



The e-mediplan

“The e-mediplan is a key component towards omni-channel. Above all, the app offers customers convenience and greater safety thanks to reminders or direct contact with their doctor, and can also save them money by recommending generics.”

Damaris Aeschlimann, Head E-Business
Galenicare

Corporate Governance

The Corporate Governance report outlines the structures, processes and regulations on which well-functioning corporate governance at Galenica is based. Galenica meets the requirements of Swiss law and those stated in the SIX Swiss Exchange Directive on Information relating to Corporate Governance (Directive Corporate Governance) and follows the recommendations of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse. The structure of this Corporate Governance report is based on the SIX Swiss Exchange Directive Corporate Governance. The remuneration and profit-sharing for top management are disclosed in a separate Remuneration report (starting on page 75).

Group structure and shareholders

Structure of the Group

Galenica Ltd. is headquartered at Untermattweg 8, 3027 Bern, Switzerland. It is a corporation under Swiss law and, as a holding company, owns all the companies in the Galenica Group directly or indirectly. Galenica Ltd. has been listed on the SIX Swiss Exchange since 7 April 2017 (ticker symbol: GALE). Shares in Group companies are not publicly traded.

The Group's structure and the consolidated subsidiaries and associates are shown in the Financial statements 2019 on page 149. The addresses of the main Group companies are listed on pages 164 and 165. The Articles of Association of Galenica Ltd., the Organisational Regulations as well as the charters of the committees of the Board of Directors can be accessed on the Galenica website (see related links on page 72).

Shareholders

On 31 December 2019, Galenica had 14,452 shareholders, five of which, according to documents submitted to Galenica Ltd. and the SIX Swiss Exchange, were major shareholders holding 3% or more of the voting rights in Galenica Ltd.:

- UBS Fund Management (Switzerland) AG, Basel, Switzerland, with 2,482,860 shares
- BlackRock, Inc., New York, USA, with 2,239,120 shares
- Alecta Pensionsförsäkring, Ömsesidigt, Stockholm, Sweden, with 2,000,000 shares
- Credit Suisse Funds AG, Zurich, Switzerland, with 1,626,752 shares
- Rudolf Maag, Binningen, Switzerland, with 1,500,000 shares

In addition, Norges Bank (Central Bank of Norway), Oslo, Norway, reported various instances of both crossing and falling below the 3% threshold of shares. No other shareholder announced a crossing of the 3% threshold of shares.

The transactions disclosed to the stock exchange Disclosure Office pursuant to Art. 120 of the Financial Market Infrastructure Act (FMIA) can be viewed on the Disclosure Office website of the SIX Swiss Exchange (see related links on page 72).

As of 31 December 2019, the pension fund of the Galenica Group was registered with 0.39%.

Cross shareholdings

Galenica Ltd. has no cross shareholdings in companies outside the Galenica Group.

Events after the balance sheet date

Since the balance sheet date and until 24 February 2020, there are no further disclosures of shareholdings pursuant to Art. 120 of the FMIA.

Structure of the share capital

Share capital

On 31 December 2019, the fully paid share capital of Galenica amounted to CHF 5,000,000, divided into 50,000,000 shares with a nominal value of CHF 0.10 each. Galenica shares (securities no. 36 067 446, ISIN CH036 067 446 6) are listed on the SIX Swiss Exchange. As of 31 December 2019, 49,339,150 shares were outstanding (not including treasury shares). The market capitalisation amounted to CHF 2,952.9 million.

Authorised capital

According to Art. 3a of the Articles of Association, the Board of Directors is authorised to increase the share capital of CHF 5,000,000 by a maximum of CHF 500,000 at any time up to and including 2 May 2021 by issuing no more than 5,000,000 fully paid shares.

Conditional capital

According to Art. 3b of the Articles of Association, the share capital may be increased by a maximum of CHF 500,000 by exercising conversion rights or option rights. As of 31 December 2019, Galenica had no conditional capital.

Structure of the Galenica Group

Status: December 2019

**Changes in the capital**

Information about changes in the share capital, reserves and distributable profit can be found on pages 160 and 161 of the Financial statements 2019.

Participation and dividend certificates

Galenica has no participation or dividend certificates.

Registration of shareholders

Buyers of shares are entered in the shareholders' register upon request as shareholders with voting rights if they declare explicitly that they have acquired the shares in their own name and for their own account.

Registration and voting rights

Each registered share entitles the holder to one vote at the Annual General Meeting. Pursuant to Art. 13 of the Articles of Association, voting rights at Galenica are restricted to 5% of the share capital.

Legal entities and partnerships, 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 or partnerships that act in concert to circumvent this provision, are treated as one single entity.

The Board of Directors may refuse registration in the shareholders' register if purchasers do not declare explicitly, upon request, that they have acquired the shares in their own name and for their own account. The Board of Directors is also authorised to cancel any entries in the shareholders' register that came about on the basis of incorrect information or to change these into entries without voting rights, and vice versa.

The Board of Directors may approve exceptions to the voting rights restrictions in order to permit the participation of strategic partners in Galenica Ltd., in an amount not exceeding 20% of the share capital. The Board did not exercise this right in the year under review.

Registration of nominees

A nominee may be registered with voting rights up to a limit of 2% of the share capital entered in the commercial register. Shares in excess of this limit can only be registered if the nominee in question discloses the name, address and number of shares of the person for whose account the nominee holds 0.5% or more of the share capital entered in the commercial register. Galenica has signed an agreement of this nature with three nominees.

Convertible bonds and options

Galenica has no outstanding convertible bonds, nor has it issued any traded options.

The Board of Directors

The Board of Directors of Galenica Ltd. is responsible for the overall management and ultimate supervision of the Group. It determines the strategic goals, the general ways and means to achieve them while harmonising strategy, risks and financial resources, and issues instructions and oversees the managers responsible for conducting the company's businesses. The Board of Directors pursues the aim of increasing enterprise value on a sustainable basis and ensures a balanced relationship between management and control (Corporate Governance). It decides on the Group's medium-term planning, budget and annual objectives. The values and essential framework of the company's activities are also determined by the Board of Directors. For the Board of Directors, sustainability is of central importance (on sustainability, see also the feature starting on page 37). With regard to personnel, it is responsible for the selection and deselection of the members of the committees, the CEO and the members of the Corporate Executive Committee as well as the organisation of the remuneration system.

The specific duties of the Board of Directors of Galenica Ltd. are based on the Code of Obligations (in particular Art. 716a CO), the company's Articles of Association and its Organisational Regulations (see related links on page 72). Pursuant to the Articles of Association, the Board of Directors consists of five to nine members. It consisted of seven members as of the end of 2019. Markus R. Neuhaus was elected to the Board of Directors at the Annual General Meeting 2019. The previous Chairman of the Board of Directors, Jörg Kneubühler, stepped down at this time. Daniela Bosshardt was elected the new Chairwoman of the Board of Directors.

In selecting the members of the Board of Directors, care is taken to ensure that competency for each significant area of the Galenica Group's activities is represented and that the necessary specialised expertise is also available. The election of Markus R. Neuhaus strengthened expertise in finance, corporate strategy and management as well as corporate governance/compliance. The Board of Directors will continue to focus actively on the issue of succession planning and its composition. Attention will be paid in particular to diversity and complementarity in this regard. New members of the Board of Directors are introduced to their responsibilities and gain an overview of the current challenges for the Group and Business sectors at a one-day event. Pascale Bruderer will be proposed as a new member of the Board of Directors at the Annual General Meeting on 19 May 2020. Fritz Hirsbrunner will step down from the Board of Directors at this time. Pascale Bruderer will bring important additional knowledge in the areas of healthcare policy, home care and digitalisation to the Board of Directors. The Board of Directors reviews its functional effectiveness once a year. In 2019, a self-assessment was carried out based on a standardised survey. The Board of Directors views itself as a well constituted team of optimum size, with a range of experience, complementary expertise and a good combination of different personalities. The committees of the Board of Directors also carried out a self-assessment in 2019. The Board of Directors is again planning to carry out an assessment with external support by 2021.

The Articles of Association of Galenica Ltd. restrict the ability of its directors to act in the highest management and administrative bodies of other legal entities outside of the Group (Art. 17 (3) of the Articles of Association). This includes, in particular, limiting such outside activity to five mandates in listed and seven mandates in profit-oriented non-listed legal entities. None of the members reached this limit in 2019.

With the exception of the Chairman of the Board of Directors, Jörg Kneubühler, who stepped down with effect from the Annual General Meeting on 2 May 2019, none of the members of the Galenica Board of Directors performed an operational management function at Galenica or any of the companies in the Group in the year under review or at any time during the previous three years. Based on the criteria of the Swiss Code of Best Practice for Corporate Governance, all members are therefore independent.

Duties of the Chairwoman of the Board of Directors

The Chairwoman is responsible for leading the Board of Directors and the ongoing optimisation of Group strategy. The duties of the Chairwoman include questioning and supporting the CEO and the Corporate Executive Committee with regard to the development of the Group's strategic business planning and financial objectives, and representing the Board of Directors and, in agreement with the CEO, Galenica externally. The Chairwoman monitors implementation of decisions taken by the Annual General Meeting and Board of Directors. She also ensures succession planning at the highest management level.

Disclosure of potential conflicts of interest

No member of the Galenica Board of Directors has any significant relations with Galenica or any of its subsidiaries. Philippe Nussbaumer is a pharmacist in the canton of Neuchâtel and is a customer of Galexis and a Winconcept partner. The business relationships between the companies of the Galenica Group and Philippe Nussbaumer are on an "at arm's length" basis.

Election and term of office

Each member of the Board of Directors, its Chairwoman, each member of the Remuneration Committee as well as the independent proxy are elected individually by the Annual General Meeting for a term of office of one year, i.e. from one Annual General Meeting to the end of the next. Members may be re-elected.

Internal organisation

The Chairwoman calls a meeting of the Board of Directors at least four times a year and prepares and leads the meetings. The individual agenda items are set by the Chairwoman. She decides on a case-by-case basis whether to involve additional persons in the consultations of the Board of Directors. The Corporate Executive Committee also participates in part of every meeting to report on ongoing business and to explain in more detail the documentation in light of the decisions to be taken. Any member of the Board may request that the Chairwoman call a meeting of the Board of Directors and that items be included in the agenda. The members of the Board receive the documentation they need to prepare for the agenda items in a timely manner, normally ten days before the meeting in question. The Board of Directors constitutes a quorum when the majority of its members are present. Minutes are kept, recording all discussions and resolutions.

In 2019, the Board of Directors held six meetings. The Board of Directors is also informed on a regular basis about the current state and general development of the Business sectors.

As part of its risk management, the Board of Directors receives from the Corporate Executive Committee an overview of the most important risks, along with preventive measures to be implemented Group-wide as part of the risk management process. This is provided when circumstances require it, but at least twice a year. Further information on this topic can be found on page 70.

Committees

The Board of Directors forms the following committees from its members:

- Governance and Nomination Committee
- Remuneration Committee
- Audit and Risk Committee
- Strategy Committee

The Governance and Nomination Committee has been a standing committee since the Annual General Meeting on 2 May 2019 (previously ad hoc).

The committees prepare the business of the Board of Directors in the areas of activity assigned to them and submit recommendations to the entire Board of Directors. They meet as often as business requires and report to the Board of Directors on activities and results. They draw up their own agendas and keep minutes.

Each committee has its own duties and responsibilities, which are stipulated in a charter. The charters of the committees are published on the Galenica website (see related links on page 72).

Governance and Nomination Committee

The Governance and Nomination Committee comprises four members. This committee supports the Chairwoman and the Board of Directors in the ultimate management and monitoring of the company (corporate governance). It also evaluates the appointment of and changes to members of the Board of Directors and its committees, the CEO and members of the Corporate Executive Committee, and makes appropriate suggestions to the Board of Directors.

In 2019, the Governance and Nomination Committee prepared in particular the nomination of a new CEO as well as a successor on the Board of Directors in seven meetings and several teleconferences. The members were Daniela

Committees of the Board of Directors and their chairs and members 2019

	Name	Member since	Independent	Remuneration Committee	Audit and Risk Committee	Strategy Committee	Governance and Nomination Committee ¹⁾
Board of Directors	Daniela Bosshardt Chairwoman of the Board of Directors ²⁾	2017	Yes			Member	Chairwoman
	Bertrand Jungo Vice-Chairman ³⁾	2018	Yes			Chairman	Member
	Michel Burnier	2017	Yes	Member			
	Fritz Hirsbrunner	2017	Yes	Chairman	Member		Member
	Markus R. Neuhaus	2019	Yes		Member	Member	Member
	Philippe Nussbaumer	2017	Yes			Member	
	Andreas Walde	2017	Yes	Member	Chairman		
Number of meetings 2019	6			4	5	5	7
Honorary Chairman	Etienne Jornod						
General Secretary	Markus Dill						

¹⁾ The Governance and Nomination Committee has been a standing committee since the Annual General Meeting on 2 May 2019 (previously ad hoc)

²⁾ Chairwoman of the Board of Directors since the Annual General Meeting on 2 May 2019, succeeding Jörg Kneubühler, who stepped down from the Board of Directors with effect from 2 May 2019

³⁾ Vice-Chairman of the Board of Directors since 2 May 2019

Bosshardt (Chairwoman), Bertrand Jungo, Fritz Hirsbrunner and Markus R. Neuhaus. Marc Werner, the new CEO, will take up his role from 1 April 2020. Pascale Bruderer is to be proposed for election as a new member of the Board of Directors at the Annual General Meeting on 19 May 2020.

Remuneration Committee

The Remuneration Committee is made up of three members, the majority of whom must be independent. The Remuneration Committee carries out the following duties in particular:

- Proposes a remuneration strategy and objectives for the Group and the members of the Corporate Executive Committee to the Board of Directors;
- Proposes to the Board of Directors the salaries and remuneration for the members of the Board of Directors, the Chairwoman, the CEO and the Corporate Executive Committee as a whole;
- Approves the remuneration for the members of the Corporate Executive Committee (excluding the CEO) according to the proposal of the CEO and in agreement with the Chairwoman of the Board of Directors.

For the regulations in the Articles of Association governing remuneration, see page 65 and the Remuneration report from page 75. The activities and focuses of the Remuneration Committee in the year under review are detailed in the Remuneration report (see page 77).

Audit and Risk Committee

The Audit and Risk Committee comprises three members and supports the Board of Directors in fulfilling its duties with regard to accounting, financial reporting, risk management, compliance, as well as internal and external audits. The Audit and Risk Committee carries out the following duties in particular:

- Audits reports by the Corporate Executive Committee using the company's compliance and risk management process;
- Monitors measures taken by the Corporate Executive Committee for compliance with internal and external regulations;
- Evaluates the effectiveness of the external auditor and approves its fees;

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Members of the Board of Directors



Daniela Bosshardt, Chairwoman of the Board of Directors, elected since 2017

- Born 1972, Swiss citizen
- Pharmacist, Federal Diploma in Pharmacy, Federal Institute of Technology, Zurich (ETHZ)
- Financial analyst at Bank am Bellevue (1998-2002) and M2 Capital (2003-2004)
- Management consultant in the pharmaceutical, medical technology and biotechnology sectors since 2004
- Member of the Board of Directors of Reprisk Ltd.
- Former Board mandates at Vifor Pharma Ltd. (2008-2019), investiere.ch - Verve Capital Partners Ltd. (2017-2019) and Nobel Biocare Ltd. (2010-2014)



Bertrand Jungo, Vice-Chairman of the Board of Directors, elected since 2018

- Born 1965, Swiss citizen
- Business administrator lic.rer.pol., University of Fribourg
- CEO of Swiss department store group Manor from 2006 to 2017
- With Admeira Ltd. since 2017, until February 2020 as CEO, since then member of the Board of Directors
- Member of the Advisory Board of the International Retail Summit (IRS) of the Gottlieb Duttweiler Institute (GDI)



Prof. Dr. Michel Burnier, elected since 2017

- Born 1953, Swiss citizen
- Swiss-registered Doctor of Internal Medicine and Nephrology
- Honorary professor, University of Lausanne
- Member of the Swiss Society of Nephrology (former President), European Society of Hypertension (former council member and Treasurer) and Swiss Society of Hypertension (former President)
- Member of the Medicines Committee of the Swiss Association of Pharmacists (until 2001) and the Board of Swissmedic (2002-2010)
- Member of the Board of Directors of Speedel Holding Ltd. from 2007 to 2009
- Member of the Board of Directors of Vifor Pharma Ltd.



Fritz Hirsbrunner, elected since 2017

- Born 1949, Swiss citizen
- Lic. oec., HEC University of Lausanne / Senior Executive Program, IMD, Lausanne
- 1972-1977 Controller at Ciba-Geigy
- Joined the former Galenica Group in 1977 as Assistant to the Corporate Executive Committee; member of the Corporate Executive Committee, Deputy CEO and CFO from 1992 to 2011. Head Investor Relations from 2012 to 2014 (mandate basis)
- Member of the Board of Trustees of IST Investmentstiftung
- Member of the Board of Directors of Berlac Ltd., IVF Hartmann Holding Ltd. and Vencap 6 Ltd.
- Former Board member of Vifor Pharma Ltd. (2012-2019)



Dr. Markus R. Neuhaus, elected since 2019

- Born 1958, Swiss citizen
- Dr. iur., certified tax expert
- Various roles at PwC from 1985, including CEO of PwC Switzerland from 2003 to 2012, member of PwC's Global Board from 2005 to 2007, member of the PwC Network Executive Team from 2010 to 2013, member of PwC's Office of the Global Chairman from 2013 to 2016 and Chairman of PwC Switzerland from 2012 to 2019
- Various other functions, including Chairman of the Zürcher Volkswirtschaftlichen Gesellschaft (Economic Society Zurich), Vice Chairman of the Zurich Chamber of Commerce, Vice Chairman of Avenir Suisse and Chairman of the Finance and Tax Commission of Economiesuisse
- Member of the Board of Directors of Barry Callebaut AG (Vice Chairman), Baloise Holding AG, Orior AG (Vice Chairman) and Jacobs Holding AG



Dr. Philippe Nussbaumer, elected since 2017

- Born 1969, Swiss citizen
- FPH Pharmacist, Federal Diploma / PhD in Pharmaceutical Sciences, University of Geneva / dipl. oec. HEC, University of Lausanne
- Federal Ski Instructor Diploma and Federal Expert J+S; since 2004, Vice-President of the Swiss Snowsports School of Neuchâtel / Les Bugnens
- Owner and president of the Pharmacie Centrale and the Pharmacie de la Gare in La Chaux-de-Fonds
- Since 2007, founder and administrator of the Ecopharma pharmacy brand
- Since 2014, founder and member of the Board of Directors of the Medi-Centre Ltd. medical centre in La Chaux-de-Fonds
- Member of the Board of Directors of Veripharm Ltd.

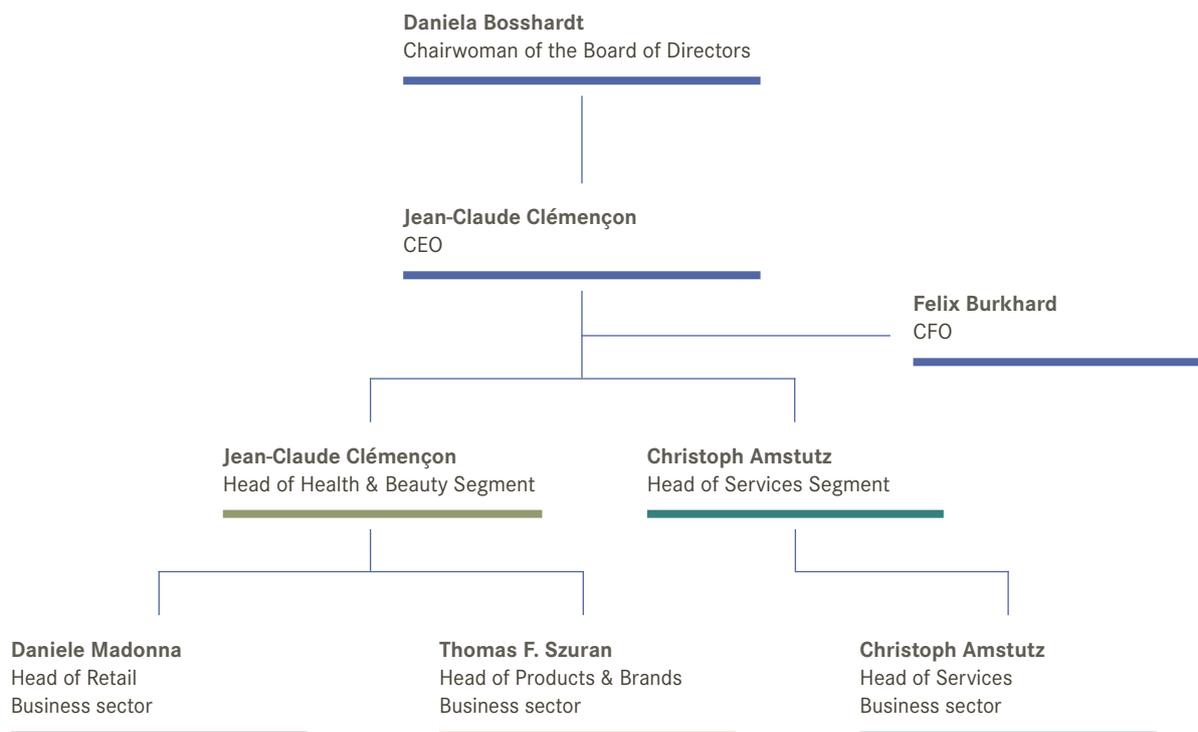


Dr. Andreas Walde, elected since 2017

- Born 1962, Swiss citizen
- Attorney-at-law and doctorate in law, University of Basel
- Various legal and management positions in the chemical and pharmaceutical industry for more than 30 years with specialisation in financial and corporate structures, M&A, risk management, compliance and corporate governance: 1988-1996 at Roche, 1998-2010 at Clariant and 2012-2013 at Petroplus, in the latter two among others as Group General Counsel; General Secretary of Vifor Pharma Ltd., former Galenica Group, since 2013
- Member of the Board of Swiss-Holdings, and the Board of Scienceindustries
- Former (Board) mandates for several private and (non-Swiss) listed companies as well as former member of the Board of the Society of Swiss Enterprises in Germany

Leadership organisation

Status: December 2019



- Evaluates the internal audit programme, accepts reports from Internal Audit and checks whether the Corporate Executive Committee has used appropriate measures to implement Internal Audit's recommendations;
- Submits recommendations to the Board of Directors on the Group's capital structure, financing of investments and acquisitions, and setting of long-term objectives.

Strategy Committee

The Strategy Committee comprises four members and carries out the following duties:

- Monitors, for the attention of the Board of Directors, implementation of the strategy decided on by the Board of Directors;
- Supports the Board of Directors and Corporate Executive Committee in reviewing and further developing the strategy;
- Assesses proposals from the Corporate Executive Committee on strategic issues and gives recommendations to the Board of Directors.

Frequency of meetings of the Board of Directors and its committees in 2019

In 2019, the Board of Directors held six meetings, together with members of the Corporate Executive Committee. The Remuneration Committee met four times, the Audit and Risk Committee five times and the Strategy Committee five times. The Governance and Nomination Committee met seven times and held numerous teleconferences. In principle, all the members participate in all the meetings of the Board of Directors. Attendance of meetings of the Board of Directors in 2019 was 93% and that of committee meetings was 96%.

Management

The Board of Directors has delegated the management of the company to the CEO in accordance with the Organisational Regulations. The CEO assumes operational management of the Galenica Group and heads the Corporate Executive Committee. The Board of Directors maintains regular contact with the CEO and the members of the Corporate Executive Committee and sometimes invites them or just the CEO to attend its meetings when relevant items are to be discussed. At each meeting, the members of the Corporate Executive Committee are invited to report on their respective Business sectors and to discuss important business matters with the Board.

Duties of the CEO

The CEO is responsible for implementing the strategic and operational objectives approved by the Board of Directors, for preparing the budget and ensuring that it is met, and for the management of the Group. The CEO leads the Corporate Executive Committee and reports to the Chairwoman. Together with the Chairwoman, he prepares the information for the meetings of the Board of Directors. At these meetings, the CEO submits important strategic, HR-related and financial business cases to the Board for consultation and decision-making. The CEO also represents Galenica externally.

Corporate Executive Committee

The instructions and resolutions of the Board of Directors are implemented for each of the Group's Business sectors by the Corporate Executive Committee under the leadership of the CEO. The Board sets appropriate objectives for the CEO and those members of the Corporate Executive Committee allocated to the relevant Business sector and approves the budget. Compliance with these targets is monitored based on monthly reports to the Board, which include key figures and reporting on important events and developments, and on the planning cycle. In the first quarter, the results for the previous year are compared with the planning for that year. In the second quarter, the current financial year is evaluated by means of a "Last Estimate 1", and a medium-term plan for the next three years is drawn up. In the third quarter, the results for the first half-year are prepared and reviewed, and in the fourth quarter, the expected annual result, "Last Estimate 2", is discussed and the budget for the following year agreed.

The Articles of Association of Galenica Ltd. restrict the ability of the members of the Corporate Executive Committee to act in the highest management and administrative bodies of other companies, limiting such outside activity to one mandate in listed companies and three mandates in total, subject to prior approval by the Board of Directors (Art. 20 (3) of the Articles of Association). None of the members of the Corporate Executive Committee reached this limit in 2019.

Further information on the other duties of the Board of Directors, Chairwoman and Corporate Executive Committee can be found in the Organisational Regulations published on the Galenica website (see related links on page 72).

Information and monitoring tools

The Board of Directors monitors the Corporate Executive Committee and supervises its working practices. The Galenica Group has a comprehensive electronic information management system. The Board of Directors receives a written report on a quarterly basis and is informed on a monthly basis about the Group's financial and operating performance. In addition, operating performance, opportunities and risks are discussed in depth at meetings attended by members of the Corporate Executive Committee.

Management contracts

No management contracts exist as specified under point 4.4 of the Annex to the SIX Swiss Exchange Directive Corporate Governance.

Remuneration

The regulations in the Articles of Association governing remuneration (incl. profit-sharing, loans, credits and pension benefits) of members of the Board of Directors and the Corporate Executive Committee as well as those governing votes by the Annual General Meeting on remuneration can be found in the Remuneration report from page 75.

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Members of the Corporate Executive Committee



Jean-Claude Cléménçon,
CEO

- Born 1962, Swiss citizen
- Degree in Logistics, sfb Technical College, Zurich
- Program for Executive Development (PED), IMD, Lausanne
- 1988-1995 Head of Manufacturing at Rheintub Ltd. (Rheinsulz) and CEO of Raintec GmbH (Dogern, Germany)
- Joined the former Galenica Group in 1995 as Operations Manager Galexis Zurich; Head of Schönbühl Distribution Centre from 1999; Head of Galexis from 2002; Head Logistics Business sector from 2005 to 2015 and, in addition, in charge of Healthcare Information from 2010; member of the Corporate Executive Committee of the Galenica Group from 2010; Head Retail Business sector from 2015 to 2017
- CEO Galenica Group since 2017



Felix Burkhard,
CFO

- Born 1966, Swiss citizen
- Lic. oec., HSG University of St. Gallen (HSG), and Swiss certified accountant
- 1991-1995 Financial Auditor at Revisuisse PriceWaterhouse (Bern) and Head of Finance and Controlling at Amidro Ltd. (Biel/Bienne)
- Joined the former Galenica Group in 1996 as Corporate Controller; Deputy Head Retail Business sector from 2000; in addition, Head of the Amavita pharmacy chain from 2008; Head Retail Business sector from 2010 to 2015; member of the Corporate Executive Committee of the Galenica Group since 2010; Head Strategic Projects from 2015 to 2017
- CFO Galenica Group since 2017



Christoph Amstutz,
Head Services Business sector

- Born 1963, Swiss citizen
- Partial studies in pharmacy, Federal Institute of Technology, Zurich (ETHZ)
- Degree in Marketing Management, University of Bern, GfM/IBM
- 1988-2004 medical representative and product manager at UCB-Pharma AG (Zurich); Head of Marketing at UCB-Pharma GmbH (Kerpen, Germany); General Manager at UCB-Pharma Ltd. (Zurich); 2004-2007 Business Unit Manager CNS / Pain and member of the Executive Board at Bristol-Myers Squibb GmbH (Baar); 2007-2010 CEO of Globopharm Ltd. (Egg/Zurich)
- Head of G-Pharma Ltd. from 2010 to 2011; Head of Alloga Ltd. in 2011; Head Services Business Sector since 2015
- Member of the Corporate Executive Committee of Galenica Group since 2017



Daniele Madonna,
Head Retail Business sector

- Born 1977, Swiss citizen
- Federal Diploma in Pharmacy from the Federal Institute of Technology, Zurich (ETHZ)
- Professional training FPH in Retail Pharmacy
- CAS in General Management at the University of St. Gallen (HSG) and Program for Executive Development (PED) at IMD, Lausanne
- 2003–2004 Pharmacist at the Olympia Pharmacy and the Victoria Pharmacy in Zurich
- Joined the former Galénica Group in 2004 as Manager of the Coop Vitality pharmacy in Tenero; Regional Sales Manager at Coop Vitality from 2010 to 2014; CEO of Coop Vitality Ltd. in Bern from 2014 to 2017
- Since 2017 Head Retail Business sector and member of the Corporate Executive Committee of the Galénica Group



Dr. Thomas F. Szuran,
Head Products & Brands Business sector

- Born 1967, Swiss citizen
- Dr. sc. nat. Federal Institute of Technology (ETH) Zurich
- Various roles at Abbott Laboratories between 1997 and 2002, including Sales & Marketing Manager for the Eastern European & Mediterranean region
- Sales Director at Pfizer Switzerland (Zurich) from 2002 to 2005 and Country Manager at Pfizer in Israel from 2005 to 2007
- Joined Biomed Ltd. (Dübendorf) in 2008 as Marketing Director, and was CEO of Biomed Ltd. from 2011 to 2018
- Since 2012 member of the Executive Board and since 2013 President of the Association of the Swiss Self-Medication Industry (ASSGP)
- Head Products & Brands Business sector and member of the Corporate Executive Committee of the Galénica Group since 2019

Members of the Corporate Executive Committee

Name	Member since	Role
Jean-Claude Cléménçon ¹⁾	2017	CEO
Marc Werner ²⁾	2020	CEO
Felix Burkhard	2017	CFO
Christoph Amstutz	2017	Head Services Business sector
Daniele Madonna	2017	Head Retail Business sector
Thomas F. Szuran	2019	Head Products & Brands Business sector

¹⁾ CEO until 31 March 2020

²⁾ CEO from 1 April 2020

Shareholders' rights to participate

The Annual General Meeting is held each year within six months of the close of the financial year. Extraordinary General Meetings are called as often as necessary by a decision of the Annual General Meeting or Board of Directors, at the request of the auditors or at the written request of shareholders representing on aggregate not less than 7% of the share capital entered in the commercial register.

Each share recorded as a share with voting rights in the shareholders' register entitles the holder to one vote at the Annual General Meeting. Shareholders are also entitled to dividends and have other rights pursuant to the Code of Obligations.

Results of the ballots taken at the Annual General Meetings are made available on the Galenica website after each meeting (see related links on page 72).

Voting restrictions and proxy voting

A registered shareholder may be represented at the Annual General Meeting on the basis of a written power of attorney by another representative or the independent proxy to whom instructions may be given in writing or electronically. There are no rules that deviate from legal provisions relating to attendance of the Annual General Meeting.

A shareholder or a beneficiary with voting rights may register for shares which, when added to shares already registered as voting shares in the purchaser's name, do not exceed 5% of all voting shares. See pages 58 and 59 for further details.

Procedure and conditions for lifting restrictions on voting rights

For restrictions on voting rights to be lifted, shareholders who together represent not less than 5% of the share capital entered in the commercial register must request in writing that such an item be included on

the agenda no later than 40 days before the Annual General Meeting. The Annual General Meeting must indicate its approval based on at least two-thirds of the votes represented and the absolute majority of the nominal capital represented.

Quorums under the Articles of Association

In addition to the cases cited in Art. 704 of the Code of Obligations, approval by at least two-thirds of the votes represented and the absolute majority of the nominal capital represented is required in the following cases:

- A change in the provisions relating to restrictions on the transfer of registered shares (Art. 15c of the Articles of Association);
- Conversion of registered shares into bearer shares and vice versa (Art. 15d of the Articles of Association).

Convening of the Annual General Meeting

The Articles of Association do not differ from legal regulations with regard to the convening of the Annual General Meeting and the setting of the agenda. The Annual General Meeting is 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 official publications. The meeting may also be convened electronically or by sending a letter to all shareholders at the addresses entered in the shareholders' register. The notice of a meeting shall state the items on the agenda, the proposals of the Board of Directors and the requests of any shareholders who have called for a General Meeting to be convened or for a particular item to be included on the agenda.

Inclusion of items on the agenda

Shareholders who together represent not less than 5% of the share capital entered in the commercial register may request that an item be included on the agenda. They must submit such requests in writing no later than 40 days before the scheduled date of the meeting. Agenda items relating to financial year 2019 that are to be dealt with at the Annual General Meeting on 19 May 2020 must be submitted no later than 9 April 2020, and those for the Annual General Meeting

on 12 May 2021 no later than 9 April 2021. The items to be included on the agenda must be specified along with the motion on which the shareholder requests a vote.

Shareholders' register

There are no regulations in the Articles of Association regarding a deadline for entry in the shareholders' register. However, for practical reasons the shareholders' register remains closed to entries for several days prior to an Annual General Meeting. This will be the case from Tuesday 12 May 2020 for financial year 2019 and from Wednesday 5 May 2021 for financial year 2020. Shareholders entered in the shareholders' register by Monday 11 May 2020 and Tuesday 4 May 2021 respectively may exercise their voting rights at the corresponding Annual General Meeting.

Instructions to the independent proxy holder may be given in writing and also electronically through a platform named Nimbus Shapp® which is used by Galenica. The invitation to the Annual General Meeting, which will be sent to all shareholders on or around 20 April 2020, includes the required login information to create a personal user profile. The instructions must be received by the independent proxy holder by the evening of the penultimate day before the Annual General Meeting, i.e. by Friday 15 May 2020 for the 2020 Annual General Meeting and by Monday 10 May 2021 for the 2021 Annual General Meeting.

Change of control and protective measures

The obligation to make a public offer pursuant to Art. 125 et seq. FMIA (Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading) has not been changed in the Articles of Association. The employment contracts of the members of the Corporate Executive Committee and the members of senior management also contain no provisions to this effect.

Auditors

Ernst & Young Ltd., Bern, Switzerland, have been the Galenica Group's auditors since 2017. Roland Ruprecht, certified accountant, a partner at Ernst & Young, is in charge of the audit since 2017. The fees paid to the Group's auditors Ernst & Young in 2019 for their audit of Galenica and companies within the Galenica Group totalled CHF 800,000.

The fees paid to Ernst & Young and their close collaborators for other services rendered to Galenica and its subsidiaries in the period under review amounted to CHF 193,000 for additional advice in audit matters.

In 2019, Roland Ruprecht attended two meetings of the Audit and Risk Committee. Moreover, the auditors presented their report at the meeting of the Board of Directors on 3 March 2020.

The auditors are regularly informed of new projects. The auditors' activities are reviewed at least once a year by the Audit and Risk Committee. The criteria that are of particular importance in these reviews are: competence in reporting, understanding of the structure of the Group, the quality of reporting, compliance with deadlines, independence and costs.

Compliance and Code of Conduct

A commitment to abiding by the law and guidelines (compliance) and acting with integrity is a fundamental part of the corporate culture of the Galenica Group and a consistent focus of its corporate governance. Galenica attaches considerable value to doing business in a manner that is ethically correct and in accordance with the legal requirements in place. Galenica's compliance efforts are based on three pillars: prevention, detection and reaction. Various compliance training sessions were again held in 2019, including Group-wide anticorruption training. Galenica enforces a zero-tolerance approach to corruption and bribery on the part of employees, partners, suppliers and representatives of third parties. Training on competition law was carried out on site at all Group companies in 2019. The Board of Directors determined the current status of the various compliance measures at a meeting in the year under review. The Code of Conduct of the Galenica Group is particularly important

to the Board of Directors. It contains all key principles in connection with corruption, bribery, gifts and invitations for all employees. Galenica also requests that its suppliers support its efforts in pursuit of sustainable development and has issued a Supplier Code of Conduct to this end. The Galenica Group Code of Conduct and the Supplier Code of Conduct are published on the Galenica website (see related links on page 72).

The Galenica Group operates in Switzerland. Accordingly, the OECD's action plan regarding taxes on multinational companies (BEPS action plan) is not applicable to Galenica.

Information and monitoring tools of the Board of Directors with respect to management

Risk management process

Galenica has a risk management process in place which enables the Board of Directors, the Corporate Executive Committee as well as the relevant management of Group companies to identify and assess potential risks in a timely manner, and take the preventive measures necessary. The goal of this process is to identify and assess significant risks at all management levels and to manage them while making conscious use of the opportunities the process provides.

As part of Group-wide Galenica Risk Management (GRM), the companies in the Group conduct a risk assessment at least twice a year. This standardised process is based on a risk grid in which the most important strategic and operational risks and their possible effects – particularly from a financial and reputational perspective – are identified in line with pre-defined criteria and then evaluated in accordance with the probability of their occurrence and their effect. These risks are entered into a risk matrix for each Business sector and, depending on the importance, also incorporated into the Group risk matrix.

The Board of Directors of Galenica receives an overview of the most important risks from the Corporate Executive Committee when circumstances require it, but at least twice a year. The Board evaluates the overview, adding information as needed, and where required takes decisions on any preventive measures necessary, which will then be implemented Group-wide as part of the risk management process.

Galenica defines risk as the possibility that an event or an action will lead to immediate financial loss or other negative consequences.

Additional information about the management of financial risks can be found in the Notes to the Consolidated financial statements 2019 on pages 143 and 144.

Internal control system

As part of its risk management system Galenica operates an internal control system (ICS) to provide reliable internal and external financial reporting and to prevent false information and errors about business transactions. The ICS provides the necessary processes and controls to ensure that risks relating to the quality of the company's financial reporting can be detected and managed in a timely manner. A thorough review of the existence of the processes and controls of the Galenica ICS is carried out annually by the external auditors at the time of the interim audit. The results of these reviews are reported to the Audit and Risk Committee. Appropriate measures are taken by management to continually improve the company's processes with regard to the process areas of purchasing, procurement, investments, sales, HR, general financial management and reporting as well as IT controls.

Internal Audit

Internal Audit carries out audits of operational and strategic risk management and the ICS in accordance with the audit plan determined by the Audit Committee. It carries out reviews, analyses and interviews across the Group and helps the Business sectors to meet their targets by ensuring an independent assessment of the effectiveness of the internal control processes. Internal Audit regularly produces reports on its audits and reports directly to the Audit and Risk Committee in writing. The activities of Internal Audit are conducted through contracts issued to external service providers.

Information policy

Galenica and its companies operate an active and transparent information policy towards all their stakeholder groups. Consistency and credibility are two fundamental principles that are reflected in factual, comprehensive and objective communication.

Ad hoc publicity

Important and price-relevant events are communicated in a timely manner via electronic media and in accordance with the Directive of the SIX Swiss Exchange. Any employees affected are informed first, as long as this is possible in the specific situation and allowed by law.

Periodic publications

Once a year, Galenica publishes an Annual report and a half-year report. The full versions of these publications are available on the Galenica website (see related links on page 72). In addition, Galenica publishes a printed short version of the Annual report which is sent to the shareholders by mail upon request.

The invitation to the Annual General Meeting is sent to shareholders electronically or by mail, and is additionally published in the “Swiss Official Gazette of Commerce”.

Internet

All Galenica publications, all media releases and other supplementary information about the Group can be found on the Galenica website (see related links on page 72).

Contact persons and important publication dates**For shareholders**

For shareholders in relation to Corporate Governance:
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For investors

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For the media

Christina Hertig, Head Corporate Communications
phone +41 58 852 85 17, media@galenica.com

Agenda 2020/2021

- Annual General Meeting 2020: 19 May 2020
- Half-year report 2020: 4 August 2020
- Annual report 2020: 9 March 2021
- Annual General Meeting 2021: 12 May 2021

Further important dates can be found on the Galenica website (see related links on page 72).

Brand management**Philosophy and implementation****The first choice for health, beauty and wellbeing**

Galenica seeks to be recognised as a reliable, dynamic and efficient Group within the healthcare market, which creates value for all stakeholder groups with high-quality products and services. Thus, Galenica also invests its energies in looking after its brands. Galenica stands for quality and professionalism, for credibility and transparency, for reliability and continuity. There is a clear focus on the ambition to be the first choice for health, beauty and wellbeing in the support line. Group Corporate Communications is responsible for implementing Galenica’s corporate brand communication.

Corporate identity

Galenica is a broad-based Group which manages well-established company, product and service brands in the healthcare market. Products and services under the Galenica brand guarantee a high level of quality. The communication philosophy “as centralised as necessary and as decentralised as possible” is also reflected in brand management. This means giving the individual companies under the Galenica umbrella room to address target groups in the best way possible for the market segment and product involved. That is why Galenica companies operate under their own names in the market. At the same time, over and above this diversity, the Galenica Group seeks in particular to express clearly the shared identity of the companies comprising the Group. Galenica therefore strives to present a uniform corporate design where possible and reasonable.

Company brands of the Group**Organisational basis**

The Galenica Group is structured into two segments: Health & Beauty, comprising the Retail and Products & Brands Business sectors, and Services. The Group companies are assigned to the Business sectors on the basis of their core activities. The Galenica brand is supported at all levels by the descriptor (the support line) used with the logo. At Group level, it is the broad basis of the ambition that is communicated; at company level, it is the fact that the company is part of the Galenica Group that is signalled.

Many of the companies in which Galenica has more than a 50% holding follow this strategy and use the common corporate design. New companies are integrated progressively in line with a clearly defined process. Important strategic marketing considerations are taken into account when dealing with well-established and well-known brands.

Basic guidelines on corporate design are summarised in two handbooks for staff and external partners, and include all areas of application, such as corporate stationery, printed products, company signs and website design. The handbook for employees is available in printed and electronic form, while the handbook for external partners is available in electronic form. In addition, internal training sessions on how to use the Galenica corporate design take place as needed for new employees; the sessions are also open to established employees interested in refreshing or deepening their knowledge.

Related links

www.galenica.com

- **Organisation:** [About Galenica / Organisation](#)
- **Board of Directors:** [About Galenica / Organisation / Board of Directors](#)
- **Publications:** [Publications](#)
- **Articles of Association:** [Publications / Downloadcenter / Corporate Governance](#)
- **Organisational Regulations:** [Publications / Downloadcenter / Corporate Governance](#)
- **Committees of the Board of Directors:** [About Galenica / Organisation / Board of Directors / Downloads](#)
- **Annual General Meeting:** [Investors / Information for shareholders / Annual General Meeting](#)
- **Code of Conduct of the Galenica Group:** [Publications / Downloadcenter / Company](#)
- **Supplier Code of Conduct:** [Publications / Downloadcenter / Company](#)
- **Press releases:** [Media / Press releases](#)
- **Dates to remember:** [Investors / Investor calendar](#)

www.six-exchange-regulation.com

- **SIX Swiss Exchange; Significant shareholders:** [News / Published notifications / Significant shareholders](#)
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Protection of the Group's brands

Galenica systematically fosters and protects its company brands in all countries where it is active and guarantees a high standard of quality.

Product and service brands

The Galenica company brands are supplemented by the product and service brands of the companies within the Group, focused on the customers of the individual Business sectors: for example, the products of Verfora, the offering of the pharmacy formats Amavita and Sun Store, and the Services offering including logistics and the databases and software products in the area of information management. The presentation of these products and services is tailored to markets and customers specific to individual companies and, therefore, differs from the Group corporate design. The corporate design and the accompanying communication and marketing measures are defined and implemented by the relevant company. Special events and activities organised in conjunction with the branding of products and services along with customer surveys during the year under review can be found in the sections for the Business sectors of the Galenica Group starting on page 15.

Protection of product and service brands

Product and service brands are systematically fostered and protected by the individual companies in the countries where they are marketed.

Main brands of the Galenica Group

Umbrella brand



Brands of the Galenica Group companies

Retail

- GaleniCare
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- Formats
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Products & Brands

- G-Pharma
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Services

- Alloga
- Galaxis
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-
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- HCI Solutions

Product and service brands

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