

MEETING DATE	Fri, 27 May 2016 7:00 am	TYPE	EGM	ISSUE DATE	Thu, 26 May 2016
MEETING LOCATION	1200 Lakeside Drive, Bannockburn, Illinois 60015				
CURRENT INDICES	S&P500				
SECTOR	Pharmaceutical preparations				

COMPANY OVERVIEW

Baxalta Incorporated is a biopharmaceutical company founded after its parent company, Baxter International, spun off biopharmaceutical division. The Company mainly develops and markets treatments for haemophilia. It also focuses on disease areas, including oncology, as well as technology platforms.

PROPOSALS		ADVICE
1 Approve Merger	<p>The Company has put forward a resolution requesting shareholders to approve the Merger Agreement among the Company, Shire plc and BearTracks, Inc (Merger Sub). Merger Sub is a Delaware corporation and a wholly-owned subsidiary of Shire plc. Pursuant to the Merger Agreement, Merger Sub will merge with and into the Company, with the Company surviving the merger as a wholly-owned subsidiary of Shire.</p> <p>Voting recommendations on corporate actions, such as merger decisions, are based on the information presented and on the view of the overall independence of the Board and shareholder rights post merger. It is noted that, under the merger agreement, Shire agreed to use its reasonable best efforts to appoint Wayne T. Hockmeyer, Chairman of the Board, and two additional members of the Board, jointly selected by the Chairman of the Board and chairman of the Shire board following consultation with the nomination committee of the Shire board, to the Shire board, effective upon the closing of the Merger. Since the date of the merger agreement, Dr. Hockmeyer has decided to withdraw himself from consideration for such an appointment. Excluding length of tenure in office, all of the directors in this period were considered independent. This provides assurance that the transaction received the appropriate level of objective scrutiny. Triodos supports this resolution.</p>	For
2 Advisory Vote on Executive Compensation	<p>The Board is seeking shareholders' approval of the compensation payable to the Company's Named Executive Officers (NEOs) in connection with the Merger.</p>	For
3 To adjourn the special meeting, to solicit additional proxies	<p>The Board proposes to adjourn the special meeting, if necessary, to permit further solicitation of proxies. Opposition is recommended as it is considered that if a sufficient number of votes are cast at the meeting for a quorum to be present, the outcome should be considered representative of shareholder opinion. Triodos opposes this resolution.</p>	Oppose

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 1 - Approve Merger

Merger Consideration

Pursuant to the Merger Agreement, each share of Company common stock, par value \$0.01 per share, (other than i.) shares of Company common stock held by the Company as treasury stock, ii.) any shares of Company common stock owned by Shire, Merger Sub or any other direct or indirect wholly-owned subsidiary of Shire, and iii.) shares held by the

Company's shareholders who have not voted in favor of the merger and who have exercised appraisal rights), will be converted into the right to receive: \$18.00 in cash; and 0.1482 of an American Depositary Share of Shire, each of which represents three ordinary shares of Shire, or if a Company's shareholder elects, 0.4446 of an ordinary share of Shire, in lieu of such fraction of a Shire American Depositary Share, together with cash in lieu of any fractional Shire security.

Rationale

In evaluating the Merger, the Board considered a number of factors that it believed supported its decision to enter into the Plan of Merger, including: the per share merger consideration to be received by the Company's shareholders represented a highly attractive valuation; a significant portion of the per share merger consideration will be paid in cash, giving the Company's shareholders an opportunity to realise immediate value for a significant portion of their investment in the Company common stock; and the strategic alternatives and opportunities available to the Company other than remaining as a standalone company.

Board Structure and Shareholder Rights

Upon the completion, the directors of Merger Sub immediately prior to the effective time will be the directors of the surviving corporation, and the officers of the Company immediately prior to the effective time will be the officers of the surviving corporation. At the effective time, the certificate of incorporation and by-laws of Merger Sub as in effect immediately prior to the effective time, will be amended and restated as specified in the merger agreement, and will be the certificate of incorporation and by-laws of the surviving corporation.

BOARD AND COMMITTEE COMPOSITION (post-Meeting)

DIRECTOR	GENDER	INDEPENDENT BY			BOARD	AC	RC	NC	TENURE
		PIRC	COMPANY						
Wayne T. Hockmeyer	M	Yes	Yes		Ch	-	M	C	n/d
Karen Ferrante	F	Yes	Yes		NED	-	-	M	<1
James R. Gavin III	M	Yes	Yes		NED	-	M	-	n/d
François Nader	M	Yes	Yes		NED	M	M	-	<1
Blake E. Devitt	M	Yes	Yes		NED	C	-	M	n/d
John D. Forsyth	M	Yes	Yes		NED	-	C	M	n/d
Albert P.L. Stroucken	M	Yes	Yes		NED	M	M	-	n/d
Gail D. Fosler	F	Yes	Yes		NED	M	-	M	n/d
Ludwig N. Hanston	M	No	No		CEO	-	-	-	n/d
Number of Meetings					-	-	-	-	
Number of NED only Meetings					-				

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. AC = Audit Committee, RC = Remuneration Committee, NC = Nomination Committee, C = Chairperson of Committee, M = Member of Committee.

BOARD OF DIRECTORS (post-Meeting)

WAYNE T. HOCKMEYER				CHAIRMAN (NON EXECUTIVE)	
AGE	71	TENURE	n/d	COMMITTEES	R,N*
OTHER POSITION	GenVec Inc [Dir]; ex-Baxter International Inc. [Dir]; ex-Idenix Pharmaceuticals Inc. [Dir]; ex-MedImmune, Inc [Fnd, Ch, CEO, Dir]; ex-Middlebrook Pharmaceuticals, Inc. [Dir]; ex-Praxis Biologics Inc [VP]; ex-Walter Reed Army Institute of Research [Chief of the Department of Immunology]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	He was appointed to Baxalta's Board of Directors prior to, or on the date of, the separation from Baxter International Inc. on July 1, 2015. The specific date is not disclosed.				
KAREN FERRANTE				NON-EXECUTIVE DIRECTOR	
AGE	58	TENURE	<1 Years	COMMITTEES	N
OTHER POSITION	Tokai Pharmaceuticals, Inc. [chief medical officer and head of R&D]; ex-Bristol-Myers Squibb [Associate Dir]; ex-Pfizer [VPres of Global Research and Development, Therapeutic Area Clinical Leader]; ex-Takeda Pharmaceutical Company and Millennium: The Takeda Oncology Company [Head of Oncology Therapeutic Area]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
JAMES R. GAVIN III				NON-EXECUTIVE DIRECTOR	
AGE	70	TENURE	n/d	COMMITTEES	R
OTHER POSITION	Baxter International Inc [Dir]; Healing Our Village, Inc [CEO, Chief Medical Officer, ex-Exec VPres]; Health Affairs at Emory University [Clinical Professor of Medicine and Senior Advisor]; the Indiana University School of Medicine [Clinical Professor of Medicine]; ex-Amylin Pharmaceuticals, Inc [Dir]; ex-Howard Hughes Medical Institute [Senior Science Officer]; ex-Morehouse School of Medicine [Pres]; ex-Nuvelo, Inc [Dir]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	He was appointed to Baxalta's Board of Directors prior to, or on the date of, the separation from Baxter International Inc. on July 1, 2015. The specific date is not disclosed.				

FRANÇOIS NADER		NON-EXECUTIVE DIRECTOR			
AGE	60	TENURE	<1 Years	COMMITTEES	A,R
OTHER POSITION	Accelaron Pharma Inc. [Ch]; ex-CEO; ex-COO, Chief Medical and Commercial Officer, Exec Dir; ex-Care Capital [Venture Partner]; ex-NPS Pharmaceuticals Inc [Pres; ex-North America Leadership Team of Aventis [SVP]; ex-Pasteur Vaccines division of Rhone-Poulenc [n/d]; ex-Trevena, Inc. [Dir]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
BLAKE E. DEVITT		NON-EXECUTIVE DIRECTOR			
AGE	69	TENURE	n/d	COMMITTEES	A*,N
OTHER POSITION	ex-Baxter International Inc [Dir]; ex-Ernst & Young LLP [Senior Audit Partner, Dir Pharmaceutical and Medical Device Industry Practice]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	He appointed to Baxalta's Board of Directors prior to, or on the date of, the separation from Baxter International Inc. on July 1, 2015. The specific date is not disclosed.				
JOHN D. FORSYTH		NON-EXECUTIVE DIRECTOR			
AGE	68	TENURE	n/d	COMMITTEES	R*,N
OTHER POSITION	Baxter International Inc. [Dir]; Wellmark Blue Cross Blue Shield [Ch, CEO]; ex-University of Michigan [Pres, CEO]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	He was appointed to Baxalta's Board of Directors prior to, or on the date of, the separation from Baxter International Inc. on July 1, 2015. The specific date is not disclosed.				
ALBERT P.L. STROUCKEN		NON-EXECUTIVE DIRECTOR			
AGE	68	TENURE	n/d	COMMITTEES	A,R
OTHER POSITION	Baxter International [Dir]; Owens-Illinois, Inc [Ch, ex-Pres/CEO]; ex-H.B. Fuller Company [Pres, CEO, Ch]; ex-Industrial Chemicals Division of Bayer Corporation [EVP, Pres]; ex-Inorganics Division of Bayer AG [General Manager]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	He was appointed to Baxalta's Board of Directors prior to, or on the date of, the separation from Baxter International Inc. on July 1, 2015. The specific date is not disclosed.				
GAIL D. FOSLER		NON-EXECUTIVE DIRECTOR			
AGE	68	TENURE	n/d	COMMITTEES	A,N
OTHER POSITION	The GailFosler Group LLC [Pres]; ex-Baxter International Inc [Dir]; ex-Caterpillar Inc [Dir]; ex-The Conference Board [Pres, Exec VPrest, Chief Economist]				
INDEPENDENT BY PIRC	Y	INDEPENDENT BY COMPANY		Y	
COMMENT	She was appointed to Baxalta's Board of Directors prior to, or on the date of, the separation from Baxter International Inc. on July 1, 2015. The specific date is not disclosed.				
LUDWIG N. HANSTON		CHIEF EXECUTIVE			
AGE	53	TENURE	n/d	COMMITTEES	None
OTHER POSITION	ex-Baxter [Corporate VPres, Pres]; ex-Johnson & Johnson [n/d]; ex-Novartis Pharmaceuticals Corporation [CEO Pharma North America]				
INDEPENDENT BY PIRC	N	INDEPENDENT BY COMPANY		N	
COMMENT	President and Chief Executive Officer.				

BOARD COMPOSITION

BOARD COMPOSITION FOLLOWING THE EGM

	Number	% of Board	S&P500 MEAN	
			Number	% of Board
Executive Director	1	11.11	1.3	12.2
Independent NEDs	8	88.89	5.0	45.9
Connected NEDs	0	0.0	4.5	41.6
Other	0	0.0	0	0

BOARD COMMITTEES FOLLOWING THE EGM

	Number of Members	% Independent by PIRC	% Independent by Company	S&P500 MEAN	
				Number of Members	% Independent by PIRC
Whole Board	9	88.89	88.89	10.8	46.0
Audit	4	100.0	100.0	4.3	56.9
Remuneration	5	100.0	100.0	4.0	49.4
Nomination	5	100.0	100.0	4.2	45.4

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