



Board of Directors
Rules of Procedures

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1. Election of Board members

- 1.1** Pursuant to Article 16 of the Articles of Association, the Board of Directors shall consist of 3 - 9 members elected by the shareholders in general meeting. Each such Board member shall be elected at the annual general meeting of the Company and shall be elected for a term of office of one year.
- 1.2** The Board of Directors recommends to the general meeting the election or re-election of members to the Board of Directors.
- 1.3** Members shall retire from the Board of Directors not later than at the first annual general meeting held after such member having reached the age of 70.
- 1.4** Prior to any election, including re-election, of members to the Board of Directors by the general meeting, each Board member must provide information on directorships held in other businesses, excluding wholly-owned subsidiaries. Similar information must be disclosed in the annual report of the Company as regards directorships of Board members and members of Management.

2. Board member Remuneration

- 2.1** The general meeting shall approve the Board members' remuneration after recommendation from the Board.

3. Constitution

- 3.1** The Board of Directors shall constitute itself as soon as possible after each annual general meeting or extra ordinary general meeting if changes are made to the composition of the Board, in order to elect a Chairman and possibly a Deputy Chairman. Re-election can take place.
- 3.2** The person having the longest seniority with the Board of Directors conducts the constitutional meeting. A simple majority elects the Chairman and Deputy Chairman. In the event of parity of votes the election of the Chairman is conducted by lot.
- 3.3** In the Chairman's absence the Deputy Chairman attends to the Chairman's duties and shall exercise the same authority vested with the Chairman, except the decisive vote in case of parity of votes.

4. Number of Meetings and Notice of Meeting

- 4.1** The Board of Directors shall plan its meetings for one year at the time. On each Board meeting the next scheduled Board meeting shall be confirmed unless otherwise agreed.
- 4.2** The Board of Directors shall endeavour to convene with even intervals and minimum once each quarter in connection with the approval of the annual report and the interim report (half yearly and quarterly reports).
- 4.3** The Board meeting regarding the approval of the annual report shall be held at the latest on 20 March each year. Board meetings regarding interim reports (half yearly and quarterly reports) shall be held at the latest 50 days after the expiry of the applicable interim period. In addition hereto the Board of Directors shall convene at the latest in December each year at which meeting the Management shall present the budget for the following calendar year for approval.
- 4.4** Board meetings shall be held when the Chairman finds it necessary. The Chairman is obligated to convene the Board when this is deemed necessary or upon written request from a Board member, the auditor or a member of the Management. The Chairman shall convene the meeting within three days after having been requested to do so and with no more than 2 weeks' notice.
- 4.5** The Chairman shall convene Board meetings by letter (or by e-mail) with minimum 7 days' notice unless the meeting is convened at the last Board meeting and recorded in the minute book. The period of notice can be shortened when deemed necessary by the Chairman.
- 4.6** The agenda for a Board meeting and written material relating to the meeting shall be forwarded to the members at the latest the Friday before a Board meeting.
- 4.7** Board meetings shall normally be held in the Greater Copenhagen area. The meeting can only be held at another location with the consent of all other members knowing to participate in the meeting.

5. Other Persons Participating in Board Meetings

- 5.1** Unless otherwise resolved by the Board of Directors from time to time, any member of the Company's Management registered with the Danish Commerce and Companies Agency shall be entitled to attend and speak at Board meetings.
- 5.2** The Board of Directors may appoint a secretary. The secretary shall attend all Board meetings, take minutes of such meetings and attend to all such other matters resting with such person pursuant to the rules of procedures or assigned to such person by the Board of Directors or the Chairman.
- 5.3** The auditors shall attend the Board meeting at which the annual report of the Company are being presented. The auditors shall make a statement on whether the annual report etc. in their opinion gives a true and fair view of the assets and liabilities, the financial position and the result of the Company. At the meeting regarding the annual report, the auditors shall provide a statement on whether the annual report contains a reliable outline of the development of the Company's financial activities and economic situation and whether it complies with applicable legislative requirements.
- 5.4** The auditors shall be entitled to attend Board meetings for the discussion of agenda items that have specifically been included on the agenda on the request of the auditors, and each Board member shall be entitled to request the presence of the auditors at a Board meeting. At regular intervals the Board of Directors may request that representatives of the Management of the Company's subsidiaries attend Board meetings when relevant.

6. Agenda

- 6.1** The agenda of each Board meeting, which has been planned according to clause 4.1 above, shall - unless otherwise agreed - include the following items:
1. Protocols
 - 1.1 Approval and signing of the minute book with minutes of the most recent Board meeting.
 - 1.2 Presentation of the audit protocol with a review of all entries, if any, since the latest Board meeting.
 2. Notifications from the Chairman.

3. Notifications from the Management.
 - 3.1 Account by the Management of the business of the Company since the latest Board meeting, material business transactions, expectations to the remaining part of the financial year, investment plans and special risks, if any. The account may be wholly or partly in writing.
 - 3.2 Decision regarding the account from the Management as to whether the Company's cash reserves are sufficient considering the Company's operations.
 - 3.3 Decision in relation to specific issues, the adoption of which are under the competence of the Board of Directors.
 - 3.4 The Company's overall goals, strategies and action plans, if relevant.
4. Approval of budgets and interim reports (half yearly and quarterly reports), if relevant.
5. Other issues which one or more of the members of the Board of Directors or Management wish to discuss.
6. Miscellaneous.
7. Closed sessions

6.2 At the Board meeting regarding the draft annual accounts, the agenda must include the following additional items:

1. Decision as to the agenda for the annual general meeting, including election of Board members, auditors and chairman of the proceedings.
2. Account by the Management of the overall insurance situation of the Company containing a description of the general principles for the insurance coverage within each individual insurance area supplemented by a statement from the Management and an independent insurance broker to the effect that the insurance coverage is deemed to be sufficient and adequate.
3. Approval of draft annual report and statement from the Board of Directors and Management.
4. Review of the Management instruction.

5. Review and approval of the Company's internal rules regarding drafted pursuant to the rules of the NASDAQ OMX Nordic A/S and Danish securities trading regulations.

7. Quorum, etc.

- 7.1 The Chairman shall preside over Board meetings and shall ensure the implementation of the resolutions passed.
- 7.2 The Board of Directors forms a quorum when more than half of its members are present.. If no Board member objects a Board member may attend a meeting by telephone or be represented by proxy to the chairman.
- 7.3 No resolution shall be passed unless all members of the Board have had adequate opportunity to participate in the resolution in question possibly in writing or by telephone. In addition no resolution shall be passed unless a satisfactory basis for the decision has been provided.
- 7.4 Under special circumstances (including with respect to resolutions regarding the issue of employee warrants and increase of the Company's share capital on the basis of the exercise of employee warrants), a Board resolution may be passed over the phone or in writing, including e-mail. In such cases the proposed resolution shall be forwarded to the members and the Chairman shall subsequently seek to obtain a written, oral or electronically transferred statement from all Board members and arrange for the recording of the resolution in the minute book. Each member of the Board or Management may demand that the matter be discussed orally.
- 7.5 All resolutions at Board meetings are passed by simple majority. In case of a parity of votes, the Chairman shall, according to the Articles of Association, have the casting vote.

8. Conflicts of Interest

- 8.1 The Board of Directors shall approve any agreements made between a Board member or a member of the Management and the Company or its subsidiaries as well as any agreements entered into between the Company or its subsidiaries and a third party in which a Board member or a member of the Management is deemed to have an interest which may be contrary to the interests of the Company or its subsidiaries.

8.2 A Board member or a member of the Management shall not be entitled to be present during discussions of issues in connection with which said Board member or member of the Management himself, on the one part, and the Company or its subsidiary, on the other part, are counterparts nor in the consideration of any other issue in connection with which the Board member or the member of the Management, in the opinion of the other members, is deemed to have interests which may be contrary to the interests of the Company.

9. Secrecy

9.1 Each Board member is bound to observe professional secrecy with respect to any business transacted at Board meetings, including secrecy with respect to any information received in his capacity as a Board member, unless such information is to become public pursuant to the decision of the Board of Directors. Any person attending Board meetings shall be subject to the same secrecy obligation. Violation of this secrecy obligation shall be under liability to pay damages and under the penalty of Danish law.

9.2 Each individual Board member is responsible for treating as confidential and storing safely any and all material received in his capacity as a member of the Board. This duty also applies for an indefinite period of time after the resignation or retirement of a Board member.

10. The Minute Book

10.1 The Board of Directors shall keep minutes of its meetings and any resolutions passed at Board meetings (the minute book). The minutes shall be presented for approval and be signed at the following Board meeting.

10.2 If a Board member or a member of the Management disagrees with a the resolution passed, such Board member or member of the Management shall be entitled to have his opinion recorded in the minute book.

10.3 To the extent possible, draft minutes of a Board meeting shall be forwarded to the Board members not later than 5 days after such Board meeting. Comments to the minutes shall be forwarded not later than 7 days after receipt of the draft minutes.

11. Registers, Records and Books

Register of Owners

- 11.1** The Board of Directors shall ensure that a register of owners is kept by the chosen registrar of owners mentioned in the Company's articles of association. For registration of shares in the holders' name, the name of the shareholder shall be included in the register of owners.

Minute Book

- 11.2** The Board of Directors shall keep minutes of its meetings and entered in the minute book. A similar minute book shall be kept of the general meetings of the Company.

Audit Book

- 11.3** The Chairman of the Board of Directors shall ensure that copies of all recordings made in the audit book are forwarded immediately to all of the Board members for discussion purposes and consideration at the next Board meeting.

Register of Major Shareholders

- 11.4** The Board of Directors shall maintain a register of notifications regarding certain shareholders' shareholdings received pursuant to the Companies Act, Section 55 and 56. Any notification shall be recorded in the register as soon as possible.
- 11.5** The register forms part of the register of owners, but may be recorded separately outside the register of owners. When section 58 of the Companies Act has entered into force the Company shall ensure that notifications received are registered in the IT-system of the Danish Commerce and Companies Agency.
- 11.6** The annual report shall state the parties listed in the register and the dates of the registrations.

Rules on trading in shares by insiders, etc.

- 11.7** In the guidelines for the Board of Directors, the Management and the other employees of the Company, the Board of Directors shall establish rules governing

such persons' holdings of and trade in shares and other securities and related financial instruments issued by the Company and its subsidiary.

11.8 These guidelines shall establish rules pertaining to:

- a) ensuring the Company's compliance with the duty of disclosure to the NASDAQ OMX Nordic A/S,
- b) the secure treatment of inside information,
- c) trade in the Company's shares,
- d) the Company's trade in own shares.

12. Other Duties of the Board of Directors

12.1 The Board of Directors together with Management is responsible for the management of the Company and is responsible for the general and strategic management of the Company and shall ensure proper organisation of the Company and ensure that the Company is managed in accordance with the Company's Articles of Association and the Danish Companies Act as well as other legislation with relevance to the Company.

12.2 In particular the duties of the Board of Directors shall include;

- a) The Board of Directors shall consider whether the capital resources of the Company are at an appropriate level at all times compared to the operations of the Company, including that there is sufficient liquidity for the company to meet its current and future obligations when they become due.
- b) The Board of Directors shall ensure that the Management at least once every quarter gives an account for the latest developments since the last Board meeting including the Company's result and all other substantial issues of relevance to the Company and its subsidiary and associated companies.
- c) The Board of Directors shall ensure an appropriate organization of the Company's activities and ensure that the Company is managed in an appropriate manner in accordance with an organization plan for the Company prepared by the Management stating the area of responsibility for managing employees of the Company. On the basis hereof the Board of Directors shall contin-

uously review the organization, including bookkeeping, intern controls and IT-organization to ensure that these are adequate.

- d) The Board of Directors shall monitor and follow up on plans and budgets etc. and likewise form an opinion about reports on the cash position and progress of the Company's significant projects, general insurance matters, cash flow and special risks.
- e) The Board of Directors shall review the Company's interim accounts etc. during each financial year, including an evaluation of the budgets and deviations there from.
- f) The Board of Directors shall ensure that the book-keeping and the asset management are done and controlled satisfactorily as compared to the Company's needs including that the necessary procedures for risk management and internal controls have been established.
- g) The Board of Directors shall ensure that it receives a notification and overview from the Management regarding the Company's patents and patent applications in order to ensure that it is secured with reasonable intervals that all patents and patent applications are kept and maintained properly.

12.3 The Board of Directors shall through the Chairman obtain any information necessary for the fulfilment of the Board's tasks and duties and shall through the Chairman perform a review of the Company's interim accounts and shall ensure the presence of the assets.

12.4 The Board of Directors shall aim at being forward-acting and constructive in performing its duties and shall in accordance with the Articles of Association of the Company establish goals for the Company's activities, Company policies and determine the Company's range of activity.

12.5 The Board of Directors is represented outwardly and inwardly by the Chairman or by the person who the Board authorizes thereto.

13. The Management

- 13.1** The Board of Directors employs and dismisses members of the Management and determines the terms and conditions for the employment of the Management.
- 13.2** The Board of Directors shall employ a managing director (CEO) to head the Management. The Board of Directors may also employ up to 4 additional members of the Management.
- 13.3** The Management shall be in charge of the day-to-day operations of the Company. The day-to-day operations do not include transactions which by Company standards are unusual or of material importance. The Management is only authorized to undertake such transactions upon special authorization from the Board of Directors, except where such approval by the Board of Directors cannot be awaited without a major drawback to the business activities of the Company. In such case the Board of Directors must be notified as soon as possible of the transactions that have been made.
- 13.4** The Management shall ensure that the book-keeping of the Company is conducted under applicable Danish rules of law and that the asset management is carried out in accordance herewith. In addition, the Management shall ensure that the capital resources are at an appropriate level including that there is sufficient liquidity for the company to meet its current and future obligations as they become due.
- 13.5** The Board of Directors shall lay down guidelines for the allocation of powers between the Board of Directors and the Management, which shall include procedures, authorization and instructions. The applicable guidelines shall be attached to the Rules of Procedure for the Board of Directors.

14. Director-Management interface

- 14.1** The board controls the company and serves the role of strategy creation and oversight. The board in conjunction with the chairman should (among its responsibilities) be sufficiently familiar with the company to be capable of running the company in the absence of a CEO, should recruit a CEO to run the day-to-day operations of the company, and should monitor the CEO (and company) performance to ensure that:

- a. fiduciary responsibilities are fulfilled, particularly including but not limited to assurance that finances are managed in an ethical and correct manner and funds are not misappropriated,
- b. that the approved strategy (created in collaboration with the CEO) is executed in accordance with the agreed budget and timelines
- c. that major projects and decisions are executed in accordance with the agreed decision frame and meeting important milestones
- d. that communication to the investors and market is correct and appropriate.

14.2 Various committees may be used to fulfill various responsibilities. Oversight and interaction with management is essential to ensure smooth operation of company functions.

14.3 Management style - The Chairman is appointed by the board as responsible for managing the board work, represent the board in various matters, and as the board's representative in relation to the CEO.

14.4 The CEO reports to the board via the Chairman and will in collaboration with the chairman prepare board meetings and discuss and agree general board communication including draft agendas, reporting to the board, materials for discussions and decisions, etc.

14.5 The chairman is responsible for reporting to the CEO from executive board discussions.

14.6 The CEO has the right to request that strategic and other major questions are discussed at the board meetings. Should the Chairman and the CEO not be able to agree on a matter relevant for a board discussion then a common communication can be made at the request of either of the two to the board setting out the pros and cons of the positions and invite for an open discussion and decision by the entire board.

15. Compensation Committee

15.1 The Board of Directors shall establish a Compensation Committee that shall make recommendations to the Board of Directors on the remuneration of the management and incentive and compensation arrangements for the Company's Board members and members of the Management,.

15.2 The Compensation Committee shall consist of at least two Board members who are not at the same time members of the Management.

15.3 The Compensation Committee shall have at least 2 meetings a year.

16. Audit Committee

16.1 The Board of Directors shall establish an Audit Committee that shall be responsible of reviewing the annual and interim financial statements and the Company's accounting policies and financial controls and ensure that the asset management is controlled satisfactorily as compared to the Company's needs including without limitation that the Company's accounting policies and financial controls are adequate.

16.2 The Audit Committee shall consist of at least two non-executive directors.

16.3 The auditors elected by the shareholders are entitled to attend the Audit Committee meetings. The Audit Committee shall hold at least four meetings a year.

17. Competing Activities

17.1 All members of the Board of Directors and Management are obligated to disclose if the member in any way, directly or indirectly, is financially interested in companies wholly or partly competing with the Company, its subsidiary or associated companies (including companies in which the Company has owner interests). The Board of Directors decides whether such activity is considered compatible with the interest of the Company.

18. Annual Accounts and Annual Reports

18.1 The Executive Directors shall present to the Board of Directors a draft annual report as well as an annual report. The Board shall ensure that these accounts are in compliance with the law, and that they give a true and fair view of the Company's assets and liabilities, its financial position, and its profits or loss.

18.2 The annual accounts shall be adopted by the Board of Directors, and signed by the Management and the Board of Directors.

18.3 If a Board member or a member of the Management has objections to the annual accounts or the consolidated accounts, then this should be noted in his/her endorsement on the accounts and an explanation therefore entered in the annual report.

18.4 The audited accounts (and consolidated accounts if applicable) shall be presented to the Board at least 2 weeks before the annual general meeting in which the annual accounts are presented for approval.

19. Auditors

19.1 The Board of Directors and the Management shall provide the auditor (the Company's auditors) with such information which may be of importance in the assessment of the Company.

19.2 The Board of Directors and the Management shall provide access for the auditor to make examination which in the opinion of the auditor may be of importance and shall make sure that the auditor is provided with the information and assistance which in the opinion of the auditor may be of importance for the assessment of the financial position of the Company.

19.3 The auditor shall for the Board of Directors use keep an audit book that shall be present at all Board meetings. Addendums and changes to the audit book shall in writing be notified to all Board members. The Board of Directors shall consider all addendums and changes made to the audit book and Board members shall sign the audit book confirming that they have been made aware of the contents of the audit book.

20. General Meetings

20.1 The Board of Directors shall ensure that the Company convenes general meetings in accordance with the Danish Companies Act and ensure that all changes are duly registered at the Danish Commerce and Companies Agency.

21. Commencement Date

21.1 These Rules of Procedure for the Board of Directors shall enter into force on the date of signing and replaces all previous versions.

21.2 The original copy is signed by all members of the Board of Directors and all members of the Management. Each person receives a copy hereof.

21.3 Any proposal to amend these rules of procedure shall be subject to a majority vote by the Board of Directors in favour of such proposed amendment.

Adopted on 20 September, 2011

Kim Björnstrup, Chairman

Thomas Dyrberg, Deputy Chairman

Kurt Anker Nielsen

Anders Götzsche

Mette Kirstine Agger

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