or
- (b) in consequence of any capital increase resulting from such share-based instruments.

This applies irrespective of whether the transaction is not completed at market price.

8.4 If, subject to the exceptions in clauses 8.2 and 8.3 above, any change in the Company's capital structure is implemented prior to the Subscription Date, the Company will ask its auditor or another expert appointed by the Company to calculate whether it is required to adjust the number of Shares which may be subscribed for on exercise of the Remaining Award and/or the Exercise Price and, if so, the amount of such adjustment. The result of the calculation must be sent to the Company and then to the Chief Executive Officer within reasonable time after the date of implementation of the change.

The auditor's calculation of any adjustment must be based on generally accepted principles. If the calculation requires determination of the market value of the Company's shares, such determination must be based on the average price ("all trades") of the Company's shares as listed on NASDAQ OMX Copenhagen Stock Exchange during the 5 Business Days preceding the decision to change the Company's capital structure.

The auditor's calculation of any adjustment will be final and binding on the Company and the Chief Executive Officer. The Company will pay the costs involved in the calculation.

9. **Merger, demerger, share-for-share exchange, liquidation and delisting**

9.1 If a final resolution is passed either to merge the Company and in that connection discontinue the Company, to demerge the Company or to effect a share-for-share exchange comprising all of the shares in the Company (holding company set-up/non-cash contribution), the Board of Directors will at its discretion make one of the following two decisions:

(a) The Remaining Award will be subject to early exercise in accordance with clause 9.3 below.

However, if the Remaining Award has not Vested prior to the date of the resolution, it is only a pro rata part of the Remaining Award which will be subject to early exercise in accordance with clause 9.3 below.

This pro rata part of the Remaining Award will be calculated on the basis of the duration of the period from the Grant Date to the date of the resolution relative to the Vesting Period.

However, based on the Company's assessment of any (potential) effects of

- the Vesting conditions set out in clauses 3.3, 3.4 and 3.5 above had the relevant part of the Remaining Award not Vested before the Vesting Date; and
- the claw-back provision in clause 6 above,

the Company will be entitled to decide at its discretion to reduce the relevant part of the Remaining Award which will be subject to early exercise in accordance with clause 9.3 below.

(b) With effect as of the date of implementation of the relevant transaction, the Remaining Award will be converted to a new award similar to the Remaining Award conferring on the Chief Executive Officer the right to receive shares in either:

(i) in case of a merger, the surviving company;

(ii) in case of a demerger, the company in which the Chief Executive Officer will be employed after the demerger (or, if his employment with the Lundbeck Group has ceased, the Company in which he would have been employed after the demerger had his employment not ceased); or

(iii) in case of a share-for-share exchange, the company holding all of the shares in the Company after the share-for-share exchange;

or – at the option of the said company – its parent company.

The value of this new award must be equal to the value of the Remaining Award immediately prior to the date of implementation of the relevant transaction and the terms and conditions governing the new award must essentially correspond to the Rules.

If the Company participates in a merger as the continuing company, the Award will continue to exist subject to the Rules.

9.2 If the Company's competent bodies resolve that the Company's shares will no longer be listed on NASDAQ OMX Copenhagen Stock Exchange (except where such listing will be replaced by a listing of the shares in the Company on another stock exchange or authorised or regulated market place) or that a process to liquidate the Company will be initiated, the Remaining Award will be subject to early exercise in accordance with clause 9.3 below.

However, if the Remaining Award has not Vested prior to the date of such resolution, it is only a pro rata part of the Remaining Award which will be subject to early exercise in accordance with clause 9.3 below.

This pro rata part of the Remaining Award will be calculated on the basis of the duration of the period from the Grant Date to the date of such resolution relative to the Vesting Period.

However, based on the Company's assessment of any (potential) effects of

- the Vesting condition set out in clauses 3.3, 3.4 and 3.5 above had the relevant part of the Remaining Award not Vested before the Vesting Date; and
- the claw-back provision in clause 6 above,

the Company will be entitled to decide at its discretion to reduce the relevant part of the Remaining Award which will be subject to early exercise in accordance with clause 9.3 below.

9.3 In the event of a resolution having the effect that the Remaining Award (or a part thereof) will be subject to early exercise under clause 9.1(a) or clause 9.2 above, the Company must notify the Chief Executive Officer to that effect.

Following such notification, the Chief Executive Officer will (only) be entitled to exercise the Remaining Award within an extraordinary exercise period of 10 Business Days (or any such

longer extraordinary exercise period as may be decided by the Board of Directors) starting on the first Business Day following the date of the Company's notice to the Chief Executive Officer.

Within such extraordinary exercise period, the Remaining Award must be exercised in accordance with clause 4.1.3 and clause 4.2 above subject to any modifications required as a result of the Remaining Award being subject to early exercise under this clause 9.3.

On the Chief Executive Officer's exercise of the Remaining Award, the Company must to the extent possible handle the subscription procedure in time for the shares in the Company which the Chief Executive Officer has subscribed for to be transferred to the Chief Executive Officer's custody account at least five Business Days before the last day of trading in the Company's shares.

The Remaining Award will lapse automatically and without any compensation on expiry of the said extraordinary exercise period to the extent it has not been exercised in accordance with this clause 9.3.

#### **10. New shares in the Company issued on exercise of Warrants etc.**

10.1 The following terms and conditions will apply to the new shares in the Company subscribed for by exercise of Warrants covered by the Plan:

10.1.1 The maximum capital increase that may be subscribed for on the basis of Warrants will be a nominal amount of DKK 2,000,000. However, the maximum amount may be increased or reduced in accordance with the provisions in clause 8 above.

10.1.2 The new shares will be issued in denominations of DKK 5 each. However, if, prior to the Subscription Date, the nominal value of the shares in the Company is changed, the nominal value of the new shares will be changed correspondingly.

10.1.3 The existing shareholders will have no pre-emptive rights to the new shares.

10.1.4 The new shares will be negotiable instruments.

10.1.5 In any future capital increases, the new shares will be subject to the same pre-emptive rights as those applicable to the existing shares.

10.1.6 The new shares will carry dividend and other rights in the Company from the date of registration of the capital increase, and as regards dividend the following applies.

(a) The new shares will carry dividend rights based on the Company's annual report as adopted for the financial year immediately preceding the financial year in which the capital increase was registered if registration has taken place prior to the date of the Company's annual general meeting in the same financial year provided, however, that a resolution is passed at the said annual general meeting to distribute dividends; and

(b) The new shares will carry dividend rights based on the Company's annual report as adopted for the financial year in which the capital increase was registered if registration has taken place on or after the date of the Company's annual general meeting in the same financial year provided, however, that a resolution is passed at the said annual general meeting to distribute dividends.

10.1.7 If, prior to the Subscription Date, the Company makes any general changes in the rights of the shares in the Company, the new shares will carry the same rights as the other shares in the Company at the time of exercise.

10.1.8 The new shares will be registered in the names of the holders and be entered in the Company's register of shareholders. Further, the new shares will be registered with VP Securities A/S.

10.2 The Company will pay the costs in connection with the issue of Warrants under the Plan and any subscription of new shares in the Company on exercise of the Warrants (see, however, clause 13.3 below). The maximum costs of the Company in connection with the issue of Warrants and the related capital increase will be an estimated DKK 250,000.

## **11. Data Protection**

11.1 Under the Danish Data Protection Act, the Chief Executive Officer will – by his acceptance of the Agreement – be deemed to have given his consent for the Company to process, including collection and transfer, his personal data for any purpose relating to the operation and management of the Programme. The consent given by the Chief Executive Officer includes:

(a) providing personal data to any Group Company and any third party such as administrators of the Programme, registrars and brokers and any of their respective agents;

(b) processing personal data by any such Group Company or third party

(c) transferring personal data to a non-EEA country (including a country which does not afford the same level of protection as the European Economic Area);

(d) providing personal data to potential acquirers of any Group Company or the business unit in which the Chief Executive Officer works, including in connection with a due diligence exercise carried out before the transfer of any Group Company or the business unit in which the Chief Executive Officer works; and

(e) other processing of personal data, including – but not limited to – in connection with the establishment of a global HR system or other staff, administrative or management purposes relating to the Chief Executive Officer's participation in the Programme or to the management of any benefits which the Chief Executive Officer is or may be entitled to receive under the Programme during his employment and/or after its termination.

11.2 The personal data which may be processed based on the Chief Executive Officer's consent is the type of personal data set out in section 6 of the Danish Data Protection Act, including data from the Chief Executive Officer's personnel file, general data and information about all matters pertaining to the employment such as the Chief Executive Officer's name, address, contact details, date of employment, job title, duties and responsibilities, pay data and performance appraisals, etc.

11.3 An updated list of the Group Companies and other third party processors, including the countries in which they are located, is available on the Company's intranet, and the Chief Executive Officer is required to check regularly for updates.

## **12. Notices**

12.1 Unless otherwise instructed, all notices to the Company under the Programme must be in writing, delivered by hand or sent by mail or e-mail to the Programme Administrator at either of the following addresses:

Mail: H. Lundbeck A/S  
Att.: HR (Warrant Plan 2016 for the Chief Executive Officer)  
Ottiliavej 9  
2500 Valby  
Denmark

E-mail: taag@lundbeck.com

12.2 All notices to the Chief Executive Officer under the Programme must be in writing, delivered by hand or sent by mail or e-mail to the Chief Executive Officer's workplace or, if the Chief Executive Officer's employment with the Lundbeck Group has ceased, to the Chief Executive Officer's home address.

The Chief Executive Officer must notify the Company if notices under the Programme should be sent to another home address than the address so designated in the Agreement.

The Chief Executive Officer's home address generally means the address so designated in the Agreement. If, however, the Chief Executive Officer has sent one or more notices to notify the Company of a change of his home address in accordance with the above provisions, the Chief Executive Officer's home address will be deemed to be the address stated by the Chief Executive Officer in the most recent such notice.

### **13. Taxes etc.**

13.1 Any and all Taxes relating to his participation in the Programme will be payable by the Chief Executive Officer, including any Taxes relating to the grant or Vesting of the Award, the subscription of any Shares under the Award and/or any other benefit delivered or deemed to be delivered under the Programme, and any liability for Taxes is therefore of no concern to any Group Company.

13.2 If so required under applicable tax and social security legislation, the Company and/or any other Group Company may withhold and pay to the relevant tax and social security authorities any amount in Taxes which would otherwise have been payable to the Chief Executive Officer, and make such other arrangements on behalf of the Chief Executive Officer, including a sale of all or part of any Shares which the Chief Executive Officer has subscribed for under the Award, as it deems necessary or appropriate to meet any obligation to withhold or pay such Taxes on behalf of the Chief Executive Officer.

The Chief Executive Officer will be deemed to have authorised any Group Company to carry out the provisions set out above.

13.3 Any share transfer duty or similar payments incurred as a result of any Shares subscribed for by the Chief Executive Officer under the Award and transferred to his custody account will be payable by the Chief Executive Officer.

Any fees relating to his custody account will also be payable by the Chief Executive Officer.



#### **14. Financial aspects**

14.1 The Warrants granted under the Award as well as any Shares subscribed for under the Award are financial instruments and various risks may be associated with such instruments, depending on fluctuations in the market value of the Company's shares and developments in the share market.

14.2 Therefore, there is no guarantee of profit to the Chief Executive Officer for his participation in the Programme, much less a guarantee that any amount received on the Chief Executive Officer's sale of any Shares subscribed for under the Award will exceed any Taxes payable.

#### **15. Miscellaneous**

15.1 The Chief Executive Officer's participation in the Programme is not intended to provide, and nor should it be construed as providing, any guarantee of employment to the Chief Executive Officer by any Group Company for any period of time. Nor does the Chief Executive Officer's participation in the Programme in any way preclude any Group Company or the Chief Executive Officer from terminating the employment relationship. Similarly, none of the Chief Executive Officer's rights and obligations under the terms and conditions governing his employment with any Group Company will be affected by his participation in the Programme.

The Chief Executive Officer is not entitled, and waives any and all rights, to compensation or damages resulting from the loss of any actual or prospective right, entitlement or benefit under the Programme due to the cessation of his employment with any Group Company which the Chief Executive Officer might have enjoyed but for the cessation of the Chief Executive Officer's employment with such Group Company.

The grant of Warrants under the Award does not imply that any further Warrants will be granted or that the Chief Executive Officer is in any way entitled to receive any additional Warrants.

15.2 Benefits provided under the Programme will neither be pensionable nor form part of or be included in the basis on which any other remuneration and other forms of payment which the Chief Executive Officer may be entitled to receive during his employment with the Lundbeck Group or on or after its termination are calculated, including – but not limited to – salary, non-pay benefits, variable pay of whatever nature, holiday pay and severance payment.

15.3 The Plan exists in both a Danish version (being the official version included in the Company's Articles of Association) and an English version (being an unofficial version). In case of any inconsistency between the Danish and the English version, the Danish version will prevail.

Further, in case of any inconsistency between the Programme on the one hand and any description, reproduction or translation thereof on the other hand, the original wording of the Programme will prevail.

## **16. Governing law and disputes**

16.1 The Programme and the Award will be governed by and construed in accordance with Danish law to the extent that Danish law has not been derogated from by the Rules.

16.2 Any dispute arising out of or in connection with the Programme and the Award must be settled by arbitration in accordance with Danish law under the Rules of Arbitration Procedure of Danish Arbitration (the Danish Institute of Arbitration). The arbitration tribunal will consist of one arbitrator only who will be appointed by the Danish Institute of Arbitration in accordance with the above rules of the Institute. The arbitration proceedings will be conducted in accordance with Danish law, and the language of the proceedings will be English. The Company and the Chief Executive Officer must keep confidential all matters relating to any such arbitration proceedings, including their existence and subject-matter as well as the arbitrator's award.