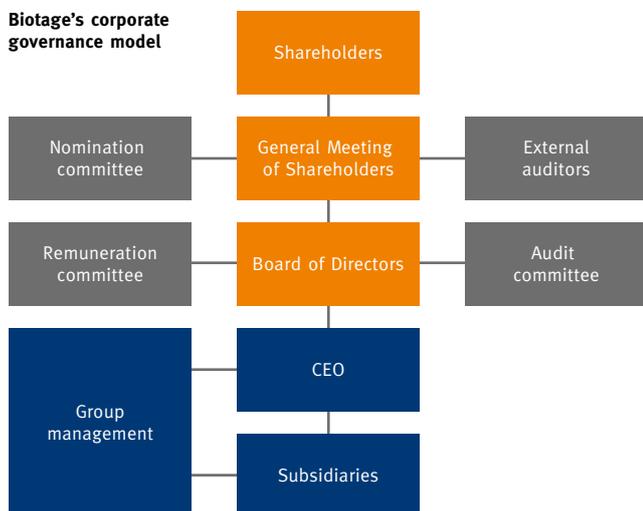


Biotage 2014 Corporate Governance

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

Introduction

Biotage AB was established in 1997 under the name Pyrosequencing AB.

The Company made a number of acquisitions in the medicinal chemistry sector between 2003 and 2005. Following the disposal of the Biosystems business area, the Company is mainly active within -analytical and organic chemistry. Two acquisitions were made during 2010, MIP Technologies AB and the TurboVap® and RapidTrace® product lines. These acquisitions were made to strengthen the offering within analytical chemistry, but also to enhance production capabilities and production of consumables in larger scale (Industrial Resins). The Company's head office is situated in Uppsala. Biotage applies the Swedish Code of Corporate Governance ("the Swedish Code"). The diagram above shows Biotage's corporate governance model and how the central bodies interact.

Shareholders

Biotage's shares have been listed on the Stockholm Stock Exchange since 2000. Share capital in Biotage consists of class A shares, with each share carrying one vote. Class A shares entitle the holder to the same proportion of the Company's assets and earnings.

At December 30, 2014, the number of shareholders was 4,904. At the end of the year, Anders Walldov (with companies) was the single largest shareholder. Ove Mattsson (by endowment insurances) and Varenne AB are the next two largest shareholders. Approximately 63 percent of the shareholders hold 1,000 shares or fewer, and the ten largest owners hold approximately 51 percent of the total number of shares. The proportion of foreign investors is approximately 12 percent.

Further information about the shareholder structure can be found on pages 20-21 of the annual report.

General meeting of shareholders

Shareholders' influence in the Company is exercised at the shareholders' meeting, which is the Company's highest decision making body.

Shareholders wishing to participate in the shareholders' meeting, either in person or represented by proxy, must be listed in the register of shareholders no later than five working days before the meeting, and must notify the Company of their intention to attend, as specified in the notice of the meeting. Notice of the annual general meeting of shareholders is given by announcement in Post och Inrikes Tidningar (The Swedish Gazette) and by making the information available on the Company's website (www.biotage.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, 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.

2014 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 2013. The annual general meeting adopted the 2013 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 0.60 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 Board members were re-elected Ove Mattsson (Chairman), Thomas Eklund, Karolina Lawitz, Nils Olof Björk, Anders Walldov and Peter Ehrenheim. Board members are also the labor representatives, Love Amcoff and Anders Wessman (deputy).

The meeting resolved to reduce the company's share capital by SEK 6,588,010:24 through cancellation, without reimbursement to the shareholders, of 5,146,883 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 5,146,883 shares acquired by the company on the basis of board decisions authorized at previous shareholders' meetings. Following the cancellation the total number of outstanding shares amounts to 64,714,447. The company did not own any treasury shares as of 31 December 2014.

The meeting further resolved to increase the share capital through a bonus issue, which meant that the share capital was increased by SEK 7,118,589:17 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 2015 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 6,470,000 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 percent of the Company's own shares on NASDAQ OMX Stockholm. The mandate has been utilized.

Board members Ove Mattsson, Karolina Lawitz, Nils Olof Björk, Anders Walldov, Thomas Eklund, Peter Ehrenheim and Love Amcoff and Chief Auditor Marcus Sörlander were present at the annual general meeting.

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

Nomination Committee

The nomination committee represents the interests of shareholders. The 2014 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 2014 appoint three other members. It was decided that the names of these persons should be published no later than six months before the 2015 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 Thomas Ehlin, (4:e AP-fonden), Anders Walldov (Brohuvudet AB and private holding), Andreas Bladh (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 2015 annual general meeting for some other reason, the nomination committee's other members shall be entitled to appoint another member to replace that member.

15 largest owners as of 30 December 2014

Owner	Capital %	Votes %
Anders Walldov and companies	13.9	13.9
Mattsson Ove (through capital insurance)	13.2	13.2
Varenne AB	5.2	5.2
Fjärde AP-fonden	4.4	4.4
SEB Life International Assurance Ltd.	3.4	3.4
Sköld Hans fam and companies	3.0	3.0
Rolf Kraft	2.4	2.4
Avanza Pension Försäkring AB	2.2	2.2
R5 Capital AB	1.9	1.9
CMI Insurance Company Ltd.	1.8	1.8
Stena Sessan Rederi AB	1.5	1.5
Riksbankens jubileumsfond	1.4	1.4
SHB Livförsäkring AB	1.3	1.3
DFA Funds (U.S.A.)	1.1	1.1
Jørgensen Torben	1.0	1.0
Sum	57.7	57.7

During the year, the nomination committee has prepared proposals for consideration by the 2015 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.biotage.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 2014 annual meeting

The nomination committee has had regular meetings and status reviews by telephone since its establishment in fall 2014. These meetings and status reviews have been mainly 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 committee has been assisted by the audit committee in the process of evaluating the auditors.

The nomination committee has proposed the re-election of the current members: Ove Mattsson, Thomas Eklund, Anders Walldov, Nils Olof Björk, Peter Ehrenheim and Karolina Lawitz. The committee has also proposed that Ove Mattsson be re-elected Chairman of the Board.

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 2014 annual general meeting, Deloitte AB was re-elected the Company's auditor for one more year with Marcus Sörländer as chief auditor. The nomination committee has proposed the re-election of Deloitte AB as the Company's auditor but with Fredrik Walmeus replacing Marcus Sörländer as chief auditor. 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 3 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 company's articles of association do not contain any provisions concerning dismissal or other changes of the members of the board.

The Board for 2014 consisted of the following persons:

- Ove Mattsson (Chairman)
- Nils Olof Björk
- Thomas Eklund
- Peter Ehrenheim
- Anders Walldov
- Karolina Lawitz

In addition to the elected Board members above, Love Amcoff and Anders Wessman (deputy) are members of the Board as employee representatives. Anders Wessman was appointed in September 2014 following Nils Granlund resigning from his assignment in August 2014 as employee representative. Malin Albertsson was assigned in January 2015. Employee representatives are appointed outside the annual general meeting by the trade unions that are represented in the Company.

The Board's independence and attendance

All Board members are considered independent of the Company and its management. All members, with the exception of Anders Walldov and Ove Mattsson, 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 6.

The Board's work in 2014

The Board held nine meetings at which minutes were taken. A quorum was established at all nine 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 has not utilized the mandate granted by the 2014 AGM to purchase and transfer the Company's own shares before the 2015 meeting.

Biotage has, as previously reported, been sued for patent infringement in the US. These law suits are stayed by the court pending the results of reexamination cases of the validity of the patents at the US Patent and Trademark Office. The US Patent and Trademark Office's Patent Trial and Appeal Board has declared all patent demands in US patents 7,138,061, 7,381,327 and 7,410,571 invalid, which has been confirmed by the US Court of Appeals for the Federal Circuit. The reexamination cases concerning US patents 8,066,875 and 8,070,957 are in progress at the US Patent and Trademark Office.

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 one formal meeting during the year as well as telephone conferences and correspondence and the committee members Nils Olof Björk (chairman), Ove Mattsson and Anders Walldov participated in all meetings and correspondence.

The board of directors present their proposal for a resolution on guidelines for compensation for the executive management at the annual general meeting for approval by the shareholders.

The 2014 AGM resolved to adopt the Board of Directors' proposal that the guidelines for compensation for the executive management substantially shall be in accordance with the following. The company shall strive to offer members of the executive management of the company a compensation that is adjusted to the conditions of the market. The compensation committee shall prepare and present such compensation proposals to the board of directors for resolution. In the compensation proposals the importance of the work, competence, experience and performance shall be taken into account. The compensation may consist of: fixed yearly income, variable income, pension benefits, discretionary bonus arrangements, and severance pay. 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), Peter Ehrenheim and Ove Mattsson.

In 2014, the audit committee held four meetings at which minutes were taken and were all members attended.

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), Erika Söderberg Johnson (CFO) and Lars Bäckman (Vice President of Corporate Development).

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 forecasts. 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. A continuous evaluation of our manufacturing units allow for risk mitigation in terms of risk for loss because of e.g. fire. Such evaluation includes review of our insurance policies together with the ambition to create and withhold a safe working environment. Other examples are to be found within the group's finance departments, where signing provisions and IT-supported solutions help to safe guard that payments are done within authorized levels. Crime policies are also part of Biotage's insurance program to further minimize risk for economic losses. 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 silent period of thirty days 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 26, 2015

Ove Mattsson Nils Olof Björk Thomas Eklund
Peter Ehrenheim Karolina Lawitz Anders Walldov
Love Amcoff Anders Wessman

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 2014 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 26, 2015

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 Ecolean AB and Vironova AB. Member of the Royal Swedish Academy of Engineering Sciences.

Length of Board service: 12 years.

Shares: 8,532,656 via foreign endowment insurances.

Ove Mattsson attended all board meetings during the year.

Thomas Eklund

Board member

Education: MBA Stockholm School of Economics.
B. 1967.

Occupation: Independent advisor, consultant and board director.

Other assignments: Chairman of the Board of Global Health Partners AB, Swewet AB and Itrim AB. Board member of Boule Diagnostics AB, Neoventa Medical AB, Memira AB and Rodebjer Form AB.

Length of Board service: 9 years.

Shares: 465,554 shares including shares owned through pension and endowment insurances.

Thomas Eklund attended all board meetings during the year.

Peter Ehrenheim

Board member

Education: M.Sc. Maskinteknik, Royal Institute of Technology Stockholm.

B. 1955

Occupation: Entrepreneur.

Other assignments: Chairman of the Board of Biolin Scientific Holding AB, Denator AB, Robustus Wear Components AB and Färjsundet Industri AB. Board member of Meda AB, Grönsöo Säteri AB and VBN Components AB.

Length of Board service: 2 years.

Shares: –

Peter Ehrenheim attended all board meetings during the year.

Karolina Lawitz

Board member

Education: M.Sc. Royal Institute of Technology, MBA University of Uppsala.

B. 1956.

Occupation: Director, Red Glead Discovery.

Other assignments: –

Length of Board service: 3 years.

Shares: 3,000.

Karolina Lawitz 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 and Wellnet AB. Board member of Brohuvudet AB.

Length of Board service: 5 years.

Shares: 9,000,000 directly and through wholly-owned company.

Anders Walldov 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., Airec AB and Björk Consulting AB.

Board member of Climate Well AB (publ).

Length of Board service: 4 years.

Shares: 26,500.

Nils Olof Björk attended all board meetings during the year.

Love Amcoff

Employee representative

Education: MSc Engineering Physics (Master of Science), Uppsala University.

B. 1971.

Occupation: Dynamics AX Administrator.

Length of Board service: 3.

Shares: 2,000.

Love Amcoff attended all board meetings during the year.

Anders Wessman

Employee representative (deputy)

Education: MSc Engineering Physics (Master of Science), Uppsala University.

B. 1976.

Occupation: Software engineer.

Length of Board service: –

Shares: –

Anders Wessman attended at four out of nine board meetings during the year.

Nils Granlund resigned from his appointment as Employee representative in August 2014. In September 2014, Anders Wessman was appointed as Deputy Employee representative.

Marcus Sörländer

Auditor.

B. 1973.

Authorized Public Accountant, Deloitte AB.

Group Management

Torben Jørgensen

Position: CEO and President.

B. 1952.

Education: B.Sc. in Economics.

Employed since: 9 years.

Shares: 618,700.

Other assignments: Chairman of the Board in Chreto A/S. Board member of Atlas Antibodies AB and Micropos Medical AB.

Lars Bäckman

Position: VP Corporate Development.

B. 1961.

Education: LL.M.

Employed since: 8 years.

Shares: 20,000.

Other assignments: –

Erika Söderberg Johnson

Position: CFO.

B. 1970.

Education: MBA Stockholm School of Economics.

Employed since: 3 years.

Shares: 7,700.

Other assignments: Board member of Sectra AB and och MedCap AB.