

Annual General Meeting of 2 May 2019

Items 4, 5.1 and 5.2: Remuneration-related votes

Item 6: Amendment to the Articles of Association

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 2019 Annual General Meeting for each of the two maximum total amounts of remuneration for 2020, and that you also comment on the 2018 Remuneration Report as part of a consultative (non-binding) vote.

The 2018 Remuneration Report, together with the consultative vote, should enable you, as a shareholder, to compare the proposed maximum remuneration for financial year 2020 with performance and the remuneration paid in 2018.

You can find the relevant background information for the three remuneration-related votes in the following explanations and also notes on the proposed amendment to the Articles of Association (prolongation of authorised capital). Galenica has been listed on the SIX Swiss Exchange as an independent company since 7 April 2017. The remuneration principles and systems are unchanged from 2017.

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 2018 Annual Report of the Galenica Group (www.galenica.com, under the heading Publications).

Yours faithfully,
On behalf of the Board of Directors



Jörg Kneubühler
Chairman of the
Board of Directors



Daniela Bosshardt-Hengartner
Chairwoman of the
Remuneration Committee

Information on remuneration-related votes

Item 4: 2018 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 financial year in a consultative vote on the 2018 Remuneration Report. The Remuneration Report is available on our website at: www.galenica.com, under the heading Publications.

Remuneration Report 2018

[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 financial year 2020

Galenica has had its first full financial year. The Board of Directors was expanded by one member in 2018 (Bertrand Jungo). The Corporate Executive Committee remained unchanged in the year under review. In 2018, a new Strategy Committee was established as an additional standing committee of the Board of Directors. The maximum total amounts for the Board of Directors and the Corporate Executive Committee for 2018 were set at an extraordinary Annual General Meeting held on 10 March 2017 as part of the preparation for the IPO (see the table on page 76 of the Annual Report). The Annual General Meeting of 9 May 2018 set the maximum remuneration for 2019 at CHF 1,900,000 for the Board of Directors and CHF 5,800,000 for the Corporate Executive Committee. According to the proposal of the Board of Directors, the maximum remuneration for the Board of Directors for 2020 should remain unchanged. For the Corporate Executive Committee a slight increase will be proposed.

Item 5.1: Maximum total remuneration of the members of the Board of Directors for financial year 2020

The proposed maximum total remuneration of the members of the Board of Directors for financial year 2020 of CHF 1,900,000 is intended to remunerate seven members.

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.

b) Proposed total remuneration of the members of the Corporate Executive Committee for financial year 2020

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 financial year 2020. An assumption of seven non-executive members (including the Chair) has been used to calculate the maximum remuneration for 2020. 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 Markus R. Neuhaus to the Board.

Maximum total amount of remuneration for the members of the Galenica Board of Directors for financial year 2020: CHF 1,900,000. This sum includes an estimated mandatory 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 2020 and be subject to a consultative vote at the Annual General Meeting in 2021.

Further information on the remuneration of the Board of Directors can be found on page 73 of the 2018 Remuneration Report (www.galenica.com, under the heading Publications).

Total remuneration of the members of the Board of Directors for financial year 2020

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 2020.

c) Change in maximum total remuneration of the Board of Directors, financial years 2018 to 2020

in thousand CHF (12 months)	2018 (approved by extraordinary AGM)	2019 (approved by AGM)	2020 (proposed)
Number of members	6	7	7
Maximum total remuneration of the Board of Directors	1'650	1'900	1'900
Of which social security contributions (estimated)	75 ¹⁾	78	80

¹⁾ Including seventh member of the Board of Directors from May 2018.

Item 5.2: Maximum total remuneration of the members of the Corporate Executive Committee for financial year 2020

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 6,000,000 is proposed for financial year 2020, an increase of CHF 200,000 from 2019. This amount includes a fixed sum of approximately CHF 1,850 as well as variable remuneration and social security costs (including other compensation) to a maximum of CHF 4,150. With the slightly increased maximum total amount, the Board of Directors would like to maintain a certain degree of flexibility.

In order to recruit and retain talented employees for key positions, Galenica offers 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.

Further information on the remuneration of the Corporate Executive Committee can be found on pages 74 to 76 of the 2018 Remuneration Report (www.galenica.com, under the heading Publications).

Maximum total remuneration of the Corporate Executive Committee for financial year 2020

The Board of Directors proposes the approval of a maximum total amount of CHF 6,000,000 for the remuneration of the members of the Corporate Executive Committee for financial year 2020.

Remuneration of all the members of the Corporate Executive Committee

in thousand CHF

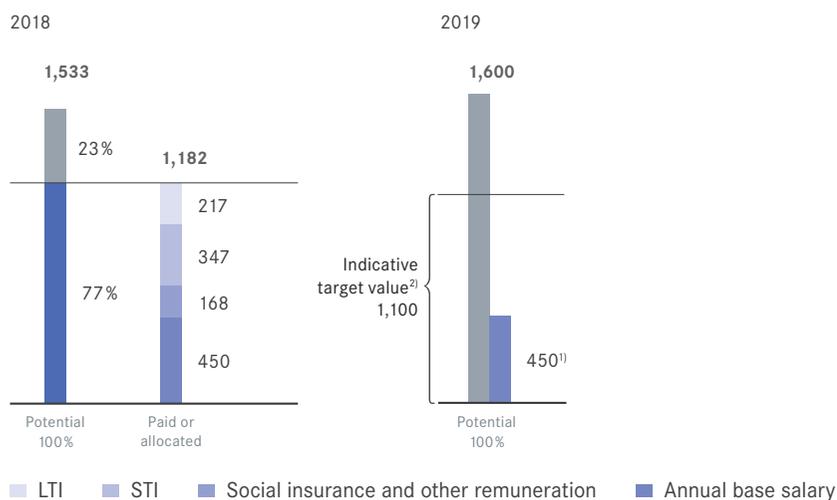


¹⁾ Amount approved by the Annual General Meeting on 9 May 2018
²⁾ Base salary target value
³⁾ Target achievement of 100%

Highest remuneration in the Corporate Executive Committee

CEO Galenica Group

in thousand CHF



¹⁾ Base salary target value
²⁾ Target achievement of 100%

Notes on the amendment to the Articles of Association

Item 6: Amendment to the Articles of Association (authorised capital)

The Board of Directors proposes to the Annual General Meeting that the authorisation to implement an authorised capital increase be extended for a further two years. The Board of Directors will thus continue to have the opportunity to carry out a capital increase of up to CHF 500,000 if required. The proposed amendment to the Articles of Association would give the Board of Directors a minimum degree of freedom to act in the area of equity measures.

The share capital of Galenica Ltd. amounts to CHF 5,000,000, divided into 50,000,000 registered shares of CHF 0.10 each and is fully paid up.

Current Version

Articles of Association of Galenica Ltd., 10 March 2017

II. Share capital, shares and shareholders

Art. 3a Authorised capital

- 1 The Board of Directors is authorised to increase the share capital by a maximum of CHF 500,000 at any time until 10 March 2019 by issuing a maximum of 5,000,000 registered shares with a par value of CHF 0.10 each which must be paid up in full. Increases by underwriting and partial increases are permissible.

New Version

Articles of Association of Galenica Ltd., 2 May 2019

- 1 The Board of Directors is authorised to increase the share capital by a maximum of CHF 500,000 at any time until 2 May 2021 by issuing a maximum of 5,000,000 registered shares with a par value of CHF 0.10 each which must be paid up in full. Increases by underwriting and partial increases are permissible.

Galenica Ltd.

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