

HBM Healthcare Investments Ltd

Bundesplatz 1, 6300 Zug

Invitation to the 18th Ordinary Shareholders' Meeting

Monday, 24 June 2019, 2:00 pm

**Theater Casino Zug
Artherstrasse 2 - 4
6300 Zug**

The admission office opens at 1:30 pm.

Agenda and motions of the Board of Directors:

**1. Statutory financial statements and group financial statements 2018/2019;
reports of the auditors**

Motion: *Approval of statutory financial statements and group financial statements for the 2018/2019 business year*

2. Discharge from liability of the members of the Board of Directors and Management

Motion: *Discharge from liability of the members of the Board of Directors and of the Management for the 2018/2019 business year*

3. Appropriation of results

Motion: *Appropriation of disposable profit of CHF 182'099'847 as follows:*

<i>in CHF</i>	<i>2018/2019</i>
<i>profit for the year</i>	<i>45'729'131</i>
<i>profit carry forward</i>	<i>136'370'716</i>
<i>disposable profit</i>	<i>182'099'847</i>
<i>– allocation to the general legal reserve</i>	<i>0</i>
<i>– carry forward to the new account</i>	<i>182'099'847</i>

The reserve from capital brought in has been consumed in 2018. Instead of a dividend, the Board of Directors proposes a partial payback of the nominal value of the shares according to agenda item 8.

4. Elections regarding the Board of Directors

4.1 Re-elections of the Chairman and of the Members of the Board of Directors

Motions:

- a. *Re-election of Mr Hans Peter Hasler as Chairman of the Board of Directors to the close of the 2020 Ordinary Shareholders' Meeting*
- b. *Re-election of Prof. Dr h.c. mult. Heinz Riesenhuber as a member of the Board of Directors to the close of the 2020 Ordinary Shareholders' Meeting*
- c. *Re-election of Dr Eduard Holdener as a member of the Board of Directors to the close of the 2020 Ordinary Shareholders' Meeting*
- d. *Re-election of Mr Robert A. Ingram as a member of the Board of Directors to the close of the 2020 Ordinary Shareholders' Meeting*
- e. *Re-election of Dr Rudolf Lanz as a member of the Board of Directors to the close of the 2020 Ordinary Shareholders' Meeting*
- f. *Re-election of Mr Mario Germano Giuliani as a member of the Board of Directors to the close of the 2020 Ordinary Shareholders' Meeting*

Mr **Hans Peter Hasler** has been a member of the Board of Directors since 2009, and its Chairman since 2011. Until 2018 he also was a member of the Compensation Committee. He knows the biotech business, having spent eight years in leading positions at Biogen Idec and, previously, Wyeth. Mr Hasler is CEO of Vicarius Pharma, Chairman of the Board of Directors of MIAC AG (Medical Imaging Analysis Center, a not-for-profit organisation of the University Hospital of Basel), member of the Boards of Directors of Minerva Neurosciences as well as Shield Therapeutics plc.

Mr **Prof. Dr Heinz Riesenhuber** has been a member of the Board of Directors since 2001, and its Vice-Chairman since 2006. He has also been a member of the Audit Committee. He is a certified chemist and has 15 years' industry experience as the CEO of subsidiaries of Metallgesellschaft AG. Prof. Riesenhuber was a member of the German Federal Parliament from 1976 until 2017 and served as Federal Minister of Research and Technology from 1982 to 1993. Prof. Riesenhuber is a member of the Investors Committee of Heidelberg Innovation BioScience Venture II, as well as Chairman of the advisory board of Rock Tech Lithium Inc..

Mr **Dr Eduard Holdener** has been a member of the Board of Directors since 2008. He is an onco-haematologist, and has 14 years' clinical experience in a hospital environment in Switzerland and the USA, as well as 22 years' experience in clinical research and development at Roche. In his last eight years at Roche, he was Head of Global Clinical Development, as well as member of the Pharma Executive and the Corporate Executive Committee. Dr Holdener is Chairman of the Board of Directors of NovImmune SA.

Mr **Robert Ingram** has been a Member of the Board of Directors since 2006. He is also a member of the Nominating Committee and a member of the Compensation Committee. He is an economist with world-wide knowledge and personal network in the pharma industry, especially in the USA, where the majority of HBM Healthcare Investments' portfolio companies are based. Mr Ingram worked at GlaxoSmithKline for 20 years, in positions

including Chairman, COO and CEO. He is Chairman of the Board of Directors of Novan Inc., Selenity Therapeutics Inc. (formerly: Viamet Pharmaceuticals Inc.) and BioCryst Pharmaceuticals Inc..

Mr **Dr Rudolf Lanz** has been a member of the Board of Directors since 2003. He is also a member of the Audit Committee and a member of the Nominating Committee. He has a master's degree in economics and a doctorate in law, and has longstanding professional experience in acquisitions, divestments, mergers and major financing transactions. For 20 years, Dr Lanz worked mainly in management positions at Ernst & Young, before founding "The Corporate Finance Group" with partners, and becoming the Chairman of its Board of Directors. Dr Lanz is a member of the Board of Directors of Pearls Fashion Holding AG and of MIAC AG (Medical Imaging Analysis Center, a not-for-profit organisation set up by the University Hospital of Basel).

Mr **Mario Germano Giuliani** has been a member of the Board of Directors since 2012. He is also a member of the Compensation Committee. He is an economist. In the course of 16 years at his family pharmaceutical company, Milan-based Giuliani SpA, he has held positions at all levels: member of the Board of Directors since 1999, Chairman of the Board of Directors from 2003-2014 and Chief Executive Officer from 2001-2014. Mr. Giuliani is also a member of the Investment Committee of Mosaix Ventures LLP and Royalty Pharma, member of the Board of Directors of Jukka LLC as well as Chairman of the Board of Directors of NGR (Monaco) SAM.

4.2 Re-election of the members of the Compensation Committee

Motions:

- a. *Re-election of Mr Mario Germano Giuliani as a member of the Compensation Committee to the close of the 2020 Ordinary Shareholders' Meeting*
- b. *Re-election of Mr Robert Ingram as a member of the Compensation Committee to the close of the 2020 Ordinary Shareholders' Meeting*

5. Compensation to the Board of Directors and to the Management

5.1 Fixed compensation to the Board of Directors

Motion: *Approval of the maximum fixed compensation to the Board of Directors of CHF 450'000 (including social security contributions) for the time between the Ordinary Shareholders' Meetings 2019 and 2020*

5.2 Variable compensation to the Board of Directors

Motion: *Approval of the variable compensation to the Board of Directors of CHF 2'034'000, plus pro rata social security contributions of CHF 70'677, for the 2018/2019 business year*

5.3 Fixed compensation to the Management

Motion: *Approval of the maximum fixed compensation to the Management of CHF 330'000 (including social security contributions) for the time between 1 July 2019 and 30 June 2020*

The amounts proposed are explained in detail in the Compensation Report. Due to the fact that the High Water Mark has been exceeded, the Members of the Board of Directors

are entitled to a variable compensation for the financial year 2018/2019. There is currently no agreement for a variable compensation to the Management in place.

6. Appointment of auditors

Motion: *Re-appointment of Ernst & Young AG, Zurich, as auditors of the statutory financial statements and the group financial statements for the 2019/2020 business year*

7. Appointment of independent proxy-holder

Motion: *Appointment of KBT Treuhand AG, Zurich, as independent proxy-holder to the close of the 2020 Ordinary Shareholders' Meeting*

8. Reduction of share capital: partial payback of nominal value

- Motion:**
- (1) *Reduction of the share capital of CHF 396'720'000.- to CHF 344'520'000.- by reducing the nominal value of the 6'960'000 registered shares from CHF 57.- to CHF 49.50 and payback of CHF 7.50 per share to the shareholders;*
 - (2) *formal acknowledgement of the audit report of Ernst & Young AG, which states that creditor receivables are covered in full even after the share capital has been reduced;*
 - (3) *amendment of Art. 3 of the Articles of Association, concerning the share capital, as follows (changes marked):*

"The share capital of the corporation is CHF ~~396'720'000.-~~ 344'520'000.- and is divided in 6'960'000 registered shares with a nominal value of CHF ~~57.-~~ 49.50 each. All shares are fully paid-in."

Considering the financial results, the Board of Directors proposes a distribution of 7.50 (previous year: a total of CHF 7.-) per share, namely by way of a partial nominal value payback. Should the motion be passed, the cash payment of CHF 7.50 per registered share will be made on 12 September 2019, and registered shares *entitled* to receive the distribution will be traded for the last time on 9 September 2019 (as of 10 September 2019 *without* the distribution entitlement, ex-date).

9. Approval of a new share buy-back programme and capital reduction in principle

- Motion:**
- (1) *Authorisation for the Board of Directors to repurchase up to a maximum of 10% of the shares outstanding, under a new share buy-back programme over the next three years, in order to cancel those shares as part of a capital reduction;*
 - (2) *under the share buy-back programme, reduction of share capital by a maximum of 10% of share capital by means of the final and absolute cancellation of a maximum of 10% of share capital. The precise extent of the reduction is to be determined by the actual number of own shares repurchased under the buy-back programme;*
 - (3) *formal acknowledgement of the audit report from Ernst & Young AG, which states that creditor receivables as at 24 June 2019 would remain covered in full even after the share capital has been reduced by the full extent provided for in the previous paragraph.*

The share buy-back programme adopted on 24 June 2016 is to expire as at the day of the 2019 Ordinary Shareholders' Meeting. The Board of Directors would like to keep the option of repurchasing more of the Company's own shares in order to cancel them as part of a capital reduction. These buy-backs would be effected in the future depending on how business, available liquidity, and the markets develop.

The shares to be repurchased under the new buy-back programme are definitely intended for cancellation by means of a capital reduction. At a forthcoming ordinary shareholders' meeting, the Board of Directors will propose that those shares repurchased under this buy-back programme be cancelled (resolution implementing the – possibly lower – amount of the capital reduction) as well as the corresponding reduction in capital (amendment to the articles of association).

10. Miscellaneous

Documentation

The 2018/2019 annual report, including the statutory financial statements, the group financial statements, the compensation report, as well as the reports of the auditors, is sent out to all Shareholders entered in the shareholders' register unless they have requested not to receive a copy. It is also available for review at Bundesplatz 1, 6300 Zug, Monday to Friday from 9.00 am to 5.00 pm. It can be ordered from the same address. Please call +41 (0)41 710 75 77. The same applies to the Ernst & Young AG audit reports with regard to agenda items 8 and 9. The annual report is also available on the www.hbmhealthcare.com website.

Admission cards / voting materials

Shareholders who are entered in the Shareholders' Register with the right to vote as at 5.00 pm on 14 June 2019 (the qualifying date) will receive the invitation as well as, upon request, a personal admission card and the voting materials directly from the company.

Shareholders who are entitled to vote according to the Shareholders' Register as of the qualifying date may participate in the Ordinary Shareholders' Meeting. Each share carries one vote. Shareholders who have sold their shares before the Ordinary Shareholders' Meeting takes place are no longer entitled to vote.

Granting of powers of attorney

Shareholders who do not participate in person in the Ordinary Shareholders' Meeting may appoint as a representative a different shareholder, a third party, or Mr Reto Leemann, chartered fiduciary agent, KBT Treuhand AG, Zimmergasse 16, 8032 Zurich, as independent proxy holder in the sense of Art. 689c of the Swiss Code of Obligations. Granting of powers of attorney to members of governing bodies or custody accounts is illegitimate.

The power of attorney on the registration form must be filled in accordingly, signed and returned to the independent proxy holder, or to the Shareholders' Register at Computershare Switzerland Ltd., Baslerstrasse 90, CH-4600 Olten, by 19 June 2019 at the latest.

In the absence of any specific instructions, the independent proxy-holder will be deemed to have been instructed to exercise the voting right in favour of the motions of the Board of Directors. This also applies to motions put forward in the Ordinary Shareholders' Meeting.

As an alternative to written power of attorneys, Shareholders have the opportunity to submit power of attorneys and voting instructions to the independent proxy-holder electronically via the platform ip.computershare.ch/hbmag of Computershare Switzerland Ltd. Shareholders who wish to make use of this may follow the enclosed instructions regarding the opening of a Shareholder account and the registration to the Ordinary Shareholders' Meeting.

Admission office

The admission office opens at 1.30 pm on the day of the Ordinary Shareholders' Meeting. Shareholders are asked to present their admission cards at the entrance.

Registration

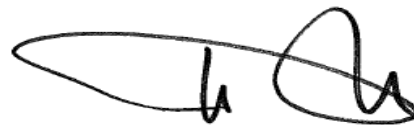
We ask you kindly to return the registration form by 19 June 2019 if you intend to participate in the Ordinary Shareholders' Meeting.

Reception

The Board of Directors is pleased to invite you to a reception after the meeting.

Zug, 31 May 2019

On behalf of the Board of Directors
The Chairman:

A handwritten signature in black ink, appearing to be 'Hans Peter Hasler', written in a cursive style.

Hans Peter Hasler