

## ARTICLES OF ASSOCIATION

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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 995,741,110 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 All new shares issued under Articles 4.1 and 4.2 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.

4.5 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.

4.6 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.

4.7 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.

## 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. 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-authorised 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-authorised 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 on 19 February as a consequence of a capital increase in the Company completed as part of exercise of warrants.

## **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 4.6 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 4.7 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 sub-scribed 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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