



Corporate governance

BioPorto A/S focuses strongly on shareholder relations in its management of the company, and the Board of Directors is highly committed to exercising good corporate governance. Adherence to the principles of good corporate governance ensures the creation of long-term value and the swift release of relevant information to shareholders and stock market alike.

The Board of Directors is responsible for the overall management and control of BioPorto A/S. Once a year the Board reviews the Rules of Procedure for the Board of Directors, guidelines, policies and other practices, among these the corporate governance, to ensure that they are up-to-date and relevant.

The recommendations for good corporate governance are divided into eight main areas. BioPorto generally complies with the recommendations. In line with the "comply or explain" principle, a brief comment on BioPorto's position can be found below.

I. The role of the shareholders and their interaction with the management of the company

The shareholders are of vital importance to BioPorto and thus communication with them has a high priority. On the website, BioPorto encourages shareholders to use their influence, especially by voting at the annual general meeting. The annual general meeting is convened with not less than eight days notice. The proxy form will address each item on the agenda.

At regular intervals, the Board assesses whether the Company's capital and share structures are continuing to serve the interests of the shareholders and the Company. BioPorto's share capital is made up of A and B shares for historical reasons. There are no differences in voting rights between the A and B shares and the Company has already taken the first steps to close down class A. The annual report will contain the Board's assessment of the capital and share structures.

In the case of a takeover bid, the Board will not make any decisions that will prevent shareholders from deciding on the bid.

II. The role of stakeholders and their importance to the company

BioPorto defines its stakeholders as its shareholders, partners, distributors, customers, suppliers, the Company's employees, the health care sector and the public in general. The Company aims at maintaining an open dialogue ranging from personal contact to electronic means of communication, e.g. through its website. BioPorto's policy on

stakeholder relationships is designed to secure good relationships and the Executive Management and the Board make sure that the interests and roles of the stakeholders are respected in accordance with this policy.

III. Openness and transparency

BioPorto aims at providing shareholders and potential shareholders with information about the Company as defined in its information and communication policy. This policy includes procedures that ensure the immediate publication of essential information. The website is primarily in English but most documents (announcements, newsletters etc.) are available in both Danish and English versions. Company and investor presentations are made available on the Internet and the Company evaluates on an ongoing basis how to make the best use of the Company's website. The Company publishes a newsletter and is assisted by a public relations agency in its efforts to achieve open and transparent investor relations and publicity in general.

As from 2008, BioPorto A/S will publish quarterly reports. The Company prepares the annual report according to IFRS as adopted by the EU and the Board will decide on the extent to which non-financial information should be included in the annual report.

IV. The tasks and responsibilities of the Board

The Board's most important tasks include establishing the overall goals and strategies, guidelines for responsibility, and risk management. Furthermore, the Board has specified tasks, duties and responsibilities for the chairman as well as established procedures for the Executive Management's reporting to the Board. The Board reviews the procedural rules annually. The frequency of the Board's meetings will be published in the annual report.

Being a relatively small company and with a board consisting of 3-5 members, the Board has chosen not to appoint a deputy chairman. The close cooperation between the board members ensures their ability to take over in case of the chairman's absence, just as it permits the day-to-day discussion of relevant issues.

V. The composition of the Board

Members of the Board are selected and nominated on the basis of specific skills and experience that are deemed to be of relevance to BioPorto. The Board is thus structured to ensure the most appropriate combination of professional expertise within the industry as a whole, research and development, sales and marketing and financial matters. Recruitment criteria will be described in the annual report along with a profile of the Board and information on the individual board members, including their expertise, occupation, other managerial positions or directorships and shareholding in the Company. Prior to the election of new board members, the nominees will be described in the notice convening the general meeting. Once elected, new board members are given an introduction to the Company. They are elected to serve for a period of one year at the time and the retirement age is set at 70 years.

The members of the Board elected at the annual general meeting are without exception independent of the Company. The members of the Board are elected based on their expertise and on a yearly basis the Board will evaluate itself to ensure that the composition and the qualifications of each board member continue to be in the best interests of the Company, taking account of the members' workloads and commitments outside the Company. In this connection, the Board also considers the number of board members. On a yearly basis, the collaboration between the Board and the Executive Management is reviewed.

The Board of Directors has chosen not to establish any committees as there are no circumstances in the Board's size or work that make the use of committees appropriate. Thus the Board of Directors ensures that all information reaches the Board as a whole.

VI. Remuneration to the members of the Board

BioPorto's remuneration policy, which reflects the interests of the shareholders and the Company as well as a competitive and fair level, is presented in the annual report and at the annual general meeting, where it is subject to the annual general meeting's approval. Furthermore, warrants and share option programs will be accounted for in the notice convening the annual general meeting and submitted to the annual general meeting for approval. Details about the remuneration of the Board and the Executive Management are included in the annual report. At present, the Company has no severance schemes.

The Company's current remuneration of the Board and the Executive Management includes stock options. The Company has taken its current situation and industry norms into consideration and finds it appropriate to use this form of remuneration, at least until the company yields a profit, as is also seen in other R&D-driven enterprises. The stock-option scheme will be presented in the annual report and at the annual general meeting, where it is subject to the annual general meeting's approval.

VII. Risk management

The Board and the Executive Management formulate the strategy and overall goal for BioPorto and in this process the greatest business risks are identified. The Board conducts an annual analysis of the Company's strategy, overall goals and business risks. Furthermore, the Executive Management reports regularly to the Board on the Company's risk exposure in current matters. The annual report contains information about the Company's risk management activities.

VIII. Audit

The Board, along with the Executive Management, evaluates the auditors' independence and expertise before their nomination to the annual general meeting. The annual report and the results of the audit are reviewed by the Board, the Executive Management and the auditors. The auditors' contract and fees are agreed between the Board and the auditors, as well as any agreement on the scope of non-audit services. Once a year, the

Board reviews and assesses the internal control system. The Board finds it unnecessary to establish an audit committee as mentioned in section V.

BioPorto will constantly strive to create better frameworks for business management, including the overall principles and structures regulating the interaction between the Company's management organs. The aim is openness and transparency, to give our stakeholders a relevant insight into the Company's business.

Use your influence as a shareholder

If you wish to exercise your influence as a shareholder, you should

- register as a shareholder
- request an admission card
- attend the Annual General Meeting
- or authorize the Board of Directors to vote on your behalf

Contact

Any proposals or issues that you as a shareholder would like to communicate to the Board of Directors should be submitted in writing:

BioPorto A/S

Grusbakken 6-8
2820 Gentofte

or by e-mail to:

investor@bioporto.com