

HBM Healthcare Investments Ltd

Bundesplatz 1, 6300 Zug

Invitation to the 19th Ordinary Shareholders' Meeting

Monday, 22 June 2020, 4:45 pm

at the Company's registered office in Zug

Due to the Ordinance on Measures to Combat the Coronavirus (COVID-19) issued by the Swiss Federal Council it is **not permitted** to hold this year's Ordinary Shareholders Meeting in the usual form, i.e. with the **shareholders participating in person**. That is why the Board of Directors has resolved in accordance with Art. 6b of the said Ordinance, that the shareholders may **exercise their rights exclusively through the independent proxy** by way of written or electronic instruction and power of attorney.

The Board of Directors regrets these extraordinary restrictions and looks forward to your participation in person in the Ordinary Shareholders' Meeting 2021.

Agenda and motions of the Board of Directors:

1. Statutory financial statements and group financial statements 2019/2020; reports of the auditors

Motion: *Approval of statutory financial statements and group financial statements for the 2019/2020 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 2019/2020 business year*

3. Appropriation of results

Motion: *Appropriation of disposable profit of CHF 236'338'922 as follows:*

<i>in CHF</i>	<i>2019/2020</i>
<i>profit for the year</i>	<i>54'239'075</i>
<i>profit carry forward</i>	<i>182'099'847</i>
<i>disposable profit</i>	<i>236'338'922</i>
<i>– allocation to the general legal reserve</i>	<i>0</i>
<i>– carry forward to the new account</i>	<i>236'338'922</i>

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 2021 Ordinary Shareholders' Meeting*
- b. *Re-election of Prof. Dr Dr h.c. mult. Heinz Riesenhuber as a member of the Board of Directors to the close of the 2021 Ordinary Shareholders' Meeting*
- c. *Re-election of Dr Eduard Holdener as a member of the Board of Directors to the close of the 2021 Ordinary Shareholders' Meeting*
- d. *Re-election of Mr Robert A. Ingram as a member of the Board of Directors to the close of the 2021 Ordinary Shareholders' Meeting*
- e. *Re-election of Dr Rudolf Lanz as a member of the Board of Directors to the close of the 2021 Ordinary Shareholders' Meeting*
- f. *Re-election of Mr Mario Germano Giuliani as a member of the Board of Directors to the close of the 2021 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 was Chairman of the Board of Directors of NovImmune SA from 2008 until 2019.

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. 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 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 ElevateBio LLC as well as Chairman of the Board of Directors of NGR (Monaco) SAM.

4.2 Election of a member of the Board of Directors

Motion: *Election of Ms Dr Stella X. Xu, US citizen, domiciled in Palo Alto, as a member of the Board of Directors to the close of the 2021 Ordinary Shareholders' Meeting.*

Considering foreseeable changes in the Board of Directors, the election of an additional member is proposed to this year's Ordinary Shareholders' Meeting in order to ensure continuity. The proposed Ms Dr Stella X. Xu is a proven expert for investments in innovative life science companies. She knows the pharma business in the key markets USA and China based on working experience in those markets for many years.

Since 2017, Ms Dr Xu is managing director of Quan Capital Management, a venture capital company focusing on biosciences and having its registered office in China as well as affiliates in the USA. Before that, she worked with Roche in both USA and China in various functions for 15 years. Last, as a key member of the global management team for research and early development in immunology, inflammation and infectious diseases, she led the innovation center of Roche in Shanghai including approx. 200 scientists. Before Roche, Dr. Xu worked with McKinsey & Company in the USA for four years, with responsibility for strategic projects in the field of life science. She is a member of the boards of NextCure Inc., Centrexion Therapeutics Corp., Design Therapeutics Inc., Tempest Therapeutics Inc., Walking Fish Therapeutics Inc. and Zidan Medical.

Ms Xu obtained her doctor's degree in immunology at Northwestern University in Illinois, USA, after having studied biophysics and physiology at the University of Peking.

4.3 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 2021 Ordinary Shareholders' Meeting*

b. Re-election of Mr Robert Ingram as a member of the Compensation Committee to the close of the 2021 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 500'000 (including social security contributions) for the time between the Ordinary Shareholders' Meetings 2020 and 2021*

5.2 Variable compensation to the Board of Directors

***Motion:** Approval of the variable compensation to the Board of Directors of CHF 1'575'600, plus pro rata social security contributions of CHF 55'474, for the 2019/2020 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 2020 and 30 June 2021*

The amounts proposed are explained in detail in the Compensation Report.

The increase of the total amount of the maximum fixed compensation to the Board of Directors is proposed in view of the election of Ms Dr Stella X. Xu as a new member of the Board according to agenda item 4.2.

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 2019/2020, 50% of which they have to obtain in the form of HBMN-shares as from this year. 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 2020/2021 business year*

7. Appointment of independent proxy-holder

***Motion:** Appointment of KBT Treuhand AG, Zurich, as independent proxy-holder to the close of the 2021 Ordinary Shareholders' Meeting*

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

***Motion:** (1) Reduction of the share capital of CHF 344'520'000.- to CHF 290'928'000.- by reducing the nominal value of the 6'960'000 registered shares from CHF 49.50.- to CHF 41.80 and payback of CHF 7.70 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 ~~344'520'000.-~~ 290'928'000.-- and is divided in 6'960'000 registered shares with a nominal value of CHF ~~49.50~~ 41.80 each. All shares are fully paid-in."

Considering the financial results, the Board of Directors proposes a distribution of CHF 7.70 (previous year: CHF 7.50) per share, namely by way of a partial nominal value pay-back. Should the motion be passed, the cash payment of CHF 7.70 per registered share will be made on 10 September 2020, and registered shares *entitled* to receive the distribution will be traded for the last time on 7 September 2020 (as of 8 September 2020 *without* the distribution entitlement, ex-date).

9. Miscellaneous

Documentation

The 2019/2020 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 report with regard to agenda item 8. The annual report is also available on the www.hbmhealthcare.com website.

Voting materials

Shareholders who are entered in the Shareholders' Register with the right to vote as at 5.00 pm on 12 June 2020 (the qualifying date) will receive the invitation as well as the voting materials directly from the Company.

Shareholders according to the Shareholders' Register as of the qualifying date are entitled to vote. 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

The participation in person is not permitted, as explained before.

All shareholders may only be represented by 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.

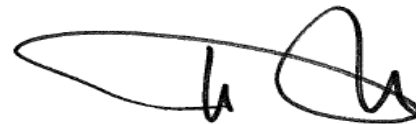
The *written power of attorney* must be filled in accordingly, signed and returned to the independent proxy holder, or to the Shareholders' Register at Computershare Switzerland Ltd., Baslerstrasse 90, CH-4600 Olten, by 17 June 2020 at the latest.

In the absence of any specific instructions, the independent proxyholder 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 or amend, by 17 June 2020, 23:59 pm at the latest, power of attorneys and voting instructions to the independent proxyholder *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.

Zug, 26 May 2020

On behalf of the Board of Directors
The Chairman:

A handwritten signature in black ink, consisting of a large, sweeping horizontal stroke followed by a smaller, more intricate flourish.

Hans Peter Hasler