

## **ARTICLES OF ASSOCIATION of GALENICA LTD.**

### **I. CORPORATE NAME, REGISTERED OFFICE, DURATION AND PURPOSE OF THE COMPANY**

#### **Art. 1**

##### **Corporate name, registered office and duration**

Under the corporate name

Galenica AG

Galenica SA

Galenica Ltd.

there exists a company limited by shares with unlimited duration having its registered office in Bern.

#### **Art. 2**

##### **Purpose**

<sup>1</sup>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.

<sup>2</sup>The Company is authorised to conduct all business activities relating, either directly or indirectly, to its purpose or conducive to the attainment of that purpose. It is likewise authorised to buy and sell real estate.

### **II. SHARE CAPITAL, SHARES AND SHAREHOLDERS**

#### **Art. 3**

##### **Share capital**

The share capital amounts to CHF 5'000'000.00, divided into 50'000'000 registered shares with a par value of CHF -.10 each, fully paid up.

#### **Art. 3a**

##### **Authorised share capital**

<sup>1</sup>The Board of Directors is authorised to increase the share capital by a maximum of CHF 500'000.- at any time until 02 May 2021 by issuing a maximum of 5'000'000 registered shares with a par value of CHF -.10 each which must be paid up in full. Increases by underwriting and partial increases are permissible.

<sup>2</sup>In each case the issue price, the type of contribution, the conditions for exercising the subscription rights and the date of dividend entitlement shall be determined by the Board of Directors. Subscription rights, which

have not been exercised or shares, for which subscription rights have not been exercised, shall be at the disposal of the Board of Directors which shall use them in the interest of the Company.

<sup>3</sup> The Board of Directors is authorised to restrict or deny the subscription rights of shareholders and to allocate them to third parties, if the shares are to be used:

- a) for the acquisition of companies, parts of companies or participations, for the acquisition of products, intellectual property rights or licenses, or for investment projects, including product development programs, or for the financing or refinancing of such transactions or investment projects through a placement of shares with one or more investors; or
- b) for the purpose of the participation of strategic partners (including in case of a public takeover bid) or for the purpose of broadening the shareholder constituency in certain investor groups or markets or in connection with a listing of the shares in domestic or foreign stock exchanges, including for the purpose of delivering the shares to the participating banks when exercising the overallotment option (“greenshoe option”); or
- c) for the participation in or the compensation of companies, which perform services for the Company or one of its subsidiaries; or
- d) for the purpose of a quick and flexible procurement of equity capital by way of share placement, which would not be possible or would only be possible under significantly conditions if the subscription rights had to be preserved.

<sup>4</sup> The new registered shares shall be subject to the restrictions on registration and voting rights set out in the articles of association. The exercise of contractually acquired subscription rights is permitted only within the limitations of article 7 of the articles of association.

### **Art. 3b**

#### **Conditional capital**

<sup>1</sup> 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 warrants 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 warrants shall be entitled to subscribe for the new shares. The conditions of the conversion rights and/or warrants shall be determined by the Board of Directors.

<sup>2</sup> The acquisition of shares through voluntary or mandatory exercise of conversion rights and/or warrants, as well as each subsequent transfer of the shares, shall be subject to the restrictions on registration and voting rights set forth in the articles of association.

<sup>3</sup> When issuing convertible bonds or bonds with warrants or similar financial instruments, the Board of Directors shall be authorised to restrict or exclude the advance subscription rights of the shareholders, if such instruments are issued:

- a) on national or international capital markets; or
- b) as private placements to one or more strategic investors or to one or more financial investors; or
- c) in connection with the financing or refinancing of the acquisition of companies, shares of companies or participations or new investment projects of the Company; or
- d) in connection with the replacement of existing financings.

<sup>4</sup> If the advance subscription rights are restricted or excluded by the Board of Directors, the following shall apply:

- a) the issuance of such instrument shall be made at prevailing market conditions, and the new shares shall be issued pursuant to the relevant conditions of that financial instrument;
- b) Conversion rights may be exercised during a maximum period of 10 years, and warrants may be exercised during a maximum period of 7 years in each case starting from the date of the respective issuance;

and

- c) the issuance of the new shares upon voluntary or mandatory exercise of conversion rights and/or warrants shall be made at conditions taking into account the market price of the shares and/or comparable instruments at the time of the issuance of the relevant financial instrument.

#### **Art. 4**

##### **Share certificates and shares**

1\_ Subject to paragraph 2, the registered shares of the Company are issued as uncertificated securities (in terms of the Swiss Code of Obligations) and as book entry securities (in terms of the Book Entry Securities Act).

2\_ Following his registration in the share register, the shareholder may at any time demand from the Company the delivery of an attestation certifying his current shareholding. However, the shareholder is not entitled to the printing and delivery of share certificates. In contrast, the Company may at any time print and deliver share certificates (individual share certificates, global certificates, certificates) in place of uncertificated securities, and may cancel issued certificates that are returned to it, without replacement, and replace them with another form of certificates or with uncertificated shares. In addition, the Company may withdraw shares issued as book entry securities from the custodian system (Verwahrungssystem).

3\_ The certificates bear the facsimile signature of the Chairman of the Board of Directors.

4\_ Disposition of book-entry securities is only possible in strict accordance with the Book-entry Securities Act. Uncertificated securities which do not classify as book-entry securities may only be transferred by way of assignment; such assignment shall be valid only if the Company is notified.

#### **Art. 5**

##### **Shareholders' 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 shareholders' register shall contain two headings "shareholders with voting rights" and "shareholders without voting rights".

3\_ In relation to the Company, the status as shareholder is conditional upon the valid entry of the name under one of these two headings. A shareholder without voting rights may neither exercise the voting right nor any other rights relating to the voting right.

#### **Art. 6**

##### **Registration in the Share Register**

1\_ Purchasers of registered shares shall, on request, be registered in the shareholders' register as shareholders with voting rights, provided they declare explicitly to have acquired the registered shares in their own name and for their own account.

2\_ The Board of Directors may record in the shareholders' register nominees with voting rights up to the limit of 2% of the share capital entered in the Commercial Register. Registered shares held by nominees that

exceed this limit may be registered in the shareholders' register with voting rights by the Board of Directors if the nominee agrees to disclose the name, address and the number of shares of the person for whose account the nominee holds 0.5% or more of the share capital registered in the Commercial Register. Nominees within the meaning of this provision are persons who do not specifically declare in their request for registration that they hold the shares for their own account and with whom the Board of Directors has entered into a corresponding agreement.

<sup>3</sup> Legal entities and partnerships or other groups of persons or joint owners who are interrelated through capital ownership, voting rights, common management or are otherwise linked, as well as physical persons and legal entities and partnerships who act in concert (especially as a syndicate) to circumvent the regulations concerning the limitations of participation or representation by nominees will be treated as one single nominee within the meaning of this article.

<sup>4</sup> The restrictions stipulated in para. 2 of this article shall apply also in the event of acquisition of registered shares on the occasion of the exercise of subscription, option and conversion rights, subject to Art. 652b para. 3 and Art. 653d para. 1 of the Swiss Code of Obligations.

<sup>5</sup> The Board of Directors may cancel with retroactive effect as of the date of registration, the entry in the share register if the registration was effected based on false information, and may have the respective shareholder entered instead as a shareholder without voting rights, and vice versa. The respective shareholder or nominee shall be informed immediately of the cancellation of the registration.

<sup>6</sup> The Board of Directors shall specify the details and give the necessary orders for compliance with the above provisions. The Board of Directors may delegate these tasks and competences.

<sup>7</sup> Following the acquisition of shares and on the basis of a request for registration as a shareholder, every owner shall be regarded as a shareholder without voting rights until the Company has acknowledged him to be a shareholder with voting rights. If the Company does not decline the request for registration of the owner within 20 days, he shall be deemed acknowledged as a shareholder with voting rights.

## **Art. 7**

### **Subscription rights**

Whenever the share capital is increased, each shareholder shall have a subscription right on a pro rata basis to his previous share ownership, unless the General Meeting decides otherwise.

## **III. CORPORATE BODIES OF THE COMPANY**

### **Art. 8**

#### **Corporate bodies**

The corporate bodies of the Company are:

- A. The General Meeting
- B. The Board of Directors and the Executive Committee
- C. The Auditors

## **A. THE GENERAL MEETING**

### **Art. 9**

#### **Powers**

The General Meeting is the supreme corporate body of the Company. It shall have the following inalienable powers:

- a) Approval of the annual report and the management report, the consolidated financial statements and the annual statements of account;
- b) Decisions on the use of the balance-sheet profit;
- c) Discharge of the members of the Board of Directors and the Executive Committee;
- d) Election and removal of the Chairman and the other members of the Board of Directors;
- e) Election and removal of the members of the Remuneration Committee;
- f) Election and removal of the independent proxy holder;
- g) Election and removal of the Auditors;
- h) Decisions on changes and amendments to the articles of association;
- i) Decisions on an increase or reduction of 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 which are reserved for the General Meeting by law or by these articles of association and on matters brought before the Annual General Meeting by the Board of Directors.

### **Art. 10**

#### **Convening meetings and setting the agenda**

1 The Annual General Meeting is held each year within six months after the close of the business year of the Company.

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 representing in the aggregate no less than 5% of the share capital entered in the Commercial Register may ask for an item to be included in the agenda up to 40 days before the General Meeting by specifying their proposal in written form.

### **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 are invited to attend by a notice placed in the publication organs. The meeting may also be convened by sending a letter or e-mail to all the registered shareholders at their addresses entered in the shareholders' register.

2 The notice of a meeting shall state the items on the agenda and the proposals of the Board of Directors and as the case may be of the shareholders who demanded that a General Meeting be convened or for a particular item to be included in the agenda.

3 No later than 20 days before the Annual General Meeting, the business report containing the annual report

and the management report, the consolidated financial statements and annual statements of account, the audit report and the motions on the appropriation of the balance sheet profit, together with proposals for amendments to the articles of association, shall be laid open for consultation by the shareholders at the registered office of the Company; attention shall be called to this fact in the notice.

4\_ Decisions may not be taken on matters that have not been announced in accordance with para. 2, subject to the provisions concerning universal meetings, except on motions to hold an Extraordinary General Meeting or to carry out a special audit.

5\_ However, no prior announcement shall be required with respect to the filing of motions within the framework of items that are already on the agenda or which do not lead to resolutions being passed.

## **Art. 12**

### **Chairman, bureau and minutes**

1\_ The General Meeting shall be chaired by the Chairman of the Board of Directors and, if he is unable to attend, by a Vice-Chairman or by another member of the Board of Directors designated by the Board. The Chairman shall appoint a secretary and the vote counters.

2\_ The Chairman shall have all powers necessary for the orderly, undisturbed and efficient conduct of the General Meeting.

3\_ Minutes of the deliberations and decisions shall be kept and signed by the Chairman and secretary. The shareholders are entitled to inspect the minutes at the registered office of the Company.

## **Art. 13**

### **Voting rights, restrictions of voting rights and representation of voting rights**

1\_ Every registered share listed in the shareholders' register of the Company with voting rights shall grant entitlement to one vote but, subject to para. 2 of this article, in the exercise of such voting rights, no shareholder may either directly or indirectly act for a total of more than 5% of the share capital entered in the Commercial Register, including both his own shares and the shares represented by him. Legal entities and partnerships or other groups of persons or joint owners who are interrelated through capital ownership, voting rights, common management or are otherwise linked, as well as individuals or legal entities and partnerships that act in concert (especially as a syndicate) to circumvent the regulations concerning the limitation of participation or representation by nominees, shall be treated as one single person. This restriction of the voting rights shall not apply to the independent proxy holder.

2\_ In exercising voting rights, Galenica AG (CHE-107.971.891) is entitled to unite a maximum of 20% of the share capital registered with the Commercial Register. This entitlement is restricted to the shares of Galenica AG on the date of the initial public offering of the Company. It can neither be transferred to a successor, nor is it valid after the change of control at Galenica AG. If Galenica AG sells these shares in whole or in part after the initial public offering of the Company, Galenica AG irrevocably loses its entitlement to the corresponding extent. The Board of Directors is also entitled to grant the voting right up to a maximum of 20% of the share capital registered with the Commercial Register to strategic partners.

3\_ The shareholder may be represented on the basis of a written power of attorney by a representative. The Board of Directors sets out in detail the requirements for powers of attorney and instructions, whereby it may also allow electronic powers of attorney without qualified electronic signature. The Board of Directors shall provide the relevant cut-off date for entry in the shareholders' register for participation and the right to vote in the General Meeting, as well as details and the cut-off date for issuing written and electronic powers of attorney and instructions to the independent proxy holder at the latest in the invitation to the General Meeting. The general instruction to vote in line with the proposal of the Board of Directors for proposals announced and unannounced in the invitation is deemed to be a valid instruction.

4\_When decisions are taken on a discharge of the Board of Directors and the Executive Committee, shareholders who have taken part in any way in the management of the Company shall not be entitled to vote.

5\_The General Meeting shall take its decisions and hold its elections by an absolute majority of the votes carried by the shares represented at the meeting, subject to the binding provisions of the law on special quorums (see article 15).

6\_Resolutions and elections shall be taken either by a show of hands or by electronic voting, unless the General Meeting decides for, or the presiding officer orders, a vote by written ballot.

7\_The Chairman shall have final authority to determine the procedure for votes and ballots. In particular, he may arrange for an open vote or ballot to be repeated at any time by a written and/or electronic procedure if in his opinion there is any doubt as to the outcome.

## **Art. 14**

### **Right to information and right of inspection, special audit**

1\_Every shareholder is entitled to seek information from the Board of Directors on the business of the Company and from the Auditors on the conduct and outcome of their audit at the General Meeting.

2\_This information is to be given only to the extent that it is required for the exercise of the shareholders' rights. It may be withheld if it is prejudicial to business secrets or other interests of the Company that warrant protection.

3\_The business books and correspondence may only be inspected with the express authorisation of the General Meeting or by a decision of the Board of Directors and business secrets must be respected.

4\_Any shareholder may apply to the General Meeting for particular circumstances to be clarified by a special audit insofar as this is necessary for the exercise of the shareholders' rights and if the shareholder has already exercised the right of information or the right of inspection.

## **Art. 15**

### **Special Quorum**

1\_A decision of the General Meeting that receives at least two-thirds of the votes represented and an absolute majority of the share par values represented shall be needed for:

- a) an alteration of the purpose of the Company;
- b) the creation of voting right shares;
- c) an implementation of restrictions on the transfer of registered shares and the removal of such restrictions;
- 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, for the purpose of an acquisition of property and the grant of special rights;
- g) a restriction or suspension of subscription rights;
- h) a change of location of the registered office of the Company; and
- i) the dissolution of the Company.

2\_Decisions on mergers, demergers and conversions shall be guided by the provisions of the Swiss Mergers Act (FusG).

## **B. THE BOARD OF DIRECTORS**

## **Art. 16**

### **Duties**

1 The Board of Directors has the following non-delegable and inalienable duties:

- a) the overall management of the Company and to issue the necessary directives;
- b) the determination of the organisation;
- c) the administration of the accounting system, financial controlling and financial planning insofar as this is necessary for the management of the Company;
- d) appointment and removal of the persons entrusted with the management and representation of the Company;
- e) the ultimate supervision of the persons entrusted with the management of the Company, specifically in view of their compliance with the law, the articles of association, regulations and directives;
- f) the preparation of the annual report, the management report, the remuneration report and the General Meeting, and carrying out its resolutions;
- g) notifying the judge in case of over-indebtedness;
- h) The passing of resolutions regarding capital increases, to the extent that they are in the power of the board of directors (Art. 651 para 4 of the Swiss Code of Obligations), as well as the resolutions confirming increases in share capital and the amendments to the articles of association entailed thereby.

2 The Board of Directors may pass binding resolutions for the Company with respect to all matters that are not expressly reserved to the authority of the General Meeting either by law or by these articles of association.

## **Art. 17**

### **Composition, election and term of office**

1 The Board of Directors shall consist of a minimum of 5 and a maximum of 9 members.

2 The Chairman of the Board of Directors and the other members are elected individually for a term of one year. The term of office ends after conclusion of the next Annual General Meeting. Re-election is possible.

3 The number of mandates held by a member of the Board of Directors in the top management or administrative bodies of a legal entity outside of the Group that is entered in the Commercial Register or a comparable foreign register is limited to five mandates in listed entities, seven mandates in profit-making non-listed entities and 15 mandates in other entities such as foundations and associations. Mandates in different legal entities within the same Group and mandates held on behalf of the Group are considered to be one mandate and only temporary exceedances are permitted.

## **Art.18**

### **Constitution**

1 Subject to the competences of the General Meeting, the Board of Directors is self-constituting. It elects the secretary who need not necessarily be a member of the Board. In addition, it may elect one or two Vice-Chairmen.

2 If the office of the Chairman of the Board of Directors is vacant, the Vice-Chairman (the longer-serving one if two have been elected) takes over the presidency for the period until the next General Meeting. If no Vice-Chairman has been elected, the Board of Directors appoints a new Chairman from amongst its members for the remaining term of office.

## **Art. 19**

### **Quorum and decision-making**



1\_ The presence of the majority of all Board Members is necessary for the Board of Directors to pass resolutions; this does not apply in cases where exceptions are stipulated by law, the articles of association or the organisational regulations.

2\_ Decisions of the Board of Directors are taken by absolute majority of votes represented; the Chairman has the casting vote.

3\_ Other provisions on the organisation of the meeting, the quorum and decision-making by the Board of Directors shall be guided by the organisational regulations of the Board of Directors.

## **Art. 20**

### **Delegation and committees**

1\_ Pursuant to the provisions of the organisational regulations, the Board of Directors may delegate the management of the Company in whole or in part to individual members, in particular to a delegate, or to other natural persons (Executive Committee).

2\_ The Board of Directors may assign the preparation and implementation of its decisions or the supervision of business to committees or to individual members. It must ensure appropriate reporting to its members.

3\_ Acceptance of a mandate by a member of the Executive Committee in the top management or administrative bodies of a legal entity outside of the Group entered in the Commercial Register or a comparable foreign register requires the prior approval of the Board of Directors. The maximum number of mandates per member of the Executive Committee is three, whereby the maximum number of mandates in listed companies is one. Mandates in different legal entities within the same Group and mandates held on behalf of the Group are considered to be one mandate and only temporary exceedances are permitted.

## **Art. 21**

### **Remuneration Committee**

1\_ The Remuneration Committee generally comprises three members of the Board of Directors. The members of the Remuneration Committee are elected individually and annually by the General Meeting. The term of office concludes at the end of the next Annual General Meeting. Re-election is possible. In the event of the early departure of one or more members, the Board of Directors may appoint replacement members from among its members until the end of the next Annual General Meeting.

2\_ The Remuneration Committee deals with the remuneration strategy and the performance targets and criteria of the Galenica Group, primarily at the highest corporate level. It has the duties, decision-making powers and authority to submit proposals assigned to it in accordance with the articles of association and the organisational regulations. In particular, it supports the Board of Directors in determining and evaluating the remuneration system and principles, and in preparing proposals to the General Meeting for approval of the remuneration in accordance with Art. 21 of the articles of association. It is also entitled to make requests and recommendations to the Board of Directors in other compensation matters.

3\_ The Board of Directors can assign further duties to the Remuneration Committee and specify its statutory duties.

## Art. 22

### Remuneration

1\_ The Board of Directors submits the maximum total amounts of remuneration for the Board of Directors and the Executive Committee for the business year beginning after the General Meeting for approval every year. The Board of Directors can submit proposals to the General Meeting with regard to the maximum total amounts or individual elements of the remuneration for other periods and/or with regard to additional amounts for specific remuneration elements and additional conditional proposals for approval.

2\_ The maximum total amount of remuneration for the Board of Directors comprises the annual remuneration, which is independent of the annual result, including estimated social security contributions and any pension fund contributions by the employer, additional insurance contributions and other additional benefits. Payment of the approved total amount may be made in whole or in part in the form of shares. The Board of Directors also determines the conditions for payment in shares, including the allocation date and value, and decides on a blocking period, where appropriate.

3\_ The maximum total amount of remuneration for the Executive Committee consists of the annual basic salary, the maximum remuneration or maximum possible number of allocated shares under short-term and long-term participation plans in accordance with para. 7-9 and estimated social security and pension fund contributions by the employer, additional insurance contributions and other additional benefits.

4\_ Remuneration is considered to be what is listed in the remuneration report as remuneration; where amounts are as yet unknown, valuations and/or estimates are made. Exceedance of the approved maximum total amount due to currency fluctuations is permitted.

5\_ If the General Meeting rejects a proposal from the Board of Directors, the Board of Directors can put forward one or more new proposals, convene an Extraordinary General Meeting or, taking into account all relevant factors, set a maximum total amount or several maximum partial amounts and submit this/these to the next General Meeting for approval. The Company or Group companies may make payments in connection with a maximum total or partial amount set in this way, subject to the approval of the General Meeting.

6\_ If members of the Executive Committee are appointed or promoted or if a delegate of the Board of Directors is appointed, after approval has been given by the General Meeting, the Remuneration Committee may determine the total remuneration for this new member without the approval of the General Meeting; in the case of a CEO, delegate or Executive Chairman of the Board of Directors, this total remuneration may exceed the last approved total remuneration of the CEO by a maximum of 25%, and for other new members of the Executive Committee, it may exceed the last average approved total remuneration of the Executive Committee, excluding the CEO, by a maximum of 25%. Likewise, in such cases the Remuneration Committee may decide to compensate financial disadvantages due to a change of position; this does not have to be approved by the General Meeting.

7\_ Short-term and long-term incentive plans must not exceed a total of 250% of the basic remuneration for members of the Executive Committee and 300% for the CEO at the time of allocation. The Remuneration Committee must take the following principles into account when defining the allocation:

- a) Short-term incentive plans may award remuneration from 0% to 150% of the basic remuneration for members of the Executive Committee and up to 200% for the CEO, based on the degree of achievement of the targets set by the Remuneration Committee for the business year concerned. The Remuneration Committee may require that part of this be paid out in Company shares that are blocked for a period of time.
- b) Long-term incentive plans may award shares or rights to shares in the Company; the precise number of shares depends on the degree of achievement of the targets set by the Remuneration Committee.

8\_ Payments to pension funds and pension payments outside of the occupational pension scheme or similar institutions abroad are permitted insofar as they have been approved individually or as part of a total amount by the General Meeting. The Remuneration Committee can approve loans and credits to members of the

Executive Committee up to 50% of the fixed annual remuneration of the individual concerned. No loans or credits are granted to members of the Board of Directors.

<sup>9</sup> The maximum fixed term or notice period for contracts underlying remuneration for the members of the Board of Directors and the Executive Committee is 12 months. This is subject to applicable foreign legislation requiring a longer term or notice period or a severance package. Contracts of employment with members of the Executive Committee may contain a prohibition of competition for the time after the end of employment for a duration of up to one year. The annual consideration for such prohibition shall not exceed the total annual compensation last paid to such member of the Executive Committee.

<sup>10</sup> The Remuneration Committee is entitled at its discretion to compensate pro rata under short-term incentive plans members of the Executive Committee whose employment contract is ended by the employer without good cause pursuant to Art. 337 of the Swiss Code of Obligations or whose employment contract is terminated by mutual consent, regardless of any exemption, and to assign shares or rights to shares under long-term incentive plans that have not yet passed into the ownership of the beneficiary.

## **C. AUDITORS**

### **Art. 23**

#### **Election and term**

<sup>1</sup> Each year, the General Meeting shall elect the auditors within the meaning of Art. 727 et seq. of the Swiss Code of Obligations.

<sup>2</sup> The tasks, rights and obligations as well as the qualifications and independence of the auditors shall be determined by the provisions of the law.

## **D. INDEPENDENT PROXY HOLDER**

### **Art. 24**

#### **Election and term of office**

<sup>1</sup> The General Meeting elects an independent proxy holder each year. The term of office concludes at the end of the next Annual General Meeting. Re-election is possible. If the company does not have an independent proxy holder elected by the General Meeting, the Board of Directors shall appoint one for the next General Meeting.

<sup>2</sup> Individual persons as well as legal entities or partnerships may stand for election.

#### **IV. ANNUAL FINANCIAL STATEMENTS, PROFIT ALLOCATION AND RESERVES**

##### **Art. 25**

###### **Annual financial statement**

<sup>1</sup>\_The business year shall run from 1 January to 31 December.

<sup>2</sup>\_The Board of Directors shall prepare a business report consisting of the annual report and management report, the annual financial statements and the consolidated financial statements for each business year.

##### **Art. 26**

###### **Allocation of profit shown on the balance sheet, reserves**

<sup>1</sup>\_The allocation of the profit shown on the balance sheet shall be determined by the General Meeting subject to legal provisions. The Board of Directors shall submit to the General Meeting its proposals.

<sup>2</sup>\_Dividends that have not been claimed within five years after the due date fall back to the Company and shall be allocated to the general reserves.

#### **V. DISSOLUTION**

##### **Art. 27**

###### **Dissolution**

If the Company is wound up, liquidation shall be effected pursuant to the statutory provisions by the Board of Directors, unless the General Meeting assigns this task to special liquidators.

#### **VI. PUBLICATIONS**

##### **Art. 28**

###### **Announcements**

Shareholder communications of the Company shall be made legally valid in the Swiss Gazette of Commerce (SHAB). The Board of Directors may designate additional publication organs; it may also rescind such designations. Notices to registered shareholders may be duly made with legal validity by sending a letter or e-mail to the addresses stated in the shareholders' register.

## **VII. LEGAL DISPUTES**

### **Art. 29**

#### **Legal disputes**

Legal disputes over matters relating to the Company shall be resolved by the ordinary courts; the exclusive place of jurisdiction shall be Bern.

## **VIII. INTERPRETATION OF THE ARTICLES OF ASSOCIATION**

### **Art. 30**

#### **Interpretation of the articles of association**

In case of doubt over the interpretation of the articles of association, the German version shall prevail.

## **IX. ADDITIONAL**

### **Art. 31**

#### **Contribution in kind and Transfer of Assets**

Upon its incorporation and in accordance with the Agreement regarding the Contribution in Kind and Transfer of Assets dated 13 February 2017, the Company acquires from Galenica AG (CHE-107.971.891), Bern:

- 82'320 ordinary registered shares with a par value of CHF 100.00 each and 2'000 ordinary registered shares with a par value of CHF 50.00 each (thus 100% of the shares) of Alloga AG (CHE-101.277.415), in Burgdorf;
- 100 registered shares with a par value of CHF 1'000.00 each (thus 100% of the shares) of Amavita Health Care AG (CHE-109.493.980), in Niederbipp;
- 1'000 registered shares with a par value of CHF 100.00 each (thus 100% of the shares) of Aprioris AG (CHE-101.908.799), in Bern;
- 1'000 registered shares with a par value of CHF 100.00 each (thus 100% of the shares) of e-prica AG (CHE-101.919.165), in Bern;
- 98'000 ordinary registered shares with a par value of CHF 500.00 each and 10'000 ordinary registered shares with a par value of CHF 100.00 (thus 100% of the shares) of GaleniCare Holding AG (CHE-103.282.309), in Bern;

- 250'000 registered shares with a par value of CHF 100.00 each (thus 100% of the shares) of Galexis AG (CHE-105.973.991), in Niederbipp;
- 100 registered shares with a par value of CHF 1'000.00 each (thus 100% of the shares) of G-Pharma AG (CHE-114.143.089), in Niederbipp;
- 100'000 registered shares with a par value of CHF 1.00 each (thus 100% of the shares) of HCI Solutions AG (CHE-107.377.185), in Bern;
- 1'000 registered shares with a par value of CHF 100.00 each (thus 100% of the shares) of 1L Logistics AG (CHE-103.160.020); in Burgdorf;
- 36'276 registered shares with a par value of CHF 10.00 each (thus 100% of the shares) of MediService AG (CHE-108.428.075), in Zuchwil;
- 100% of the shares (capital: DEM 100'000.00) of SWISS PHARMA GmbH (HRB 32039, Amtsgericht Landau in der Pfalz, Germany), in Rülzheim/Germany;
- 4'438 registered shares with a par value of CHF 400.00 each (thus 88,76% of the shares) Unione Farmaceutica Distribuzione SA (CHE-105.719.926), in Lugano;
- 1'000 registered shares with a par value of CHF 100.00 each (thus 100% of the shares) of Vifor Consumer Health SA (CHE-103.328.957), in Villars-sur-Glâne;
- 1'000 registered shares with a par value of CHF 100.00 each (thus 100% of the shares) of Galenica Finanz AG (CHE-265.679.248), in Bern;

all participations in the total amount of CHF 298'369'289.83;

- Intra-group receivables and receivable positions towards third parties (assets) in the total amount of CHF 631'098'268.36, in accordance with Annex No 1 to the Agreement regarding the Contribution in Kind and Transfer of Assets dated 13 February 2017;
- Furnishings and computer facilities in the total amount of CHF 31'699.58, in accordance with Annex No 3 to the Agreement regarding the Contribution in Kind and Transfer of Assets dated 13 February 2017;
- Software licences in the amount of CHF 40'511.73, in accordance with Annex No 3 to the Agreement regarding the Contribution in Kind and Transfer of Assets dated 13 February 2017;
- Intra-group liabilities (liabilities) in the total amount of CHF 3'658'351.20, in accordance with Annex No 2 to the Agreement regarding the Contribution in Kind and Transfer of Assets dated 13 February 2017;

- Trademarks and domain names in accordance with the Annexes No 4 and 5 to the Agreement regarding the Contribution in Kind and Transfer of Assets dated 13 February 2017 as well as know-how and the archive; all for free;

to the total value and price of CHF 925'881'418.30. In return, 50'000'000 registered shares with a par value of CHF 0.10 each are issued to the contributor. In addition, a claim of CHF 360'000'000.00 will be credited to the contributor. An amount of CHF 560'881'418.30 will be allocated to the statutory reserve (reserves from capital contributions).

The present Articles of Association enter into force as from the Annual General Meeting of 02 May 2019.