OVERALL GUIDELINES FOR INCENTIVE PAY OF EXIQON A/S'S SUPERVISORY BOARD AND EXECUTIVE BOARD

1. Background

Pursuant to section 139 of the Danish Public Companies Act, the board of directors of a listed company may not enter into a specific agreement on incentive pay with a member of the company's board of directors or executive board until the overall guidelines for the company's incentive pay programmes have been laid down. The guidelines must have been considered and approved by the company in a general meeting.

The object of these guidelines is to give the shareholders of Exiqon A/S (the "Company") an overall description of the Company's use of incentive pay for the Supervisory Board and Executive Board.

2. Persons covered

Incentive pay is not used for the Company's Supervisory Board. These guidelines thus only apply to the Company's Executive Board. "Executive Board" means the executive officer(s) registered with the Danish Business Authority as such. The guidelines do not apply to the Company's existing or future incentive pay to other employees of the Company.

3. General principles

Incentive pay is used to create an incentive for the Executive Board's work to create positive development for the Company in the short and long term and makes it possible for the members of the Executive Board to share a part of the value that they participate in creating for the Company and thereby for the Company's shareholders. Incentive pay contributes to ensuring that the total remuneration of the Company's Executive Board is competitive, thereby enabling the Company to attract and maintain a qualified Executive Board. While the Company is still in a start-up phase and has limited financial resources, the incentive pay may thus make up a substantial part of the total remuneration of the Company's Executive Board.

Incentive pay may consist of non-equity compensation (cash bonus) and equity-based instruments (warrants).

The object of incentive pay is to ensure a reasonable total remuneration for the Company's Executive Board facilitating value creation in the Company in both the short and long term.

As a general rule, cash bonuses are granted on the basis of the achievement of specific short-term objectives. Objectives for cash bonuses are determined once a year by the Supervisory Board on the basis of the strategic and financial objectives adopted by the Company.

The grant of warrants is not subject to the achievement of specific objectives, but supports long-term value creation. The Company's warrants are vested over a period of three years in order to ensure that the programmes support the Company's long-terms objectives and do not result in imprudence or inappropriate risk acceptance. Warrants are granted according to the decision of the Supervisory Board taking the fixed remuneration of the individual executive officer into consideration.

In order to ensure that the shareholders' interests are safeguarded in the best possible way in the event of a change of control, sale of material assets or activities or delisting of the Company, it will under such extraordinary circumstances be possible to exercise equity-based instruments before they are vested.

4. Non-equity compensation

4.1 Cash bonus

The grant of a cash bonus may be made annually and is in principle based on the achievement of both the business area-specific and personal objectives for the individual members of the Executive Board agreed on an individual basis for the financial years in question.

The amount of the bonus will depend on the level of achievement of the predetermined goals. Achievement of all goals set out will trigger a cash bonus amounting to up to 30% of the fixed remuneration of the executive officer in question (base salary and pension) in the year of such grant. In the financial year in which such bonus is earned, the expenses incidental to the grant will be charged to the profit and loss account and appear from the annual report.

The Supervisory Board may each year decide whether an entirely discretionary bonus is to be granted in addition thereto and, if so, the amount thereof. Such bonus may for instance be based on exceptional circumstances, performance or the achievement of specific results.

It is not possible to fix the present value of any such future discretionary cash bonuses.

Cash bonus earned will at the earliest be paid after the Supervisory Board's approval of the annual report for the relevant year.

5. Equity-based instruments

5.1 New warrant programme

Members of the Executive Board may be granted warrants free of charge. Each warrant confers on the holder the right to subscribe for one share in the Company of a nominal value of DKK 1.

The Supervisory Board decides on the grant of warrants to the Executive Board on the basis of the following overall criteria:

- Warrants may be granted to each member of the Executive Board conferring upon the holder the right to subscribe for shares corresponding to up to 8% of the Company's share capital issued from time to time, however, not to exceed 8% in total.

- The value of warrants that may be earned by an executive officer in any one financial year may at the time of grant not exceed 100% of the annual fixed remuneration (base salary and pension) of the executive officer in question in the financial year of the grant unless the Supervisory Board finds that there is a specific need to derogate herefrom.

The value of warrants granted is computed using the Black-Scholes model at the time of grant.

The Supervisory Board decides on the grant of warrants at its complete discretion and as part of determining the total remuneration to the Executive Board. Warrants are irrevocably granted at the date of grant.

1/3 of the warrants granted will vest (mature) for exercise each year over a period of three years to the effect that 1/3 of the warrants granted is exercisable as from the calendar day 12 months after grant, 1/3 on the calendar day 24 months after grant and 1/3 on the calendar day 36 months after grant.

Subsequent to vesting, warrants may be exercised for subscription of shares for a three-year period to the effect that 1/3 is exercisable in year 2,3 and 4 after grant, 1/3 in year 3,4 and 5 after grant and 1/3 in year 4,5 and 6 after grant. Unexercised warrants will lapse automatically after expiry of the first exercise window 36 months after the date of vesting. The exercise windows follow the Company's internal rules governing trading in the Company's shares, currently 28-days periods after the Company's publication of annual or interim reports.

The Supervisory Board may accellerate the vesting and exercise dates in the event of a change of control, sale of material assets or delisting of the Company. The Supervisory Board may in such events decide on a cash settlement, i.e. cash pay instead of issue of new shares.

The exercise price is based on the market price at the date of grant plus 2.5% p.a. (hurdle rate) from the date of grant and to the date of exercise. The market price is calculated as an average of the closing price of the Company's shares for five consecutive trading days immediately prior to the grant.

The Supervisory Board may adjust the exercise price or the number of shares that may be subscribed for in connection with the exercise of warrants as a result of changes to the Company's capital structure or other circumstances entailing unintended consequences for the warrants granted.

The Supervisory Board will lay down the other terms of the grant.

Warrants may only be granted under this programme to the extent that the total number of outstanding warrants granted under the Company's previous programme and under this programme does not exceed 12% of the Company's share capital outstanding at any time.

The fair value of the warrants granted is reported as part of the Company's annual report. The terms of the individual grants are included as an appendix to the Company's Articles of Association.

The fair value of the warrants granted will depend on a number of parameters, including volatility, interest rate level, share price at the time of grant, etc. Said parameters may and are going to vary until the time of grant. The value will not be fixed until specific grants are made under the new warrant programme.

For illustration purposes, it is noted that if grants had been made at the time of convening the general meeting, the maximum number of warrants that could be granted under this new programme would have been 2,268,849 warrants, as the Company's existing share capital amounts to a nominal value of DKK 35,069,026, and the total number of warrants outstanding under this programme and the previous programme after the grant could not exceed 12%. The estimated fair value hereof may be calculated at DKK 8,889,376 based on the Black-Scholes model applying the following preconditions:

- No dividend per share
- A volatility of 44.10%
- A risk-free interest rate of 0.2% p.a.
- Average share price for February 2012 of DKK 11.45.
- The period until expiry is based on the latest possible time of exercise.

The estimated fair value distributed across the vesting periods may be computed as follows:

- Warrants earned 12 months from grant: DKK 2,698,150
- Warrants earned 12-24 months from grant: DKK 2,974,325
- Warrants earned 24-36 months from grant: DKK 3,216,901

5.2 Previous warrant programme

Under the Company's previous warrant programme, the Supervisory Board has granted warrants to the Company's Supervisory Board and Executive Board (and certain other employees) in accordance with the then applicable guidelines for incentive pay. The fair value of the outstanding warrants granted is reported as part of the Company's annual report. The terms of the individual grants are included as an appendix to the Company's Articles of Association. No additional warrants will be granted under this programme.

The fair value of outstanding warrants granted under this warrant programme (1,939,434 warrants) has at end 2011 been calculated at DKK 5.7m based on the Black-Scholes model applying the following preconditions:

- No dividend per share
- A volatility of 44.10 %
- A risk-free interest rate of 0.2% p.a.
- Share price of DKK 9.6 as at 31 December 2011

- The period until expiry is based on the latest possible time of exercise.

6. Publication

These guidelines have been considered and approved by the Company's General Meeting on 28 March 2012 and replace the guidelines approved by the General Meeting on 31 January 2008.

The guidelines will be published on the Company's website (www.exiqon.com).

The guidelines apply to agreements on incentive pay concluded after publication of the guidelines on the Company's website.