

PROPOSAL FROM THE NOMINATION COMMITTEE OF ALGETA ASA REGARDING REMUNERATION OF THE BOARD OF DIRECTORS IN 2010

Algeta is an emerging global pharmaceutical development company. As the company further develops an international presence, it is important for the Board composition and compensation to evolve to ensure it remains competitive globally.

APPROVAL OF THE BOARD OF DIRECTORS' FEE FOR 2010

The Nomination Committee proposes that the General Meeting adopts the following resolution:

“The remuneration to the members of the Board of Directors for the financial year 2010 shall be:

1. Fixed Fee

The Chairman of the Board is remunerated with NOK 330 000 per year.

The Deputy Chairman of the Board is remunerated with NOK 220 000 per year.

The remaining board members are remunerated with NOK 165 000 per year.

Deputy Board members shall be remunerated according to attendance.

Remuneration is given for parts of the year for members who have joined or resigned during the fiscal year.

2. Option alternative

The members of the board of directors may elect to receive 50% of the total remuneration to which they are entitled as options for shares in Algeta ASA. The choice to be remunerated partially with options for shares must be made no later than 30 April 2010 as further instructed by the company. If so elected by the board members options shall be granted on 30 April 2010 ("Date of Grant") with a strike price equalling the weighted average share price on the Oslo Stock Exchange on the Date of Grant. The number of options to be granted shall have a value equalling 50% of the remuneration for which each board member is entitled in 2010 in accordance with section 1 "Fixed Fee" when applying Black Scholes valuation method. The Options will vest consecutively as the right to the Fixed Fee is earned by the respective board members. Vested options may be exercised at any time from the date of grant until the date ending no later than 4 years after the Date of Grant (the Exercise Period). the Company may decide that exercise of options shall be executed in connection with the exercise of options by employees which take place on a quarterly basis. Board members may exercise options during the Exercise Period regardless of whether they remain board members throughout the Exercise Period.

3. Attendance Fee

Board members based outside Norway shall receive the following attendance fees to compensate for the travel burden when board meetings require their physical presence in Norway:

Board members based in the EU shall receive NOK 6,000 per meeting.

Board members based in the US shall receive NOK 12,000 per meeting.”

**APPROVAL OF THE REMUNERATION OF THE NOMINATION COMMITTEE,
REMUNERATION COMMITTEE AND AUDIT COMMITTEE FOR 2010**

The Nomination Committee proposes that the General Meeting adopts the following resolution:

“The remuneration to the Chairman and members of the Nomination Committee, the Remuneration Committee and the Audit Committee for the financial year 2010 shall be:

*The Chairman of the Nomination Committee is remunerated with NOK 55 000 per year.
Members of the Nomination Committee are remunerated with NOK 20,000 per year.*

The Chairman of the Remuneration Committee is remunerated with NOK 55 000 per year. Members of the Remuneration Committee are remunerated with NOK 20,000 per year.

*The Chairman of the Audit Committee is remunerated with NOK 55 000 per year.
Members of the Audit Committee are remunerated with NOK 20,000 per year.*

Remuneration is given for parts of the year for members who have joined or resigned during the fiscal year.”