

## Notice of Extraordinary General Meeting

**The shareholders in Orexo AB (publ) are summoned to an extraordinary general meeting to be held on Wednesday 31 March 2010, at 10.00 am at IVA's Konferenscenter, Grev Turegatan 16, in Stockholm, Sweden.**

### *Participation, etc*

Shareholders who wish to participate in the meeting must be recorded in the share register maintained by Euroclear Sweden AB on Thursday 25 March 2010 and notify Orexo of their intention to participate not later than 4 pm on Thursday 25 March 2010 in writing to Orexo AB, P.O. Box 303, SE-751 05 Uppsala, Sweden. Such notification can also be made by telephone +46 (0) 18 780 88 00, by telefax +46 (0) 18 780 88 88, or by e-mail [beata.augenblick@orexo.com](mailto:beata.augenblick@orexo.com). The notification shall set forth the name, address, telephone number (daytime), personal/corporate identity number, the number of shares held and, when applicable, information about representatives and assistants. As per the day of this notice there are 23,401,252 shares and votes outstanding in the company.

Shareholders whose shares have been registered in the name of a nominee through the trust department of a bank or similar institution must temporarily register their shares in their own names in the share register maintained by Euroclear Sweden AB to be entitled to participate in the meeting. Shareholders must inform their nominee of such registration well before Thursday 25 March 2010, when such registration must have been executed.

Shareholders represented by proxy shall issue a written and dated power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate for the legal entity shall be appended. The power of attorney and the registration certificate may not be older than one year. The power of attorney in original and, when applicable, the registration certificate, should be submitted to the company by post at the address indicated above well before the meeting. A proxy form is available at the company's website [www.orexo.com](http://www.orexo.com) and is sent to shareholders who so request.

### *Proposed agenda*

1. Opening of the meeting.
2. Election of chairman of the meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons who shall approve the minutes of the meeting.
6. Determination of whether the meeting has been duly convened.
7. Approval of convertible bond issue.
8. Election of new board member.
9. Closing of the meeting.

### *Approval of convertible bond issue (item 7)*

The board of directors proposes that the meeting approve the board's resolution on 14 March 2010 to raise a convertible loan of a nominal value of not more than SEK 111,150,000 by issuing convertible bonds. For further details and information regarding the background to and reasons for the convertible bond issue, including the reasons for disapplying the shareholders' pre-emptive rights, please refer to the separate press release issued by Orexo on 15 March 2010.

- The right to subscribe for the convertible bonds shall only fall upon Novo A/S. The convertible bonds are issued at a price equal to 100 per cent of the nominal amount of the convertible loan.

- The bondholder is entitled to convert all or part of the loan (including, subject to approval by the shareholders' meeting, accrued interest) into Orexo shares during the period commencing on the date of registration of the issue with the Swedish Companies Registration Office and ending four weeks prior to 31 March 2015 at a conversion price of SEK 47.50. Upon conversion of the loan, the share capital may increase by SEK 936,000 (2,340,000 shares). In addition, interest on the loan, and in certain circumstances certain interest compensation, may be converted into shares as well, subject to approval by the shareholders' meeting. In such event the share capital may increase correspondingly.
- Orexo may elect to call a conversion in the event that Orexo's share price exceeds the conversion price by 50 per cent for a specified number of trading days. Upon conversion of the loan as described in the preceding sentence, and upon conversion requested by a bondholder due to an event of default or change of control of Orexo, the bondholder shall, in addition to accrued interest, be entitled to an amount equivalent to the difference between three years' worth of interest and the accumulated amount of accrued interest that the bondholder is entitled to under the loan. The shareholders' meeting may elect to convert this amount into shares.
- The loan carries an annual interest of eight per cent. The company may, subject to approval by the shareholders' meeting, elect not to cash pay interest arising on the convertibles but instead to increase the aggregate principal amount of the convertibles.
- The terms and conditions for the convertible bonds include customary provisions regarding the adjustment of the conversion price on the occurrence of certain corporate events, such as rights issues. The terms and conditions also contain provisions applicable on the occurrence of certain other events, such as a change of control of the company and events of default.
- The loan falls due on 31 March 2015 to the extent conversion or repayment has not taken place before such date.
- The price and other terms of the bonds have been established through negotiations with Novo A/S.
- As described in Orexo's above-mentioned press release of 15 March 2010, Novo A/S has acquired significant blocks of existing Orexo shares. The resolution is conditional upon Novo A/S's acquisition of shares corresponding to 10.7 per cent of the total number of shares and votes in Orexo being completed.

#### ***Election of new board member (item 8)***

In light of Novo A/S's above mentioned share acquisition and the convertible bond issue, the nomination committee proposes that Johan Christenson relinquishes his seat on the board and that Michael Shalmi of Novo A/S is elected new board member. The proposal is conditional upon the meeting approving the above-mentioned convertible bond issue and upon Novo A/S's above-mentioned share acquisitions being completed.

Michael Shalmi, M.D., MBA is a senior partner in Novo A/S's fund Novo Growth Equity. Prior to joining Novo A/S he spent 15 years at Novo Nordisk where he held a number of international management positions.

Notwithstanding the above, the nomination committee will publish its proposals and motivated statement for the 2010 Annual General Meeting in due course. The nomination committee consists of Håkan Åström (chairman of the board of directors), Björn Odlander (HealthCap and chairman of the nomination committee), Ulrica Slåne (Tredje AP-fonden), Marc Philouze (Apax Partners) and Antoine Papiernik (Sofinnova Partners).

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The complete proposal and other documents relating to the convertible bond issue will be available at the company's office at Virdings allé 32 A in Uppsala and at the company's website not later than on

17 March 2010, and will be sent to shareholders who so request and who inform the company of their postal address.

Uppsala, March 2010

**Orexo AB (publ)**  
*The board of directors*