

Annual General Meeting of 9 May 2018

Agenda items 4, 5.1 and 5.2: remuneration-related votes

Dear Shareholders

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

Our remuneration policy and systems are intended to ensure that the interests of shareholders and management are largely aligned. In line with legal requirements and the Articles of Association, we request that you give your binding approval at the 2018 Annual General Meeting for each of the two maximum total amounts of remuneration for 2019, and that you also comment on the 2017 Remuneration Report as part of a consultative (non-binding) vote.

The 2017 Remuneration Report, together with the consultative vote, should enable you, as a shareholder, to compare the proposed maximum remuneration for business year 2019 with performance and the remuneration paid in 2017. No increase of the maximum amounts is planned for 2018.

You can find the relevant background information for the three remuneration-related votes in the following explanations. The current company Galenica Ltd. came to the stock exchange as an independent part of the former Galenica (now Vifor Pharma) and has been listed on SIX Swiss Exchange since 7 April 2017. There is therefore no historical data available for the new Galenica Ltd. in respect of the remuneration of the Board of Directors and Corporate Executive Committee. Despite this, our basic remuneration principles and systems have been adopted in unchanged form.

Further details on the remuneration systems for the Board of Directors and the Corporate Executive Committee can be found in the Remuneration Report in the 2017 Annual Report of the Galenica Group (www.galenica.com, under the heading Publications).

Yours sincerely

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "J.Kneubuehler".

Jörg Kneubühler
Chairman

A handwritten signature in black ink, appearing to read "D. Bosshardt-Hengartner".

Daniela Bosshardt-Hengartner
Chairwoman of the
Remuneration Committee

Information on remuneration-related votes

Item 4: 2017 Remuneration Report – consultative vote

We provide shareholders with detailed information on our remuneration policy and systems for the Board of Directors and the Corporate Executive Committee in the Remuneration Report. In addition, the Remuneration Report ensures transparency with regard to the connection between business performance compared to Group targets and the remuneration actually paid or awarded to the Corporate Executive Committee.

We request that shareholders approve the remuneration system, remuneration practices and the payments for the previous business year in a consultative vote on the 2017 Remuneration Report. The Remuneration Report is available on our website at: www.galenica.com, under the heading Publications.

2017 Remuneration Report

The Board of Directors proposes the approval of the Remuneration Report in a consultative vote.

Preliminary remark regarding the maximum remuneration for the Board of Directors and the Corporate Executive Committee for business year 2019

Galenica can look back on a successful first business year. During the year under review, a new Board of Directors and Corporate Executive Committee were appointed in connection with the founding of the new Galenica Ltd. and the IPO on 7 April 2017. There is therefore no historical data available for the new Galenica Ltd. founded in 2017 in respect of the remuneration of the Board of Directors and Corporate Executive Committee. The maximum total amounts for the Board of Directors and the Corporate Executive Committee for 2017 and 2018 were set at an extraordinary Annual General Meeting held on 10 March 2017 as part of the preparation for the IPO (see the chart in the 2017 Annual Report on page 71). Please note the nine-month pro rata effect for 2017 because the IPO was held at the start of April 2017, and also the appointment of the management of the Retail Business sector with effect from 1 December 2017. **The intended total amounts for the Board of Directors and Corporate Executive Committee for 2018 (calculated on a 12-month basis) are the same as for 2017.**

Item 5.1: Maximum total remuneration of the members of the Board of Directors for financial year 2019

The proposed maximum total remuneration of the members of the Board of Directors for business year 2019 of CHF 1,900,000 is intended to remunerate seven (previously six) members and includes the possibility of other committees. Otherwise, the individual elements of remuneration are unchanged compared to 2018.

a) Remuneration of members of the Board of Directors in general

The remuneration of the members of the Board of Directors reflects the management structure and responsibilities of the Board of Directors in the sense of the applicable legal regulations, the Articles of Association and the remuneration regulations. The members of the Galenica Board of Directors receive only a fixed salary. They are not paid any variable or performance-related remuneration, share options or additional remuneration for attending meetings. The members of the Board of Directors do not receive any occupational pension or insurance benefits. The annual remuneration of the members of the Board of Directors is paid at least 50% (and, on request of individual members of the Board of Directors, 100%) in Galenica shares which are blocked for five years. Remuneration likely comprises the following components:

- an annual fixed salary of CHF 110,000 as a member of the Board of Directors, in addition to
- a supplement of CHF 30,000 for exercising the role of Chair of one of the committees of the Board of Directors, and
- a supplement of CHF 10,000 for membership of a committee of the Board of Directors, and
- a fixed salary of CHF 490,000 for the Chairman of the Board of Directors.

b) Proposed total remuneration of the members of the Board of Directors for financial year 2019

The table below shows the maximum total amount (in CHF) of remuneration to be paid to the members of the Galenica Board of Directors, subject to approval by the Annual General Meeting. This total remuneration is proposed for business year 2019. An assumption of seven non-executive members (including the Chairman) has been used to calculate the maximum remuneration for 2019. This is based on the assumption that all the proposed members of the Board of Directors and the members of the Remuneration Committee are elected at the Annual General Meeting, and that the Annual General Meeting elects Mr Bertrand Jungo to the Board.

Maximum total amount of remuneration for the members of the Board of Directors for financial year 2019: CHF 1,900,000. This sum includes an estimated mandatory employer contribution of CHF 80,000, to be paid by Galenica to the state social security system. These estimates do not take into account any potential changes to state social security contributions or the amounts on which they are based. The total amount includes any additional payments for other activities on the Board of Directors or for Group companies.

The remuneration actually paid will be disclosed in the Remuneration Report for financial year 2019 and be subject to a consultative vote at the Annual General Meeting in 2020.

Further information on the remuneration of the Board of Directors can be found on pages 66 to 69 of the 2017 Remuneration Report (www.galenica.com, under the heading Publications).

Total remuneration of the Board of Directors in 2019

The Board of Directors proposes the approval of a maximum total amount of CHF 1,900,000 for the remuneration of the members of the Board of Directors for financial year 2019.

c) Change in maximum total remuneration of the Board of Directors, business years 2017 to 2019

in thousand CHF (12 months)	2017 (approved by the AGM)	2018 (approved by the AGM)	2019 (proposed)
Number of members	6	6	7
Maximum total remuneration of the Board of Directors	1,650	1,650	1,900
Of which social security contributions (estimated)	70	75 ¹⁾	80

¹⁾ Calculated inclusive of seventh BD member from May 2018.

Item 5.2: Maximum total remuneration of the members of the Corporate Executive Committee for financial year 2019

The proposed maximum total remuneration is intended to remunerate five members of the Corporate Executive Committee. This includes the Chief Executive Officer (CEO). Maximum remuneration of CHF 5,800,000 is proposed for business year 2019. This amount includes a fixed sum of approximately CHF 1,975,000 as well as variable remuneration and social security costs (incl. other remuneration) of up to CHF 3,825,000.

In order to recruit and retain talented employees for key positions, Galenica must offer competitive remuneration. In line with Galenica's performance-focused remuneration philosophy, members of the Corporate Executive Committee who achieve their performance targets generally receive target remuneration equivalent to the average level of remuneration for comparable positions in other companies. If the performance targets are missed or exceeded, the remuneration ultimately granted may fall short of, or exceed, this average level.

Proposed maximum total amount to be paid, confirmed or granted to the members of the Corporate Executive Committee for financial year 2019

The total amount is expected to comprise the following amounts for the respective components:

- Annual base salary: CHF 1,975,000. This is equivalent to the amount for 2018.
- Bonus (STI): CHF 1,903,000
- Long-term incentive (LTI): CHF 1,306,000.

Additional social security costs amount to around CHF 616,000.

Further information on the remuneration of the Corporate Executive Committee can be found on pages 68 to 71 of the 2017 Remuneration Report (www.galenica.com, under the heading Publications).

Maximum total remuneration of the Corporate Executive Committee in 2019

The Board of Directors proposes the approval of a maximum total amount of CHF 5,800,000 for the remuneration of the members of the Corporate Executive Committee for financial year 2019.

Evolution of the remuneration of all members of the Corporate Executive Committee incl. the CEO

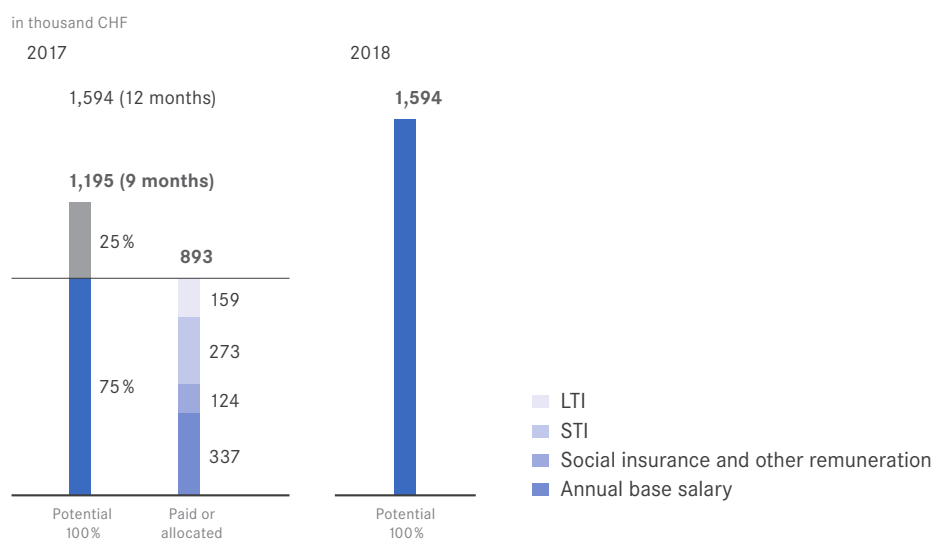


¹⁾ The current Galenica Ltd. was founded in 2017; therefore, there are no data for the previous year

²⁾ Amount approved by the Extraordinary General Meeting on 10 March 2017

³⁾ Including Head Retail Business sector as of 1 December 2017, previously four members

Remuneration of the CEO



Galenica Ltd.

Untermattweg 8 · P.O. Box · CH-3001 Bern

Phone +41 58 852 81 11

info@galenica.com · www.galenica.com