


6th Annual General Meeting

3 May 2023, 3:00 p.m.

Kursaal Bern Ltd.
Kornhausstrasse 3
3013 Bern



**Health and
well-being are
at the heart of
what we do.**





Contents

06 Agenda items

14 Comments regarding voting
on remuneration:
Agenda items 4, 5.1 and 5.2

22 Comments regarding partial
revision of the articles of
association:
Agenda items 6.1, 6.2, 6.3
and 6.4

48 Notes

Dear Shareholders,

Galenica's objectives are to generate attractive returns for its shareholders, play an active role in the Swiss healthcare market and be an attractive employer.

2022 was a very successful year. A normal seasonal flu wave and numerous cases of the Omicron coronavirus variant drove strong growth in the first half of 2022; in the second half of the year, the early arrival of a strong flu wave had a significant impact on the results of the entire Group. The targets set for 2022 were exceeded by a substantial margin.

Our remuneration policies and systems are designed to ensure that the interests of shareholders and the Executive Committee are broadly aligned. In accordance with the statutory requirements and the articles of association, at the 2023 Annual General Meeting you will be asked to individually and bindingly approve the two maximum total remuneration amounts for 2024, and also to engage in a consultative vote on the 2022 Remuneration Report.

The Remuneration Report 2022 is intended to enable you as a shareholder to compare

the proposed maximum total remuneration for the 2024 financial year with the performance results and the corresponding remuneration paid in 2022. Details of the remuneration systems for the Board of Directors and the Executive Committee can be found in the Remuneration Report, which is part of the Galenica Group Annual Report 2022 (www.galenica.com, Publications).

The comments in this booklet provide background information on individual agenda items.

Yours sincerely,

On behalf of the Board of Directors



Daniela Bosshardt
Chairwoman

Dr. Andreas Walde
Chairman of the
Remuneration Committee



Agenda items

1. Management Report, Annual Financial Statements 2022 of Galenica Ltd. and consolidated Financial Statements 2022 of the Galenica Group as well as taking note of the statutory auditor's reports

The Board of Directors proposes that the Management Report and the Annual Financial Statements 2022 of Galenica Ltd. and the consolidated Financial Statements 2022 of the Galenica Group be approved.

Comments: The Board of Directors is required by law to submit the Management Report, the Annual Financial Statements of Galenica Ltd. and the consolidated Financial Statements of the Galenica Group for each financial year to the Annual General Meeting for approval.

2. Discharge from liability of the members of the Board of Directors and the Executive Committee for the 2022 financial year

The Board of Directors proposes that the actions of its members and the members of the Executive Committee be ratified for the 2022 financial year.

Comments: By ratifying the actions of the members of the Board of Directors and the Executive Committee, the company and consenting shareholders declare that they will no longer hold the relevant persons accountable for events from the previous financial year that were brought to the attention of the Annual General Meeting.

3. Resolution on the appropriation of available earnings 2022 and reserves from capital contributions

The Board of Directors proposes that a dividend of CHF 2.20 per registered share be distributed for the 2022 financial year. For this, CHF 1.10 is to be paid from available earnings and CHF 1.10 reserves from capital contributions.

Comments: The distribution of a dividend requires an Annual General Meeting resolution.

3.1. Appropriation of available earnings 2022

Balance brought forward	CHF	1,092,850
Profit for the year	CHF	<u>168,098,939</u>
Available earnings at the disposal of the Annual General Meeting	CHF	169,191,789

Proposal

Dividend CHF 1.10 per share	CHF	55,000,000 ¹
Allocation to free reserves	CHF	<u>114,000,000</u>
Balance to be carried forward	CHF	191,789

¹ The proposal for the distribution of the dividend encompasses all shares issued. However, own shares held by the Company at the time of the dividend payment are not entitled to dividends. Based on the number of shares owned by Galenica Ltd. as of 31 December 2022, the dividend payment would amount to CHF 54.8 million.

If this proposal is approved, the dividend will be paid out after deduction of withholding tax from 9 May 2023.

3.2. Appropriation of reserves from capital contributions

Reserves from capital contributions	CHF	254,788,518
Dividend per share CHF 1.10 paid out of reserves from capital contributions	CHF	55,000,000 ²
Balance to be carried forward	CHF	199,788,518

² The proposal to distribute the dividend from reserves from capital contributions encompasses all issued shares. However, own shares held by the Company at the time of the dividend payment are not entitled to dividends.

Based on the number of shares owned by Galenica Ltd. as of 31 December 2022, the dividend payment would amount to CHF 54.8 million

If this proposal is approved, the dividend will be paid out without deduction of withholding tax from 9 May 2023.

4. Remuneration Report 2022

The Board of Directors proposes that the Remuneration Report 2022 be approved via consultative vote. Further information on the Remuneration Report 2022 can be found on page 15. The relevant information can be found in the 'Remuneration Report' section of the Annual Report 2022.

5. Maximum total remuneration amounts for the 2024 financial year

5.1. Maximum total remuneration for the Board of Directors

The Board of Directors proposes that a maximum total amount of CHF 1,900,000 be approved for the remuneration of the members of the Board of Directors for the 2024 financial year.

5.2. Maximum total remuneration for the Executive Committee

The Board of Directors proposes that a maximum total amount of CHF 8,500,000 be approved for the remuneration of the members of the Executive Committee for the 2024 financial year.

Further information on the maximum total amounts for the 2024 financial year can be found on pages 15 et seq..

6. Partial revision of the articles of association of Galenica Ltd.

6.1. Amendment of the purpose of the Company, with a view to long-term and sustainable value creation

6.2. Amendment of the duties of the Board of Directors and requirements regarding the composition of the Board of Directors and Executive Committee as stipulated in the articles of association, with a view to sustainable value creation

6.3. Amendments to the articles of association, to ensure compliance with the revised stock corporation law

6.4. Updating of the provision in the articles of association with regard to the remuneration of the Board of Directors and the Executive Committee

7. Elections

The Board of Directors proposes to the 2023 Annual General Meeting five previous members for re-election. Daniela Bosshardt and Prof. Hon. Dr. Michel Burnier will not be standing for re-election at the 2023 Annual General Meeting. The Board of Directors proposes Dr. Markus R. Neuhaus as new Chairman of the Board of Directors. Prof. Dr. med. Solange Peters and Jörg Zulauf are proposed as new members of the Board of Directors.

In compliance with the criteria of the Swiss Code of Best Practice for Corporate Governance, all proposed members are independent.

Comments: As the term of office of the members of the Board of Directors (including the Chair of the Board of Directors) ends at the end of the Annual General Meeting on 3 May 2023, they must be newly elected or respectively re-elected by the Annual General Meeting.

7.1. **Re-elections of the members of the Board of Directors, election of the Chairman of the Board of Directors, election of two new members of the Board of Directors**

The Board of Directors proposes the re-election of Dr. Markus R. Neuhaus as member of the Board of Directors and election of Dr. Markus R. Neuhaus as Chairman of the Board of Directors; re-election of Bertrand Jungo, Pascale Bruderer, Judith Meier and Dr. Andreas Walde; election of Prof. Dr. med. Solange Peters and Jörg Zulauf as members of the Board of Directors, each for a term of office until the end of the next Annual General Meeting.

a. Re-election of Dr. Markus R. Neuhaus as member of the Board of Directors

b. Election of Dr. Markus R. Neuhaus as Chairman of the Board of Directors

c. Re-election of Bertrand Jungo as member of the Board of Directors

d. Re-election of Pascale Bruderer as member of the Board of Directors

e. Re-election of Judith Meier as member of the Board of Directors

f. Re-election of Dr. Andreas Walde as member of the Board of Directors

g. Election of Prof. Dr. med. Solange Peters as member of the Board of Directors

h. Election of Jörg Zulauf as member of the Board of Directors



Prof. Dr. med. Solange Peters

Born 1972, Swiss citizen

Professional experience: Solange Peters is a professor at the University of Lausanne and head of the department of medical oncology at CHUV. She began working at CHUV in 2002, where she started out in internal medicine; since 2006 she has worked in oncology. She is one of the world's leading experts in the field of lung cancer.

Qualifications: Dr. med., University of Lausanne

Other activities: Solange Peters has been a member of ESMO (European Society for Medical Oncology) for over 10 years, and ESMO chairwoman for the past two years. She has also been President of the ICF (International Cancer Foundation) since 2021 and a member of the board of the Swiss Cancer League since 2017.



Further details of the CVs of existing members of the Board of Directors can be found on our website
www.galenica.com



Jörg Zulauf

Born 1958, Swiss citizen

Professional experience: Jörg Zulauf spent 11 years in management positions at the Roche pharmaceutical Company in Switzerland, Korea and Germany, most recently as Head of the Vitamin Services World division (Finance & IT), which has operations worldwide. In 2000, Jörg Zulauf joined Migros-Genossenschafts-Bund Zürich, where he headed the Finance Department as Vice Chairman of the Corporate Executive Committee until 2022 and was a member of the Retail, Finance and Audit committees. Jörg Zulauf has also served as a member of the Board of Directors of Hotelplan, Migrosbank and Globus, as well as Chairman of the Migros Pension Fund.

Qualifications: Master of Law and Attorney-at-Law, MBA (UCLA)

Other activities: Jörg Zulauf is a member of the Board of Directors of Maerki Baumann & Co Ltd. He is also a member of the Board of Directors of Crealogix Ltd. and a member of the Bain Advisor Network.



Further details of the CVs of existing members of the Board of Directors can be found on our website www.galenica.com

7.2. Re-election and elections to the Remuneration Committee

The Board of Directors proposes the re-election of Dr. Andreas Walde and the election of Bertrand Jungo, Pascale Bruderer and Prof. Dr. med. Solange Peters to the Remuneration Committee, each for a term of office until the end of the next Annual General Meeting.

If Bertrand Jungo is elected as a member of the Remuneration Committee, the Board of Directors intends to appoint him as Chairman of the Remuneration Committee.

Comments: As the term of office of the members of the Remuneration Committee ends at the end of the Annual General Meeting on 3 May 2023, they must be newly elected by the Annual General Meeting.

- a. Re-election of Dr. Andreas Walde to the Remuneration Committee**
- b. Election of Bertrand Jungo to the Remuneration Committee**
- c. Election of Pascale Bruderer to the Remuneration Committee**
- d. Election of Prof. Dr. med. Solange Peters to the Remuneration Committee**

7.3. Re-election of the independent proxy holder

The Board of Directors proposes that the law firm Walder Wyss Ltd. be re-elected as independent proxy holder for a term of office until the end of the next Annual General Meeting.

Comments: Under the relevant legislation, the independent proxy holder must be elected annually by the Annual General Meeting. Walder Wyss Ltd. meets the independence criteria and the Board of Directors proposes that Walder Wyss Ltd. be re-elected for reasons of continuity.

7.4. Re-election of the statutory auditor

The Board of Directors proposes that Ernst & Young Ltd. be re-elected as statutory auditor for the financial year beginning on 1 January 2023.

Comments: According to the articles of association, the auditors are to be elected annually by the Annual General Meeting.

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Comments regarding voting on remuneration

Agenda item 4: Remuneration Report 2022 – consultative vote

The Remuneration Report 2022 contains detailed information on the remuneration of the Board of Directors and the Executive Committee. In addition, the Remuneration Report ensures transparency regarding performance and the achievement of Group targets, and about the remuneration actually paid or awarded to the Executive Committee.

The Board of Directors invites the shareholders to engage in consultative voting on the Remuneration Report 2022, which sets out the remuneration system, remuneration practices and payments for the past financial year. The Remuneration Report is available on our website at: www.galenica.com, Publications.

Remuneration Report 2022

The Board of Directors proposes that the Remuneration Report be approved through a consultative voting.

Preliminary comments on the maximum total remuneration for the Board of Directors and the Executive Committee for the 2024 financial year

Judith Meier was elected to the Board of Directors at the 2022 Annual General Meeting. The Board of Directors had seven members following the 2022 Annual General Meeting. Daniela Bosshardt and Prof. Hon. Dr. Michel Burnier will no longer stand for re-election at the 2023 Annual General Meeting. The Board of Directors has decided to propose Prof. Dr. med. Solange Peters and Jörg Zulauf for election to the Board of Directors at the 2023 Annual General Meeting. The Board of Directors has the following committees: Audit and Risk Committee, Remuneration Committee, Governance, Nomination and Sustainability Committee.

The Executive Committee had seven members in the year under review. Lukas Ackermann became a member of the Executive Committee as Chief IT & Digital Services Officer on 1 January 2022. The proposed maximum total remuneration for the 2024 financial year is based on the remuneration for seven Executive Committee members.

Agenda item 5.1: Maximum total remuneration for the Board of Directors for the 2024 financial year

The proposed maximum total remuneration for the members of the Board of Directors for the 2024 financial year of CHF 1,900,000 is based on the assumption that seven non-executive members (including the Chair of the Board of Directors) will be (re-) elected to the Board of Directors and has remained unchanged since 2019.

The remuneration applicable to the members of the Board of Directors reflects the management structure and the responsibilities of the Board of Directors as per the relevant legislation, the articles of association and the remuneration policy. The members of the Board of Directors of Galenica receive fixed remuneration only. They do not receive any variable or performance-related remuneration, share options or additional remuneration for attending meetings. The members of the Board of Directors have the option of joining the Galenica Pension Fund in accordance with the policy, but if they do so, they must pay all contributions (employer and employee savings and risk contributions) themselves in full. At least 50% of the annual remuneration paid to the members of the Board of Directors (or, at the request of individual member of the Board of Directors, 100% thereof) is paid out in Galenica shares which are blocked for five years.

The Board of Directors proposes that the maximum total remuneration for the members of the Board of Directors for the 2024 financial year remain unchanged from the previous year at CHF 1,900,000. This amount includes an estimated mandatory contribution of CHF 73,000 to be paid by Galenica to social security systems. The total amount includes additional remuneration for any further activities on the Board of Directors or for Group companies.

Maximum total remuneration for the Board of Directors for the 2024 financial year

The Board of Directors proposes that a maximum total amount of CHF 1,900,000 be approved for remuneration for the members of the Board of Directors for the 2024 financial year.

Agenda item 5.2: Maximum total remuneration for the members of the Executive Committee for the 2024 financial year

The proposed maximum total remuneration is based on remuneration for seven Executive Committee members. This includes the Chief Executive Officer (CEO). The Board of Directors proposes a maximum total remuneration of CHF 8,500,000 for the 2024 financial year.

Galenica offers competitive remuneration in order to recruit talented employees for key positions and retain them at the Company. In line with Galenica's performance-based remuneration philosophy, members of the Executive Committee who meet their performance targets generally receive a target remuneration equal to the remuneration level (median) of comparable positions in other companies of the same size and complexity. If performance targets are missed or surpassed, the remuneration paid may be below or above this median value.

Development of the maximum total remuneration for the Board of Directors for the 2022 to 2024 financial years

in thousand CHF

	2022 (approved by AGM)	2023 (approved by AGM)	2024 (motion)
Number of members	7	7	7
Maximum total remuneration for the Board of Directors	1,900	1,900	1,900
Of which social security contributions (estimated) ¹	77	70	73

¹ As of 1 January 2023

Maximum total remuneration for the Executive Committee for the 2024 financial year

The Board of Directors proposes that a maximum total amount of CHF 8,500,000 be approved for remuneration for the members of the Executive Committee for the 2024 financial year.

Further information on remuneration for the Board of Directors and the Executive Committee can be found in the Remuneration Report 2022.

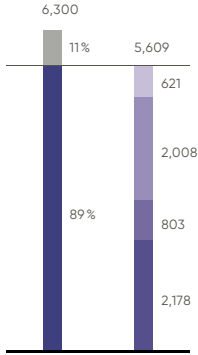
www.galenica.com, Publications



Remuneration for all members of the Executive Committee

in thousand CHF

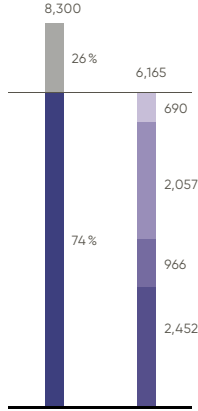
2021



Maximum total amount approved by the 2020 Annual General Meeting based on five members

As reported for six members: paid (gross) or allocated

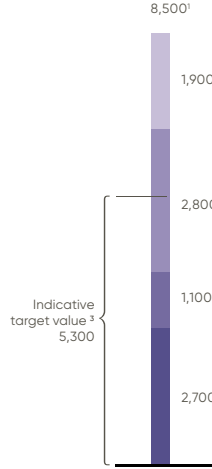
2022



Maximum total amount approved by the 2021 Annual General Meeting based on six members; supplemented by an additional amount based on expansion of the Executive Committee to seven members⁴

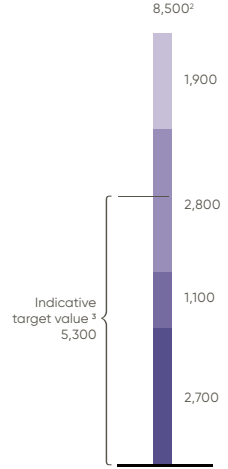
As reported for seven members: paid (gross) or allocated

2023



Seven members maximum

2024



Seven members maximum

■ Annual base salary ■ Social security contributions and other remuneration ■ STI ■ LTI

¹ Maximum total amount approved by the Annual General Meeting on 11 May 2022 based on seven Executive Committee members

² Proposal for the 2023 Annual General Meeting based on seven Executive Committee members

³ 100% achievement of targets

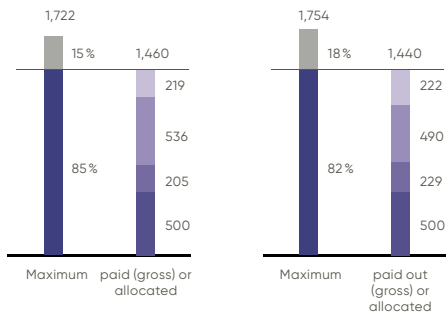
⁴ The maximum total amount based on six members, as approved by the Annual General Meeting on 12 May 2021, was CHF 7,200,000. Due to the expansion of the Executive Committee from six to seven members as of 1 January 2022, an additional amount pursuant to Art. 22 para. 6 of the articles of association was deemed applicable.

Remuneration for the highest-paid member of the Executive Committee CEO Galenica Group

in thousand CHF

2021

2022



■ Annual base salary
 ■ Social security contributions and other remuneration
 ■ STI
 ■ LTI

**We accompany
people in all life
situations on their
path to health
and well-being.**







**Comments regarding
partial revision of the
articles of association
of Galenica Ltd.**

Comments regarding partial revision of the articles of association of Galenica Ltd.

Please note that the official articles of association of Galenica are only available in German. The following provision of the articles of association have been translated from German. Due to linguistic peculiarities, it is possible that the translations do not necessarily correspond to those in the German version. In case of any discrepancies between the German version of these articles of association and the translation, the German version prevails.

6.1. **Agenda item: Amendment of the purpose of the Company, with a view to long-term and sustainable value creation**

The Board of Directors proposes to the shareholders that the Company objective of long-term and sustainable value creation be explicitly incorporated in the articles of association. Galenica Ltd. has always believed that forward-looking and responsible action in pursuit of the Company's purpose contributes significantly to the long-term and sustainable success of the Company and has an impact both within and outside the Company. The purpose of the Company will therefore be amended as follows: Art. 2 para. 1 of the articles of association will set forth explicitly that in pursuing its purpose the Company will focus on long-term and sustainable value creation.

In order to pass, a resolution to change the purpose of the Company requires a majority consisting of at least two-thirds of the votes represented and an absolute majority of the par value of the shares represented.

The Board of Directors proposes approval of the following amendment of the purpose of the Company with a view to long-term and sustainable value creation:

Current text

Art. 2

Purpose

1_The purpose of the Company is to acquire participations in trading, manufacturing and service companies, especially in the pharmaceutical industry and associated branches as well as in real estate companies.

[...]

Revised text (changes in bold)

Art. 2

Purpose

1_The purpose of the Company is to acquire participations in trading, manufacturing and service companies, especially in the pharmaceutical industry and associated branches as well as in real estate companies. **The focus is on long-term and sustainable value creation.**

[...]

6.2. **Agenda item: Amendment of the duties of the Board of Directors and requirements regarding the composition of the Board of Directors and Executive Committee as stipulated in the articles of association, with a view to sustainable value creation**

Galenica Ltd.'s long-standing commitment to sustainable value creation is to be incorporated into the articles of association. The Board of Directors proposes that the shareholders require the Board of Directors to focus on sustainable value creation and responsible use of resources when fulfilling its duties (Art. 16 para. 2 revised articles of association).

In addition, specific requirements are to be introduced regarding the composition of the Board of Directors and the Executive Committee. The Board of Directors proposes that shareholders stipulate in the articles of association that the composition of the members of the Board of Directors (Art. 17 para. 1 revised articles of association) and the Executive Committee (Art. 20 para. 2 revised articles of association) must be based on balanced diversity, particularly with regard to expertise and experience. The Galenica Group currently employs employees of all ages from 82 countries. Three quarters of all employees are women. The Board of Directors is convinced that a diverse composition of the Board of Directors and the Executive Committee will contribute to the long-term success of the entire Galenica Group, and therefore proposes that the articles of association include specific requirements regarding the composition of the Board of Directors and the Executive Committee.

The Board of Directors proposes approval of the following amendment of the duties of the Board of Directors and requirements regarding the composition of the Board of Directors and Executive Committee as stipulated in the articles of association, with a view to sustainable value creation:

Current text

Art. 16
Duties
[...]
2_[...]*

Revised text (changes in bold)

Art. 16
Duties
[...]¹
2_ In performing its duties, the Board of Directors shall be guided by the objectives of sustainable value creation and responsible use of resources.
[...]²

Art. 17
Composition, election and term of office
1_ The Board of Directors shall consist of a minimum of five and a maximum of nine members.

[...]

Art. 17
Composition, election and term of office
1_ The Board of Directors shall consist of a minimum of five and a maximum of nine members. **Balanced diversity among the members of the Board of Directors, particularly with regard to expertise and experience, shall be maintained.**

[...]³

¹ Note: Amendment of Art. 16 para. 1 of the articles of association, as per Agenda item 6.3.

² Note: Addition of Art. 16 para. 3 of the articles of association, as per Agenda item 6.3.

³ Note: Amendment of Art. 17 para. 3 of the articles of association, as per Agenda item 6.3.

Current text

Art. 20
Delegation and committees

[...]
2_[...]*

[...]

Revised text (changes in bold)

Art. 20
Delegation and committees

[...]⁴

2_The Board of Directors shall ensure that balanced diversity is maintained among the members of the Executive Committee, particularly with regard to expertise and experience.

[...]⁵

* There are no provisions in the current articles of association that would correspond to the provisions in the revised articles of association.

6.3. Agenda item: Amendments to the articles of association, to ensure compliance with the revised stock corporation law

Revised stock corporation law entered into force on 1 January 2023. The primary aim is to improve corporate governance of public limited companies, strengthen shareholder rights, modernise the General Meeting and make capital regulations more flexible. In addition, the Ordinance on Excessive Remuneration at Listed Stock Corporations will be transposed into law (with some amendments). Swiss public limited companies must bring their articles of association into compliance with revised stock corporation law within two years. The Board of Directors of Galenica Ltd. has decided that the amendments to the articles of association that will bring them into compliance with revised stock corporation law will be presented to shareholders for approval at this year's Annual General Meeting. The Board of Directors has three objectives:

- Firstly, the articles of association must be brought into compliance with new mandatory requirements under revised stock corporation law. Art. 3b para. 1 articles of association must be amended, as the revised stock corporation law now requires that the form in which conversion or option rights are exercised, and the waiver of those rights, must be set forth in the articles of association. Art. 10 para. 2 and 3 articles of association regarding shareholders' right to convene, add items to the agenda and propose motions must be amended, as the revised stock corporation law sets amended/lower thresholds for exercising these shareholder rights. In Art. 14 para. 3 articles of association, a threshold of 5% for shareholders who wish to exercise the right to information is to be introduced, to ensure compliance with revised stock corporation law. The provisions in the articles of association regarding the maximum number of permissible activities of Board of Directors and Executive Committee members outside the Galenica Group must also be amended, as under new legislation the number of activities in comparable positions at other commercial companies now has to be set forth in the articles of association (Art. 17 para. 3 and Art. 20 para. 4 of the revised articles of association). Furthermore, the duration of contracts on which remuneration for members of the Board of Directors is based must not exceed their term of office (see Art. 22 para. 9 articles of association).

⁴Note: Amendment of Art. 20 para. 1 of the articles of association, as per Agenda item 6.3.

⁵Note: Amendment of Art. 20 para. 3 and 4 of the articles of association in accordance with agenda item 6.3.

Under revised stock corporation law, remuneration based on a non-competition clause must not exceed the average remuneration over the past three business years. For that reason, Art. 22 para. 9 of the articles of association no longer contains provisions stipulating the permissible amount of such compensation.

- Secondly, for the sake of clarity and comprehensibility, the wording of the articles of association must be brought closer to the (revised) wording of the legislation, to make it clear that the relevant provisions in the articles of association do not deviate from the revised stock corporation law. Wording changes of that nature can be found in Art. 5 para. 1 to 3, Art. 10 para. 2 and 3, Art. 11 para. 1 to 4, revised Art. 12 para. 1 to 4 (including the title), Art. 13 para. 3 to 7, Art. 14 para. 3 and 4 (including the title), revised Art. 16 para. 3, Art. 17 para. 3, revised Art. 19 para. 2 to 4, revised Art. 20 para. 1, 3 and 4, Art. 22 para. 1 and 9, Art. 23 para. 1 and Art. 26 para. 1 and 2 (including the title of Section IV).
- Thirdly, long lists in the articles of association will not be used in future; instead, there will be references to the relevant legislation and the articles of association, so that the articles of association of Galenica Ltd. are leaner and easier to read and in the event of a change in the wording of the law, the articles of association do not have to be amended. Dynamic references of that nature will now be provided under Powers of the General Meeting (Art. 9 articles of association), Important resolutions of the General Meeting (Art. 15 articles of association) and 'Duties of the Board of Directors' (Art. 16 para. 1 articles of association).

The Board of Directors proposes approval of the following amendments to the articles of association, to ensure compliance with the revised stock corporation law:

Current text

Art. 3b

Contingent capital

1_The share capital may be increased by a maximum of CHF 500,000 by the issuance of a maximum of 5,000,000 fully paid registered shares with a nominal value of CHF -.10 each, through the voluntary or compulsory exercise of conversion rights and/or option rights granted in connection with the issuance of bonds or similar financial market instruments of the Company or one of its Group companies on national or international capital markets. The subscription rights of the shareholders shall be excluded. The then current owners of conversion rights and/or option rights shall be entitled to subscribe for the new shares. The conditions of the conversion rights and/or option rights shall be determined by the Board of Directors.

[...]

Revised text (changes in bold)

Art. 3b

Contingent capital

1_The share capital may be increased by a maximum of CHF 500,000 by the issuance of a maximum of 5,000,000 fully paid registered shares with a nominal value of CHF -.10 each, through the voluntary or compulsory exercise of conversion rights and/or option rights granted in connection with the issuance of bonds or similar financial market instruments of the Company or one of its Group companies on national or international capital markets. **The conversion and/or option rights may be exercised in writing or electronically; the same applies to the waiver of these rights.** The subscription rights of the shareholders shall be excluded. The then current owners of conversion rights and/or option rights shall be entitled to subscribe for the new shares. The conditions of the conversion rights and/or option rights shall be determined by the Board of Directors.

[...]

Current text

Art. 5

Shareholder register

1_The Board of Directors shall keep a shareholders' register showing at least the name and address (in the case of legal entities the registered office) of the holders or usufructuaries of registered shares. If the address of a shareholder changes, the new address must be communicated to the Company; as long as this has not been done, all written and electronic communications will be sent to the address entered in the share register, this being valid according to the requirements of the law. In relation to the Company, holders and beneficiaries of shares must be entered in the share register to be recognized.

2_The shareholder register shall contain two sections: "shareholders with voting rights" and "shareholders without voting rights."

3_Only those who are validly entered under one of these headings are deemed to be shareholders of the Company. A shareholder without voting rights may neither exercise the voting right nor any other rights relating to the voting right.

Revised text (changes in bold)

Art. 5

Shareholder register

1_The **Company** shall keep a **shareholder register of the registered shares showing the owners and beneficiaries with their names and addresses**. If a shareholder changes **their address, they must notify the Company of their new address; until that time, all postal or electronic notifications shall be sent with legal effect to their address as shown in the shareholder register**.

2_**Owners or beneficiaries may electronically submit applications for entry in the shareholder register. Entry in the share register requires documentary proof that the share was acquired for ownership or of the reasons for the usufruct thereof. In relation to the company the shareholder or beneficiary is the person entered in the share register**. The shareholder register shall contain two sections: "shareholders with voting rights" and "shareholders without voting rights."

3_A shareholder without voting rights may neither exercise the voting right nor any other rights relating to the voting right.

Current text

Art. 9

Powers

The General Meeting is the supreme governing body of the Company. It shall have the following non-transferable powers:

- a) Approval of the annual and management report, the consolidated financial statements and the annual financial statements;
- b) Decisions on the appropriation of net profit;
- c) Ratification of the actions of the Board of Directors and the Executive Committee;
- d) Election and dismissal of the Chairman and the other members of the Board of Directors;
- e) Election and dismissal of the members of the Remuneration Committee;
- f) Election and dismissal of the independent proxy holder;
- g) Election and dismissal of the auditor;
- h) Decisions on amending or supplementing the articles of association;
- i) Decisions on increasing or reducing the share capital;
- j) Decisions on the dissolution of the Company;
- k) Approval of the remuneration of the Board of Directors and the Executive Committee in accordance with Art. 22 of the articles of association;
- l) Decisions on other matters reserved for the General Meeting by law or the articles of association and on matters brought before the General Meeting by the Board of Directors.

Revised text (changes in bold)

Art. 9

Powers

The General Meeting is the supreme governing body of the Company. **Its non-transferable powers are governed by the relevant legislation and** the articles of association.

Current text

Art. 10

Convening meetings and setting the agenda

[...]

2_Extraordinary General Meetings shall be called as often as necessary by a decision of the General Meeting or Board of Directors, at the request of the Auditors or at the reasoned written request of shareholders representing in the aggregate not less than 7% of the share capital registered in the Commercial Register.

3_Shareholders who together represent at least 5% of the share capital shown in the Commercial Register may request in writing up to 40 days before the General Meeting that an item be included on the agenda, and must state the motions.

Revised text (changes in bold)

Art. 10

Convening meetings and setting the agenda

[...]

2_Extraordinary General Meetings shall be **convened** as **required by resolution** of the General Meeting or **by the Board of Directors or, if necessary, by the auditor. Shareholders may request that a general meeting be convened, provided they together hold at least 5% of the share capital or of the votes. Their request that the meeting be convened must be made in writing. The items on the agenda and motions must be included in the request.**

3_Shareholders **may request that items be placed on the agenda provided that they** together hold at least **0.5%** of the **Company's** share capital or votes. **Subject to those prerequisites, shareholders may request that motions relating to agenda items be included in the convocation of the General Meeting. The shareholders may submit a brief statement of reasons for the inclusion of agenda items or motions. This must be included in the convocation of the General Meeting. Such a request must be received by the Company in writing at least 40 days prior to the meeting, stating the agenda item, motion or motions.**

Current text

Art. 11

Method of convening

1_The General Meeting shall be convened by the Board of Directors at least 20 days before the date of the meeting. The shareholders shall be invited to attend by a notice placed in official publications. Meetings may also be convened by letter or electronically to all registered shareholders at the addresses shown in the shareholder register.

2_The agenda items and the motions of the Board of Directors and the shareholders who have requested the holding of a General Meeting or the inclusion of an item on the agenda must be stated in the invitation.

3_No later than 20 days before the General Meeting, the Annual Report with the annual and management report, the consolidated and annual financial statements, the audit report and motions for the appropriation of net profit and the motions for amendments to the articles of association are to be made available for inspection by the shareholders at Company offices, which must be stated in the invitation.

4_Resolutions may not be passed on agenda items that have not been announced in accordance with paragraph 2, subject to the full shareholders' meeting provisions, except motions to hold an Extraordinary General Meeting or a special audit.

[...]

Revised text (changes in bold)

Art. 11

Method of convening

1_The **Board of Directors shall notify the shareholders of the convocation of the** General Meeting at least 20 days before **the date of the meeting**. The shareholders shall be invited **via a notification as specified in Art. 28 of the articles of association**.

2_The **following information must be included in the notice convening the meeting: The date, the starting time, the form and the location of the General Meeting; the items on the agenda; the motions of the Board of Directors and a brief explanation of the motions; if applicable, the motions of the shareholders together with a brief explanation of the reasons; the name and address of the independent proxy holder**.

3_The **Annual Report and the audit reports must be made available to shareholders at least 20 days before the General Meeting. If the documents are not accessible electronically, each shareholder may request that they be sent to them in a timely manner.**

If the documents are not accessible electronically, each shareholder may request for a period of one year following the General Meeting that the Annual Report in the form approved by the General Meeting and the audit reports be sent to them.

4_The **resolutions** may be passed on **motions relating to agenda items** that have not been **duly** announced, except **for** motions to **convene** an Extraordinary General Meeting, **to conduct a special investigation or to appoint an auditor**.

[...]

Current text

Art. 12

Chair, office and minutes

1_The General Meeting shall be chaired by the Chair of the Board of Directors and, in his/her absence, by a Vice-Chair or another member of the Board of Directors designated by the Board of Directors. The Chair shall appoint the secretary and the vote counters.

2_The Chair shall have all managerial powers necessary for the proper, trouble-free and efficient conduct of the General Meeting.

3_Minutes shall be kept of the discussions and resolutions, which shall be signed by the Chair and the secretary. The shareholders are entitled to inspect the minutes at Company offices.

Revised text (changes in bold)

Art. 12

Implementation, chair, and minutes

1_**The Board of Directors shall determine the venue for the General Meeting. The board of directors may provide that shareholders who are not present at the General Meeting venue are able to exercise their rights electronically. The Board of Directors shall establish rules regarding the use of electronic means. It shall ensure that the identity of the participants is established, that the oral contributions at the General Meeting are directly transmitted, that each participant can table motions and participate in the debate and that the result of the vote cannot be falsified.**

2_The General Meeting shall be chaired by the Chair of the Board of Directors and, in his/her absence, by a Vice-Chair or another member of the Board of Directors designated by the Board of Directors. The Chair shall appoint the secretary and the vote counters.

3_The Chair shall have all managerial powers necessary for the proper, trouble-free and efficient conduct of the General Meeting.

4_Minutes **must** be kept of the discussions and resolutions; **these** shall be signed by the Chair and the secretary. **Any shareholder may request access to the minutes within 30 days following the General Meeting. The resolutions and the election results with details of the exact the percentage of votes for and against shall be made electronically accessible within 15 days following the General Meeting.**

Current text

Art. 13

Voting rights, voting rights restrictions and proxy voting
[...]

3_The shareholder may be represented by a representative with a written proxy form. The Board of Directors shall specify the requirements for proxy voting and issuing of instructions, and may also allow electronic proxy voting without a qualified electronic signature. In the invitation to the General Meeting at the latest, the Board of Directors shall announce the effective key date for entry in the shareholder register for participation and voting rights, and the details and key date for issuing written and electronic proxy forms and instructions to the independent proxy holder. For motions announced in the convocation and/or not announced, the general instructions regarding voting in favour of Board of Directors motions shall apply.

4_Shareholders who have participated in the Executive Committee in any way do not have the right to vote on resolutions to ratify the actions of the Board of Directors and Executive Committee.

Revised text (changes in bold)

Art. 13

Voting rights, voting rights restrictions and proxy voting
[...]

3_The shareholder may be represented **at the General Meeting by the independent proxy holder, their legal representative or, based on** a written proxy form, **by another authorised representative who does not need to be a shareholder**. The Board of Directors shall specify the requirements for proxy voting and issuing of instructions, and may also allow electronic proxy voting without a qualified electronic signature. In the **convocation of** the General Meeting at the latest, the Board of Directors shall announce the effective key date for entry in the **shareholder register** for participation and voting rights, and the details and key date for issuing written and electronic proxy forms and instructions to the independent proxy holder. For motions announced in the convocation and/or not announced, the general instructions regarding voting in favour of Board of Directors **motion** shall apply.

4_**Persons** who have participated in **management** in any way do not have the right to vote on resolutions to ratify the actions of the Board of Directors.

5_The General Meeting shall pass its resolutions and conduct its elections with an absolute majority of the share votes represented, subject to the provisions in the relevant legislation concerning requirements for passing of resolutions in special cases (see Art. 15).

6_The votes and elections shall be held either openly by a show of hands or by electronic means, unless the General Meeting decides or the Chair orders that written voting or election is required.

7_The Chair shall conclusively determine the procedure for voting and elections. In particular, he/she may have open voting or elections repeated at any time in writing and/or electronically if in his/her opinion there are doubts about the outcome.

5_Unless otherwise provided by law or the articles of association, the general meeting shall pass resolutions and conduct elections by a majority of the shares bearing voting rights represented.

6_The Chair shall conclusively determine the procedure for voting and elections. In particular, he/she may have open voting or elections repeated at any time in writing and/or electronically if in his/her opinion there are doubts about the outcome.

Current text

Art. 14

Right to information and inspection,
special audit
[...]

3_The accounts and correspondence may only be inspected with the express authorisation of the General Meeting or by resolution of the Board of Directors and with due regard for business secrecy.

4_Any shareholder may ask the General Meeting to have certain matters clarified by means of a special audit, insofar as this is necessary for the exercise of shareholder rights and the shareholder has already exercised the right to information or the right to inspect.

Revised text (changes in bold)

Art. 14

Right to information and inspection,
special **investigation**
[...]

3_The accounts and **files** may **be inspected by shareholders who together represent at least 5% of the share capital or votes. The** Board of Directors **shall grant permission for such inspection within four months of receiving the request. The shareholders may take notes. Inspection must be permitted insofar as it is required for the proper exercise of shareholders' rights and provided no trade secrets or other Company interests warranting protection are put at risk.**

4_Any shareholder may ask the General Meeting to have certain matters **investigated by an independent expert**, insofar as this is necessary for the exercise of shareholder rights and the shareholder has already exercised the right to information or the right to inspect.

Current text

Art. 15

Important resolutions

1_A resolution of the General Meeting requiring at least two-thirds of the votes represented and an absolute majority of the nominal value of the shares represented is required in the following cases:

- a) amending the purpose of the Company;
- b) introduction of voting right shares;
- c) implementation of restrictions on the transfer of registered shares and the amendment of such provisions;
- d) conversion of registered shares into bearer shares and vice versa;
- e) an authorised or conditional increase of the share capital;
- f) an increase of the share capital out of equity, by contribution in kind or to acquire property and grant special rights;
- g) restriction or suspension of subscription rights;
- h) relocation of the Company offices;
- i) dissolution of the Company.

2_Decisions on mergers, demergers or transformations are subject to Switzerland's Merger Act [FusG].

Revised text (changes in bold)

Art. 15

Important resolutions

A resolution of the General Meeting requiring at least two-thirds of the votes represented and **a** majority of the nominal value of the shares represented is required **in cases stipulated in the relevant legislation and in the articles of association.**

Current text

Art. 16

Duties

1_The Board of Directors has the following non-transferable and irrevocable duties:

- a) overall management of the Company and issuing the necessary instructions;
- b) defining Organisational Regulations;
- c) administration of the accounting system, financial controlling and financial planning, insofar as this is necessary for the management of the Company;
- d) appointing and dismissing the persons entrusted with managing and representing the Company;
- e) ultimate supervision of the persons entrusted with managing the Company, specifically with regard to compliance with the law, the articles of association, rules and instructions;
- f) preparation of the Annual Report, the management report and the remuneration report; preparation of the General Meeting and implementing its resolutions;
- g) notifying the courts in the event of over-indebtedness;
- h) passing resolutions on increase of the share capital, insofar as this is within the competence of the Board of Directors (Art. 651 para. 4 CO); specifying capital increases and corresponding amendments to the articles of association.

2_The board of directors may pass resolutions on all matters not reserved to the General Meeting by law or the articles of association.

Revised text (changes in bold)

Art. 16

Duties

1_The Board of Directors has the **non-transferable** and irrevocable duties **stipulated in the relevant legislation and in** the articles of association.

2_[...]⁶

3_The board of directors may pass resolutions on all matters not reserved to the General Meeting by law or the articles of association.

⁶Note: Amendment of Art. 16 para. 2 of the articles of association, as per Agenda item 6.2.

Current text

Art. 17

Composition, election and term of office

[...]

3_The number of appointments that a member of the Board of Directors may hold on the highest managerial and decision-making bodies of legal entities outside the Group shown in the Commercial Register or a comparable foreign register is limited to five appointments at listed companies and seven appointments at unlisted for-profit legal entities, and is limited to fifteen appointments at other legal entities such as foundations and associations; appointments at different legal entities within the same Group and appointments held on behalf of the Group are deemed a single appointment; these limits must not be exceeded, unless the appointment is temporary.

Revised text (changes in bold)

Art. 17

Composition, election and term of office

[...] ⁷

3_The number of appointments that a member of the Board of Directors may hold **in** comparable **positions at other commercial companies** is limited to **seven, of which four may be appointments at** listed companies, and is limited to fifteen appointments at other legal entities such as foundations and associations **with a for-profit purpose. These limits must not be exceeded, unless the appointment is temporary. These restrictions do not apply to appointments at companies controlled by the Company or carried out on behalf of the Company or companies controlled by it. An appointment at a Group of legal entities which are under uniform control is deemed a single appointment.**

⁷Note: Amendment of Art. 17 para. 1 of the articles of association, as per Agenda item 6.2.

Current text

Art. 19

Quorum and resolution-making

[...]

2_Resolutions of the Board of Directors require an absolute majority of the votes present in order to pass; the Chair has the casting vote.

3_The other provisions concerning meeting rules, quorum and resolutions of the Board of Directors are set forth in the Organisational Regulations of the Board of Directors.

Revised text (changes in bold)

Art. 19

Quorum and resolution-making

[...]

2_Resolutions of the Board of Directors require **a** majority of the votes **cast** in order to pass. **The** Chair has the casting vote.

3_The Board of Directors may pass its resolutions in the following ways: at a meeting, with a specified venue for the meeting; via electronic methods, by applying Art. 701c-701e CO mutatis mutandis; in writing on paper or in electronic form, unless a member requests that the discussion be discussed verbally. No signature is required if resolutions are passed electronically; the Board of Directors reserves the right to stipulate otherwise in writing.

4_The other provisions concerning meeting rules, quorum and resolutions of the Board of Directors are set forth in the Organisational Regulations of the Board of Directors.

Current text

Art. 20

Delegation and committees

1_The Board of Directors may transfer all or part of the management of the Company to individual members, in particular to a delegate, or to other natural persons (Executive Committee) as defined in the Organisational Regulations.

2_The Board of Directors may assign the preparation and execution of its resolutions or the supervision of business to committees or individual members. It must ensure appropriate reporting to its members.

3_If a member of the Executive Committee wishes to accept appointments on the highest managerial decision-making body of a legal entity outside the Group shown in the Commercial Register or a comparable foreign register, this requires the approval of the Board of Directors and is limited to three appointments; the maximum number of appointments per member of the Executive Committee at listed companies is one. Appointments held at different legal entities within the same Group, and appointments held on behalf of the Group, are deemed a single appointment; the limits must not be exceeded, unless the appointment is temporary.

Revised text (changes in bold)

Art. 20

Delegation and committees

1_The Board of Directors may **delegate** the management of the **Company in whole or part** to individual members **of the Board of Directors or other natural persons** (Executive Committee) in **accordance with** the Organisational Regulations.

2_[...] ⁸

3_The Board of Directors may assign the preparation and execution of its resolutions or the supervision of business to committees or individual members. It must ensure appropriate reporting to its members.

4_If a member of the Executive Committee wishes to accept appointments **with comparable functions at other commercial companies**, this requires the approval of the Board of Directors and is limited to **five** appointments, **of which a maximum of one per member of the Executive Committee may be at a listed Company**; the maximum number of appointments per member of the Executive Committee at **other** legal entities **such as non-profit foundations and associations is limited to ten. Only temporary exceedances are permitted. These restrictions do not apply to appointments at companies controlled by the Company or carried out on behalf of the Company or companies controlled by it. Appointments in different legal entities which are under uniform control are deemed a single appointment.**

⁸Note: Amendment of Art. 20 para. 2 of the articles of association, as per Agenda item 6.2.

Current text

Art. 22

Remuneration

1_Each year the Board of Directors shall submit for approval by the General Meeting the maximum total remuneration for the Board of Directors and the Executive Committee for the financial year beginning after the General Meeting. The Board of Directors may submit motions for approval by the General Meeting regarding maximum total amounts or individual remuneration elements for other periods and/or additional amounts for special remuneration elements, along with other conditional motions.

[...]

9_The maximum fixed term and respectively notice period of contracts on which the remuneration of members of the Board of Directors and Executive Committee is 12 months. This is subject to mandatory applicable foreign law requiring a longer term or notice period or severance pay. Employment contracts with members of the Executive Committee may contain a non-competition clause for the period following the end of employment, applicable for a period of up to one year. The annual remuneration for such a non-competition clause may not exceed the most recent annual remuneration paid to that specific Executive Board member.

[...]

Revised text (changes in bold)

Art. 22

Remuneration

1_Each year the Board of Directors shall submit for the maximum total remuneration for the Board of Directors and the Executive Committee for the financial year beginning after the General Meeting **to the General Meeting for approval**. The Board of Directors may submit for approval by the General Meeting **motions** regarding maximum total amounts or individual remuneration elements for other periods and/or additional amounts for special remuneration elements, along with other conditional motions. **If variable remuneration is voted on prospectively, the remuneration report must be submitted to the General Meeting for an advisory vote.**

[...]°

9_The **term of the contracts governing the** remuneration of the members of the Board of Directors **may not exceed their term of office. The term of limited contracts and the notice of termination for unlimited contracts that govern the remuneration of the members of the Executive Committee may amount to a maximum of one year.** This is subject to mandatory applicable foreign law requiring a longer term or notice period or severance pay. Employment contracts of members **of** the Executive Committee may contain a non-competition clause for the period following the end of employment, applicable for a period of up to one year.

[...]°¹⁰

⁹ Note: Amendment of Art. 22 para. 2, 3, 6 and 7 of the articles of association, as per Agenda item 6.4.

¹⁰ Note: Amendment of Art. 22 para. 10 of the articles of association, as per Agenda item 6.4.

Current text

Art. 23

Election and term of office

1_Every year, the General Meeting shall appoint an auditor within the meaning of Art. 727 et seq. of the CO.

[...]

IV ANNUAL ACCOUNTS DISTRIBUTION OF PROFIT AND RESERVES

Art. 26

Appropriation of net profit, reserves

1_The General Meeting shall have power of disposal over appropriation of net profit as defined in the relevant legislation; the Board of Directors shall submit its proposals to the General Meeting.

2_Dividends that have not been claimed within five years after the due date shall be deemed payable to the Company and allocated to the general reserves.

* There are no provisions in the current articles of association that would correspond to the provisions in the revised articles of association.

Revised text (changes in bold)

Art. 23

Election and term of office

1_The General Meeting shall appoint an auditor **as defined in Art. 727 et seq. CO for one financial year. Its term of office ends on the adoption of the annual accounts for the final year. The auditor is eligible for re-election.**

[...]

IV ANNUAL ACCOUNTS **AND** DISTRIBUTION OF PROFIT

[...]

Art. 26

Appropriation of net profit, reserves

The General Meeting shall have power of disposal over appropriation of net profit as defined in the relevant legislation; the Board of Directors shall submit its proposals to the General Meeting.

6.4. Agenda item: Updating of the provision in the articles of association concerning Board of Directors and Executive Committee remuneration

The Board of Directors proposes to shareholders that the provision in the articles of association concerning Board of Directors and Executive Committee remuneration be brought in line with current needs, beyond what is stated in Agenda item 6.3 regarding revised stock corporation law, and at the same time proposes that those provisions be redefined. In the Board of Directors' opinion, the most important proposed changes: The responsibilities of the Board of Directors and the Remuneration Committee in determining remuneration Art. 22 para. 2, 3, 7 and 10 of the articles of association) will be redefined. Furthermore, benchmarks for variable remuneration for members of the Executive Committee will be set forth in the articles of association, and the short- and long-term variable remuneration cap will be the same for all members of the Executive Committee, namely a percentage of target remuneration (Art. 22 para. 7 of the articles of association). Up until now the articles of association set a variable remuneration cap

based on a percentage of annual base remuneration, namely 250% for members of the Executive Committee and 300% for the CEO. Under the new provisions, short- and long-term variable remuneration for all members of the Executive Committee will be capped at a maximum of 200% of the corresponding target remuneration.

This will be set forth in new provisions in the articles of association regarding Board of Directors and Executive Committee remuneration (Art. 21 para. 2 of the articles of association). Art. 22 para. 10 of the articles of association will also be amended. The goal of the new approach is to broaden the scope of applicability of those provisions and bring them in line with the new articles of association provisions concerning Board of Directors and Executive Committee remuneration, in particular to ensure that there are provisions regarding forfeiting of remuneration.

The Board of Directors also proposes a new provision regarding the additional amount for newly appointed members of the Executive Committee. By contrast with the existing provisions regarding the additional amount, the numerical figure for the additional amount will no longer be based on the individual remuneration of the CEO or other members of the Executive Committee; instead, it will be the same for all members of the Executive Committee, namely a percentage of the most recent approved maximum total remuneration for the Executive Committee (Art. 22 para. 6 of the articles of association).

The Board of Directors proposes approval of the following update of the provision in the articles of association concerning Board of Directors and Executive Committee remuneration:

Current text

Art. 21
Remuneration Committee
[...]

2_ The Remuneration Committee shall define the remuneration strategy, performance targets and criteria of the Galenica Group, in particular for the top level of the Company. Its tasks, decision-making powers and authority to propose motions are set forth in the articles of association and Organisational Regulations. In particular, it shall support the Board of Directors in defining the remuneration system and principles and in preparing motions regarding remuneration submitted for approval by the General Meeting in accordance with Art. 22 of the articles of association. It may also submit proposals and recommendations regarding other remuneration matters to the Board of Directors.

[...]

Revised text (changes in bold)

Art. 21
Remuneration Committee
[...]

2_The Remuneration Committee shall define the remuneration strategy, **performance criteria and target values** of the Galenica Group, in particular for the top level of the Company. Its tasks, decision-making powers and authority to propose motions are set forth in the articles of association and Organisational Regulations. In particular, it shall support the Board of Directors in defining the remuneration system and principles and in preparing motions regarding remuneration submitted for approval by the General Meeting in accordance with Art. 22 of the articles of association. It may also submit proposals and recommendations regarding other remuneration matters to the Board of Directors.

[...]

Current text

Art. 22

Remuneration

[...]

2_ The maximum total remuneration for the Board of Directors consists of the annual remuneration independent of the results for the year, including estimated social security contributions and any contributions to pension funds, additional insurance contributions and other fringe benefits. Within the scope of the approved total amount, the remuneration may be paid in whole or in part in shares. In such cases, the Board of Directors shall specify the conditions, including the date of allocation and valuation, and shall make decisions on a blocking period if applicable.

3_ The maximum total remuneration for the Executive Committee consists of the annual base remuneration, the maximum remuneration or maximum possible number of shares allocated under short-term and long-term bonus and participation plans in accordance with paragraphs 7–9 and estimated social security contributions and contributions to pension funds, additional insurance contributions and other fringe benefits.

[...]

Revised text (changes in bold)

Art. 22

Remuneration

[...]¹¹

2_ The maximum total remuneration for the Board of Directors consists of the annual remuneration independent of the results for the year, including estimated social security contributions and any contributions to pension funds, additional insurance contributions and other fringe benefits. Within the scope of the approved total amount, the remuneration may be paid in **full** or part in **cash or in** shares. The Board of Directors **or, if delegated to it, the Remuneration Committee** shall specify the conditions, including the allocation **date** and valuation, and shall make decisions on a blocking period if applicable.

3_ The maximum total remuneration for the Executive Committee consists of the annual base remuneration, the maximum amount of short-term and long-term **variable** compensation **remuneration under** bonus and participation plans **described in paragraph 7** and estimated social security contributions and contributions to pension funds, additional insurance contributions and other fringe benefits. **The Board of Directors or, if delegated to it, the Remuneration Committee shall specify the conditions, including the date of allocation and valuation, and shall make decisions on a blocking period if applicable.**

[...]

¹¹Note: Amendment of Art. 22 para. 1 of the articles of association, as per Agenda item 6.3.

Current text

6_ If, after the General Meeting has granted approval, members of the Executive Committee are appointed or promoted or a delegate of the Board of Directors is appointed, the Remuneration Committee may, without the approval of the General Meeting, decide on a total remuneration for this new member which for a CEO or delegate shall be no more than 25% greater than the most recent total remuneration of the CEO, and for other new members of the Executive Committee shall be no more than 25% greater than the most recent average total remuneration of the Executive Committee excluding the CEO. In such cases, the Remuneration Committee may also decide to compensate for financial disadvantages resulting from the change of position, and this does not need to be approved by the General Meeting.

Revised text (changes in bold)

6_If, after the General Meeting has granted approval, members of the Executive Committee are appointed or a delegate of the Board of Directors is appointed, the Remuneration Committee may, without the approval of the General Meeting, **stipulate an additional amount if the maximum total amount for remuneration of the new members is insufficient. The additional amount per member per remuneration period must not exceed 25% of the most recent maximum total amount of remuneration for the Executive Committee approved by the General Meeting.** In such cases, the Remuneration Committee may also decide to compensate for financial disadvantages resulting from the change of position, and this does not need to be approved by the General Meeting.

Current text

7_Short-term and long-term incentive plans must not exceed a total of 250% of annual base remuneration for members of the Executive Committee or 300% for the CEO at the time of allocation, and when making decisions regarding these plans the Remuneration Committee must uphold the following principles:

- a) Under short-term incentive plans, remuneration in the amount of 0% to 150% of the annual base remuneration for members of the Executive Committee and 200% for the CEO may be granted, depending on the extent to which the targets set by the Remuneration Committee have been achieved in the financial year in question. The Remuneration Committee may request that a portion thereof be paid out in the form of time-blocked shares in the Company.

Revised text (changes in bold)

7_The Board of Directors or, if delegated to it, the Remuneration Committee must uphold the following principles when determining short-term and long-term variable remuneration:

- a) **Short-term variable remuneration shall be based on performance criteria oriented to the objectives of the Company, the Group and/or parts thereof, targets calculated in relation to the market, other companies or comparable benchmarks, and/or individual targets, the achievement of which shall generally be measured over a period of one year. The Board of Directors or, if delegated to it, the Remuneration Committee shall determine the performance criteria and target values, the amount of short-term variable target remuneration and the extent to which the targets are achieved. The maximum short-term variable remuneration for the CEO and for the other members of the Executive Committee shall be capped at 200% of the corresponding target remuneration (cap).**

Current text

- b) Under long-term incentive plans, shares or rights to Company shares may be awarded, and the exact number of shares shall depend on the extent to which the targets set by the Remuneration Committee are achieved.

[...]

10_ At its own discretion the Remuneration Committee is entitled, on a pro rata basis and notwithstanding any release from duties under short-term incentive plans, to compensate members of the Executive Committee whose employment contract is terminated by the employer without significant grounds as defined in Article 337 CO or whose employment contract is terminated by mutual agreement, and to take ownership of shares or rights to shares under long-term incentive plans that have not yet been transferred to the ownership of the entitled party.

Revised text (changes in bold)

- b) **Long-term variable remuneration shall be share-based and shall be oriented to performance criteria based on the strategic and/or financial objectives of the Company, the Group and/or parts thereof, targets calculated in relation to the market, other companies or comparable benchmarks, and/or the performance of the Company's share price, the achievement of which shall be measured over a period of several years. The Board of Directors or, if delegated to it, the Remuneration Committee shall determine the performance criteria and target values, the amount of long-term variable target remuneration and the extent to which the targets are achieved. The maximum long-term variable remuneration for the CEO and for the other members of the Executive Committee shall be capped at 200% of the corresponding target remuneration (cap).**

[...] ¹²

10_ The Board of Directors or, if delegated to it, the Remuneration Committee may stipulate that if a pre-agreed event occurs, such as a change of control or the end of an employment or agency relationship, vesting conditions, exercise conditions and periods, blocking periods and expiration conditions shall continue to apply or shall be shortened or rescinded, or that remuneration may be paid based on the assumption that target values are achieved, or that remuneration may be forfeited.

¹² Note: Amendment of Art. 22 para. 9 of the articles of association, as per Agenda item 6.3.

Notes



Shareholder's register

The shareholders of Galenica Ltd. registered as having voting rights in the shareholder's register as of 25 April 2023 are entitled to vote.

No trading restrictions for Galenica shares

The registration of shareholders for voting rights purposes does not affect the tradability of the shares before, during or after the Annual General Meeting.

Annual Report

The Annual Report of the Galenica Group is available on the Internet at www.galenica.com under Publications. The Annual Report 2022 with the Management Report and annual Financial Statements of Galenica Ltd. and the Galenica Group and the corresponding auditor's reports are available for inspection at the Company's registered office in Bern.

Simultaneous interpreting

The Annual General Meeting will be held partly in German and partly in French. Simultaneous interpreting into German and into French will take place. Headsets will be available in the foyer.

Early departure from the Annual General Meeting

To ensure that attendance can be accurately measured, please hand in unused voting materials and electronic voting devices at the exit if you depart early from the Annual General Meeting.

How to get there

We recommend that you use public transport, as there is limited parking available around the Kursaal in Bern. From Bern main railway station, take tram line 9 (direction: Wankdorf Bahnhof) to the Kursaal stop.

We are
Switzerland's
leading
healthcare
network.







Galenica Ltd.
Untermattweg 8
P.O. Box · CH-3001 Bern
Phone +41 58 852 81 11
info@galenica.com

www.galenica.com