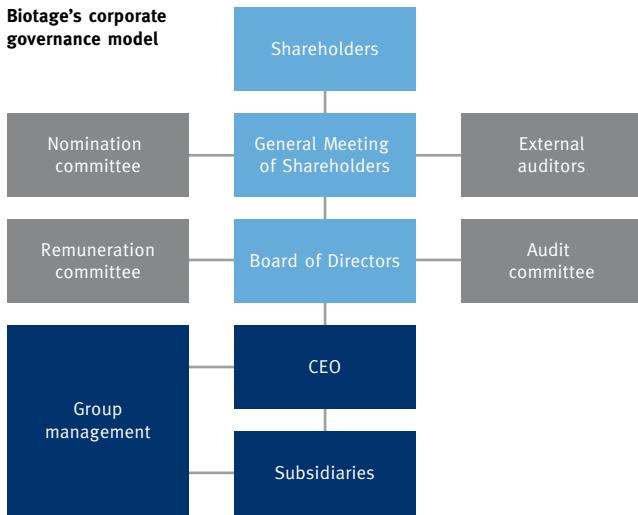


Corporate Governance

Biotage's corporate governance model



Important external and internal regulation and policies that influence the corporate governance

Important internal regulations and policies

- Articles of incorporation
- The board of director's rules of procedure with CEO instructions
- Instructions for Committees Appointed by the Board
- Fiscal policy
- Financial handbook
- Business-ethical stipulations

Important external rules, etc.

- Swedish Companies Act
- Swedish Book-keeping Act
- Swedish Annual Accounts Act
- Nasdaq OMX listing agreement
- Swedish Code of Corporate Governance
- Swedish Securities Council's statements

com). When notice of the meeting has been given, information to this effect shall be announced in Svenska Dagbladet.

The annual general meeting is held within six months of the end of the fiscal year. At this meeting, the shareholders make decisions on the election of the Board and auditor (when relevant), the composition of the nomination committee and the discharge from liability of the Board members and CEO for the previous year. They also make decisions on the adoption of the financial statements, distribution of earnings, Board and auditor fees and principles for remuneration of the CEO and other senior executives.

2011 Annual General Meeting

The Board presented a report on its work during the year. The CEO informed the annual general meeting about the Group's financial performance and position, and commented on the results for 2010. The annual general meet-

The 15 largest shareholders as of December 30, 2010

	Number of shares	Proportion of capital %	Proportion of votes %
Investor AB	7,629,307	9.6	10.0
Anders Walldov and company	7,200,000	9.0	9.4
Ove Mattsson (through endowment insurance)	6,283,531	7.9	8.2
Länsförsäkringar fondförvaltning	4,522,158	5.7	5.9
Home Capital AB	4,450,263	5.6	5.8
Varenne AB	3,397,013	4.3	4.4
Biotage AB (through repurchase) ¹⁾	3,191,014	4.0	—
Fourth Swedish National Pension Fund (AP4)	2,346,030	2.9	3.1
Mathias Uhlén and company	2,117,493	2.7	2.8
PSG Small Cap fond	1,685,881	2.1	2.2
Ribbskottet AB	1,488,500	1.9	1.9
Traction AB	1,440,000	1.8	1.9
Avanza Pension Försäkring AB	1,179,552	1.5	1.5
DFA Fonder (USA)	1,086,644	1.4	1.4
Riksbankens jubileumsfond	900,000	1.1	1.2

¹⁾ In addition, Biotage had by December 31 repurchased an additional 75,942 shares that were not registered in the official shareholder register maintained by Euroclear Sweden until the beginning of January. Including these shares, Biotage's holdings totaled 3,266,956 shares at 31 December 2011.

ing adopted the 2010 annual financial statements of the Parent Company and Group, decided on the distribution of the Company's earnings and discharged the Board and CEO from liability. A dividend of SEK 0.25 per share was adopted.

The chairman of the nomination committee gave an account of how the committee had conducted its work, and explained the committee's proposals. The meeting adopted the nomination committee's proposals on remuneration of the Board and auditors.

The meeting also adopted the nomination committee's proposal for the number of Board members to be six. The following Board members were re-elected Ove Mattsson (Chairman), Thomas Eklund, Per-Olof Eriksson, Eva-Lotta Kraft and Anders Walldov. Nils Olof Björk was newly elected as Board member. The labor representative in the Board, Niklas Jungnelius, left the board during December 2011. No replacement has been appointed at time of this report.

The meeting resolved to reduce the company's share capital by SEK 8,848,632 through cancellation, without reimbursement to the shareholders, of 8,848,632 shares owned by the company (treasury shares). The purpose of the reduction is to transfer the reduction amount to unrestricted equity. The reduction was effected through cancellation of the 8,848,632 shares acquired by the company on the basis of board decisions authorized at previous shareholders' meetings. Following the cancelation the total number of outstanding shares amounts to 70,637,688. The company owned 3,266,956 of its own shares as of 31 December 2011.

The meeting further resolved to increase the share capital through a bonus issue, which meant that the share capital was increased by SEK 9,556,522.56 without the issue of any new shares. The purpose of the bonus issue was to re-establish the share capital following the reduction described above. The share capital was increased through a transfer from unrestricted equity.

The meeting voted to grant the Board a mandate to issue shares and/or convertibles on one or more occasions before the 2011 annual general meeting, with or without preferential rights for shareholders. A decision by the Board to issue shares and/or convertibles may result in a total increase in the number of shares in the Company of up to 7,900,000 shares. The mandate has not been utilized.

The meeting unanimously adopted the Board's proposal for a mandate for the Board to decide on the purchase or transfer of up to 10% of the Company's own shares on NASDAQ OMX Stockholm. The mandate has been utilized.

Board members Ove Mattsson, Per-Olof Eriksson, Eva-Lotta Kraft, Anders Walldov, Thomas Eklund and Niklas Jungnelius and Chief Auditor Marcus Sörlander were present at the annual general meeting. Nils Olof Björk was also present as a proposed new Board member.

The minutes of the annual general meeting are available on Biotage's website (www.biotope.com).

Nomination Committee

The nomination committee represents the interests of shareholders. The 2011 annual general meeting adopted a resolution that the Chairman of the Board be elected to serve on the nomination committee and that he and the Company's three largest shareholders (in terms of votes) at 1 September 2011 appoint three other members. It was decided that the names of these persons should be published no later than six months before the 2012 annual general meeting, which has been the case. It was also decided that the nomination committee would elect a chairman from one of its members, who should not be the Chairman of the Board.

The nomination committee consists of Staffan Josephson, Chairman (Investor Growth Capital), Anders Walldov (Brohuvudet AB and private holding), Tommy Jacobsson (Varenne AB) and Ove Mattsson (Chairman of the Board).

If a shareholder who is represented by one of the nomination committee's members is no longer one of the largest shareholders (in terms of votes) in the Company, or if a member of the nomination committee is no longer employed by such a shareholder or leaves the nomination committee before the 2012 annual general meeting for some other reason,

the nomination committee's other members shall be entitled to appoint another member to replace that member.

During the year, the nomination committee has prepared proposals for consideration by the 2012 annual general meeting regarding the election of the Chairman of the Board, other Board members, auditors and a chairman of the annual general meeting and remuneration and related matters.

Shareholders may submit proposals to the nomination committee in various ways, including by e-mail to info@eu.biotope.com. The nomination committee's proposals and reasons must be published no later than the date of publication of the notice of the annual general meeting. The nomination committee's term of office is until the composition of the next nomination committee is published.

The nomination committee's work since the 2011 annual meeting

The nomination committee has had regular meetings and status reviews by telephone since its establishment in fall 2011. These meetings and status reviews have been mainly been devoted to evaluation of the work of the present Board and discussions on the number of Board members, the need for new recruitment, potential new Board members and Board fees. The Chairman of the Board has provided the nomination committee with an account of the Board's work during the year.

The nomination committee has formulated a proposed procedure for establishing the next nomination committee. The nomination committee is also responsible for submitting proposals for remuneration of the Board. To obtain an idea of reasonable remuneration levels, the committee has analyzed and compared fees paid in similar companies. The audit committee has assisted the nomination committee in the preparation of proposals for remuneration of the Board. The committee has been assisted by the audit committee in the process of evaluating quotes and meetings with different audit firms, as well as costs for the auditors.

The evaluation of the present Board includes the above mentioned account on the Board's work submitted to the nomination committee by the Chairman Ove Mattsson.

The nomination committee has proposed the re-election of the following members: Ove Mattsson, Thomas Eklund, Anders Walldov, Nils Olof Björk and Per-Olof Eriksson. The committee has also proposed that Ove Mattsson be re-elected Chairman of the Board. As Eva-Lotta Kraft has declared herself unavailable for re-election, the nomination committee has decided to seek a new Board member. The committee therefore proposes that Dr. Karolina Lawitz to be elected as a new member to the Board. More detailed information about Dr. Lawitz can be found in the nomination committee's detailed report, which is available at the company's web site.

The nomination committee considers that, in view of the Company's business, stage of development and other circumstances, the Board is composed in such a way as to enable it meet the requirements of the Company's operations. The nomination committee has paid particular attention to the Company's strategic development, management and controls, and the demands these factors place on the Board's expertise and composition.

The nomination committee's other proposals are submitted with the notice of the annual general meeting.

External auditors

According to the Company's articles of association, Biotage shall have one or two external auditors. At the 2008 annual general meeting, Deloitte AB was re-elected the Company's auditor for a further four-year period, with Marcus Sörlander as the new chief auditor. The nomination committee's proposal for election of auditors and term are presented in connection with the annual general meeting. See the nomination committee's motivated statement, which is available on the Company's website.

The external audit of the Parent Company's and Group's accounts and the Board's and CEO's administration is conducted in accordance with generally accepted auditing standards in Sweden. The accountant participates in at least one Board meeting each year in order to go through the annual accounts and discuss matters with Board members without the presence of the CEO.

A review of the internal procedures and control systems is also

conducted in the third quarter. The year-end accounts and annual report are reviewed and audited between January and March. The interim reports between January and September are reviewed by the auditors.

Information on auditors' fees can be found in note 6 of the annual report.

Board

The Board's overall task is to manage the Company's affairs in the best possible way on behalf of the shareholders. The Board shall continuously evaluate the Group's financial position and operational management. The Board determines issues concerning the Group's strategic direction and organization, and makes decisions on major investments (over SEK 5 million) and commitments.

Each year, the Board establishes its own rules of procedure and a set of CEO instructions defining the division of work between the CEO and Board.

The Board's rules of procedure define the division of work among Board members, the frequency of Board meetings and the tasks of the Board's committees. Board members receive a written agenda and all the necessary decision-support material before each Board meeting. Each Board meeting includes a thorough examination of the current business situation, the Company's results and financial position and the outlook for the rest of the year. Other matters for consideration include competition and the market situation.

The Chairman of the Board leads the Board's work, represents the Company in ownership matters and is responsible for the evaluation of the Board's work. The Chairman is also responsible for ongoing contact with Group management and ensuring the Board carries out its duties.

According to the articles of association, the Board shall consist of a minimum of five and a maximum of nine members elected by the shareholders' general meeting. The Board has a quorum if more than half the meeting-elected members are present. The Board must have diversity and breadth of qualifications, and a background appropriate to Biotage's organization, sector and operations. New Board members receive introductory training in order to quickly obtain the knowledge they need in order to represent the interests of the Company and its shareholders.

The Board for 2011 consisted of the following persons:

- Ove Mattsson (Chairman)
- Nils Olof Björk
- Thomas Eklund
- Per-Olof Eriksson
- Anders Walldov
- Eva-Lotta Kraft

In addition to the elected Board members above, the Board had another member, Niklas Jungnelius, who joined the Board as employee representative in December 2010 and resigned his position in December 2011. Employee representatives are appointed outside the annual general meeting by the trade unions that are represented in the Company. No new employee representative had been appointed at time of this report.

The Board's independence and attendance

All Board members are considered independent of the Company and its management. All members, with the exception of Thomas Eklund, are considered independent of the Company's major shareholders, as defined in the Swedish Code. Information about Board members' attendance can be found on page 5.

The Board's work in 2011

The Board held 7 meetings at which minutes were taken. A quorum was established at all 7 meetings. The Secretary of the Board is Biotage's Vice President of Corporate Development, Lars Bäckman, who is not a member of the Board.

During the year, the Board of Biotage continued its focus on the Company's strategy and organization. The Board also dealt with other important matters during the year.

The Board decided to exercise the mandate granted by the 2011 AGM to

purchase and transfer the Company's own shares before the 2012 meeting. The share buy-back process was conducted on Nasdaq OMX Stockholm. No shares were resold, and at December 31, 2011, the Company owned 3,266,956 of its own shares, which had been acquired for an aggregate of SEK 20.3m. The average buy-back price was SEK 5.116.

In April 2009, the Company was sued for patent infringement in the United States. Biotage has requested the US Patent and Trademark Office to re-examine the validity of all patent claims relating to the three patents which are the subject of the alleged patent infringement. Biotage has also requested a stay of proceedings in the infringement case, pending the result of the PTO's re-examination. The court has acceded to this request. The US Patent and Trademark Office has declared all patent claims in all three patents invalid. The decisions have been appealed. During the year the Company was yet again sued for patent infringement by the same party as in the ongoing law suit. These lawsuits relate to the same patent family.

The Board has two preparatory committees – the remuneration committee and the audit committee.

Remuneration Committee

The remuneration committee submits proposals to the Board about the CEO's salary and employment terms. It also defines salaries and terms of employment for the other members of Group management and a framework for salaries and terms of employment for other key management personnel. The remuneration committee held three meetings during the year and consisted of Per-Olof Eriksson (chairman), Ove Mattsson and Nils Olof Björk.

At the annual general meeting of shareholders, the Board presents for approval proposals on the remuneration of the CEO and other senior executives. The 2011 meeting adopted the following proposals by the Board:

- i. the Company shall endeavor to offer key management personnel market salaries.
- ii. the remuneration committee shall prepare matters relating to remuneration and present these to the Board for consideration.
- iii. remuneration shall consist of a fixed salary, variable pay, retirement benefits, discretionary bonuses and termination benefits. A more detailed description of the terms of employment for the Group's senior executives can be found in note 1 of the annual report.

Audit Committee

The audit committee follows its own rules of procedure, which the Board defines each year. The chairman of the audit committee is responsible for keeping the Board informed of the committee's activities and, when appropriate, submitting matters to the Board for approval. The audit committee's main task is to support the Board in ensuring financial reporting is of high quality. The committee has regular meetings with the Company's auditor and evaluates the aims and scope of the audit.

The committee also discusses auditing issues of particular significance to the Group, and assists the nomination committee in preparing nominations for the post of auditor and recommendations on fees for auditing services.

During the year, the audit committee consisted of Thomas Eklund (chairman), Eva-Lotta Kraft and Ove Mattsson.

In 2011, the audit committee held four meetings at which minutes were taken.

Group management

Group management is responsible for establishing and implementing the Group's overall strategy, and dealing with matters such as acquisitions, disposals and large investments, which are prepared by Group management for approval by the Parent Company's Board. The CEO is responsible for the day-to-day management of the Company in accordance with the Board's instructions and guidelines. Group management consists of Torben Jørgensen (CEO), Mats-Olof Wallin (CFO) and Lars Bäckman (Vice President of Corporate Development). Mats-Olof Wallin left his assignment at year's end and he was replaced by Erika Söderberg Johnson.

Group management holds monthly meetings to discuss the financial performance and position of the Group and subsidiaries. The meetings also deal with strategic plans and the monitoring of budgets and fore-

casts. Additional meetings are held every two weeks to consider overall operational management. The Parent Company's CEO chairs the boards of the Company's directly owned subsidiaries. Other members of Group's management also serve on these boards. The boards of the subsidiaries supervise current operations and define strategies and budgets.

The Board's description of internal controls

Under the Swedish Code of Corporate Governance, the Board is required to provide an annual description of the Company's internal controls and risk management with regard to financial reporting.

The Board must also conduct an annual evaluation of the need for a separate internal audit function. In its evaluation, the Board has come to the conclusion that Biotage's present size and risk exposure do not justify a separate internal audit function.

Control environment – the basis of internal controls

The control environment creates Biotage's culture and defines the standards and guidelines on which the Group's business actions take place. In substance, the control environment consists of the documented guidelines, manuals and instructions which have been communicated across the entire organization.

The organizational structure is explicit, with defined roles and responsibilities communicated in the form of documented instructions to the Board, the Board's committees, the CEO and managers of the subsidiaries. Regular evaluation is carried out at the function and department levels in the organization to ensure there is relevant knowledge with regard to financial reporting.

Internal information and communication

The most important steering documents for financial reporting are regularly updated and communicated to relevant personnel via the Company's intranet, newsletters, regular meetings, etc. Information channels have been established to ensure effective communication to relevant employees in the organization.

Risk assessment

The aim of risk assessment is to identify high-risk areas of the Group's operations and decide which controls are required to manage these risks. Risk assessment is conducted by assessing the level of risk on a quantitative and qualitative basis. Special guidelines are used to assess the risk associated with specific IT projects and the general IT environment.

Control activities

The control structure is designed to ensure effective management of what the Board and management consider significant risks to the Company's operations, compliance with legislation and regulations and financial reporting. Defined decision procedures, including authorization instructions, have been established for activities such as investments and the signing of contracts. Where appropriate, automatic controls designed especially for financial reporting have been established. Most control activities are integrated into the Company's key processes, which include ordering, revenue recognition, investments, supply contracts and purchasing.

The IT structure is designed to handle potential IT-related risks. This is done by means of controls and checks in the IT systems related to processes which affect financial reporting.

Monitoring

Each local manager or CEO is responsible for ensuring there are adequate internal controls in his own entity and that the entity follows the Group's overall rules and directives for financial reporting. The Board's monitoring of internal controls with regard to financial reporting is normally carried out by its audit committee, which monitors the work and reporting of the external auditors.

Breach of rules

There has been no breach of the stock exchange rules applicable to the company, or any breach of good practice on the securities market reported

by the relevant exchange's disciplinary committee or the Swedish Securities Council during the most recent financial year.

External information and communication

Biotage's communication must be correct, open and prompt, and delivered simultaneously to all its stakeholders. All communication shall be provided in accordance with the Nasdaq OMX Listing Agreement for listed companies in Sweden. Financial information shall give the stock market and present and future shareholders a clear overall picture of the Company and its operations, strategy and financial development. The Board approves the Group's annual report and year-end report, and instructs the Group President to release interim reports. All financial reports are published on the Company's website (www.biotage.com) and distributed to the media and NASDAQ OMX Stockholm. Financial information about the Group may only be communicated by the Group President and the Group CFO.

The Company observes a closed period four weeks prior to publication of annual and interim reports. If price-sensitive information is leaked or incidents occur which could affect the valuation of the Company, NASDAQ OMX Stockholm must be informed and a corresponding press release issued. The Company's information-sharing is regulated by an information policy.

Uppsala March 2012

Ove Mattsson Nils Olof Björk Thomas Eklund

Per-Olof Eriksson Eva-Lotta Kraft Anders Walldov

Auditors' statement on the corporate governance report

To the Annual General Meeting of the shareholders of Biotage AB, corporate identity number 556539-3138

It is the Board of Directors who is responsible for the corporate governance report for the year 2011 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance report and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the corporate governance report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm, March 23, 2012
Deloitte AB

Marcus Sörlander
Authorized Public Accountant

Board of Directors

Ove Mattsson

Chairman of the Board
Education: PhD, associate professor in organic chemistry.
B. 1940.
Occupation: Management Consultant.
Other assignments: Chairman of the Board of Fabryo Corporation SRL, Nico AB, Nico Real Estate AB and Nico Export AB. Board member of Arctic Island Ltd. Member of the Royal Swedish Academy of Engineering Sciences.
Length of Board service: 9 years.
Shares: 7,009,000 via foreign endowment insurance.
Ove Mattson attended all board meetings during the year.

Eva-Lotta Kraft

Board member
Education: M.Sc. Royal Institute of Technology, MBA University of Uppsala.
B. 1951.
Occupation: Independent Director.
Other assignments: Board member of ÅF AB, Nibe Industrier AB, Samhall AB, Boule Diagnostics AB, Siemens AB, Opus Produx AB and Ostnor AB.
Length of Board service: 2 years.
Shares: 4,000.
Eva-Lotta Kraft attended all board meetings during the year.

Niklas Jungnelius

Employee representative
Education: M.Sc. (Chemical engineering), Chalmers University of Technology.
B. 1974.
Occupation: Commercial Support & Analysis Manager.
Length of Board service: –
Shares: 5,000.
Niklas Jungnelius started his assignment in December 2010 and left in December 2011. Niklas Jungnelius attended six board meetings during 2011. No replacement has been appointed.

Thomas Eklund

Board member
Education: MBA Stockholm School of Economics.
B. 1967.
Occupation: Managing Director, Investor Growth Capital.
Other assignments: Board member of Neoventa Medical AB, Memira AB, Värdapotek i Norden AB, Global Health Partners AB and Aerocrine AB.
Length of Board service: 6 years.
Shares: 22,000.
Thomas Eklund attended all board meetings during the year.

Anders Walldov

Board member
Education: B.Sc. (Econ) HHS in Lund, AMP Harvard Business School.
B. 1949.
Occupation: Investor.
Other assignments: Chairman of the Board of SevenDay Finans AB, Followit Holding AB (publ) and Wellnet AB. Board member of Brohuvudet AB.
Length of Board service: 2 years.
Shares: 7,200,000 directly and through wholly-owned company.
Anders Walldov attended all board meetings during the year.

Per-Olof Eriksson

Board member
Education: M.Sc. Royal Institute of Technology.
B. 1938.
Occupation: Former President and CEO of Seco Tools AB and Sandvik AB.
Other assignments: Chairman of the Board of Cross Control AB, Feronordic Machine AB and Odlander, Fredriksson & Co AB. Board member of Investment AB Öresund, Kamstrup AB and Södersjukhuset AB. Member of the Royal Swedish Academy of Engineering Sciences.
Length of Board service: 5 years.
Shares: 20,000.
Per-Olof Eriksson attended all board meetings during the year.

Nils-Olof Björk

Board member
Education: Engineer, Ph.D. organic chemistry.
B. 1947.
Occupation: Management Consultant.
Other assignments: Chairman of Österlens Kraft AB and Österlens Kraft e.f., Taurus Energi AB (publ) and Airec AB. Board member of Anolytec AB. Board member of Sustainable Business Hub (i.f.).
Length of Board service: 1 year.
Shares: 10,000.
Nils Olof Björk has attended all four board meetings since his election to the Board at the 2011 AGM.

Group Management

Torben Jørgensen

Position: CEO and President.
B. 1952.
Education: B.Sc. in Economics.
Employed since: 6 years.
Shares: 616,700.
Stock options: 55,000.
Other assignments: Board member of Atlas Antibodies AB.

Mats-Olof Wallin

(left his assignment at year's end)
Education: CFO.
B. 1951.
Education: B. Sc. In Economics.
Employed since: 9 years.
Shares: 18,000.
Stock options: 60,000.

Lars Bäckman

Position: VP Corporate Development.
B. 1961.
Education: LLM.
Employed since: 5 years.
Shares: –
Stock options: 30,000.
Other assignments: –

Erika Söderberg Johnson

Position: CFO.
B. 1970.
Education: MBA Stockholm School of Economics.
Employed since: Replacing Mats-Olof Wallin from January 2012.
Shares: –
Stock options: –
Other assignments: Board member of Sectra AB.