

# ARTICLES OF ASSOCIATION

of

**HBM Healthcare Investments Ltd**  
**(HBM Healthcare Investments AG)**  
**(HBM Healthcare Investments SA)**

with registered office in Zug

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

### **Art. 1 Company Name, Duration and Registered Office**

Under the company name HBM Healthcare Investments Ltd (HBM Healthcare Investments AG) (HBM Healthcare Investments SA) exists for an unlimited period of time a corporation pursuant to art. 620 et. seq. of the Swiss Code of Obligations ("CO") with registered office in Zug.

### **Art. 2 Purpose**

The purpose of the corporation is the acquisition, disposal and holding of interests in other companies, as well as the administration and financing of such interests.

The corporation undertakes investments in the life sciences, biotechnology and medical technology sectors worldwide, with a primary investment focus on Western Europe and the United States. The investments may be made either in private or public companies or in other investment vehicles which are specialized in the aforementioned industries. The details of the investment policy are laid down by the Board of Directors in the Investment Guidelines.

The corporation may establish subsidiaries and branch offices in Switzerland and abroad and carry out all legal transactions required by its business purpose.

## II. SHARE CAPITAL, SHAREHOLDER STATUS, SHARES, TRANSFER OF SHARES

### Art. 3 Share Capital

The share capital of the corporation is CHF 344'520'000 and is divided into 6'960'000 registered shares with a par value of CHF 49.50 each. All shares are fully paid-in.

### Art. 4 Shareholders

The corporation shall recognize only one owner for each share. The corporation shall keep a share register for the issued shares in which the names and addresses of the owners are recorded.

Only the person recorded in the share register is deemed to be shareholder vis-à-vis the corporation.

The Board of Directors may determine the conditions for the recognition of nominees as shareholders with voting rights in separate regulations.

### Art. 5 Shares

The Company may issue the registered shares in the form of single certificates, global certificates or uncertificated securities. Within the limits of the law the Company is free to convert the registered shares issued in one of those forms into a different form at any time and without the approval of the Shareholders. The Company shall bear the related costs.

The Shareholder has no claim for conversion of registered shares issued in one form into a different form. The Shareholder may, however, request at any time from the Company a document certifying the ownership of his registered shares according to the share register.

Intermediated securities (Bucheffekten), the basis of which are registered shares of the Company, may not be transferred by way of assignment. In addition, such intermediated securities may not be provided as collateral by way of assignment.

Registered shares issued as security papers and not being intermediated securities (Bucheffekten) may be transferred by way of endorsement and handover of the endorsed security paper. The shareholders' meeting may at any time convert registered shares into bearer shares.

The Shareholders' Meeting may convert registered shares into bearer shares.

## **Art. 6 Transfer of Registered Shares**

Any entry as a shareholder in the share register requires proof of acquisition of the registered share or the creation of usufruct.

The transfer of title to or usufruct of shares in the corporation requires the approval of the Board of Directors. The Board of Directors may withhold such approval if the number of shares held by the acquirer exceeds 10% of the aggregate shares registered in the Commercial Register. Legal entities and partnerships which are bound by capital, voting power, common management or in another manner as well as all persons or legal entities which coordinate their actions in order to elude the transfer restrictions are to be considered as one acquirer when applying this provision.

Furthermore, the corporation can refuse registration in the share register, if the acquirer does not declare explicitly, when specifically asked to do so, that they have acquired the shares in their own name and on their own account.

From the cut-off date determined by the Board of Directors until the day following the shareholders' meeting, no entry into the share register shall be made.

## **III. GOVERNING BODIES OF THE CORPORATION**

### **Art. 7 General**

The governing bodies of the corporation are: A.       The shareholders' meeting

B.     The board of directors

C.     The auditors

A.     The Shareholders' Meeting

### **Art. 8 Powers**

The shareholders' meeting has the following powers:

- a.     To adopt and amend the Articles of Association;
- b.     To appoint the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee, the auditors and the independent proxy-holder;
- c.     To approve the annual report and the group financial statements, each to the extent legally required;

- d. To approve the business review and, after acceptance of the statutory auditors' report, to decide on the use of net earnings;
- e. To approve compensation paid to the Board of Directors and the Management in accordance with Art. 24 of these Articles of Association.
- f. To discharge from liability the members of the Board of Directors and those entrusted with the management of the company;
- g. To decide on all matters which are in its competence by law or pursuant to the Articles of Association, or which have been presented to it by the Board of Directors.

#### **Art. 9 Ordinary and Extraordinary Shareholders' Meetings**

The ordinary shareholders' meeting shall be held annually within six months after the closing of the business year.

Extraordinary shareholders' meetings shall be convened as necessary. They shall be convened by resolution of the shareholders' meeting or the Board of Directors, at the request of the statutory auditors, or at the request of one or more shareholders representing shares of at least 10% of the share capital by submitting a written request to the Board of Directors specifying the matters in the agenda and the motions.

#### **Art. 10 Calling of Shareholders' Meetings**

The shareholders' meeting shall be called by the Board of Directors, or if necessary by the statutory auditors, at least twenty days before the day of the meeting by means of an announcement in the corporation's official publication vehicles. Shareholders may additionally receive a written invitation.

The notice shall contain the following information:

- a. Place and time of the meeting;
- b. Matters put on the agenda by the Board of Directors and the motions of the Board relating to these matters;
- c. Matters requested to be put on the agenda by shareholders to the extent permitted by law or these Articles of Association and the motions of the shareholders relating to these matters;
- d. Type of proof requested in connection with the possession of shares;
- e. The statement that the annual report the compensation report and the statutory auditors' report are kept at the registered office of the corporation for

inspection by the shareholders and the information that copies of these documents will be provided on request.

#### **Art. 11 Requests to Have Matters Put on the Agenda**

The agenda shall also contain such matters and motions by shareholders representing shares with a par value of one million Swiss francs, which were submitted to the Board of Directors in writing prior to the calling of a shareholders' meeting.

Motions regarding matters not duly announced may be discussed upon resolution by the shareholders' meeting. A resolution may, however, only be passed at the next shareholders' meeting, with the exception of proposals requesting that an extraordinary shareholders' meeting be held or a special audit be conducted.

Within the scope of the matters on the agenda, motions can be proposed without prior notice.

(Art. 12 cancelled)

#### **Art. 12 Membership Rights, Voting Rights, Representation**

Membership rights can be exercised by persons who are recorded in the share register as holding voting rights on the cut-off date determined by the Board of Directors in each case and who are still in possession of their shares at the conclusion of the shareholders' meeting. The Board of Directors shall take the measures necessary to determine the voting rights.

Each share carries one vote at the shareholders' meeting. Persons who have in one way or another participated in the management of the corporation have no right to vote with regard to resolutions concerning the discharge from liability of the Board of Directors.

The Board of Directors issues rules of procedure for participation in and representation at the shareholders' meeting, and sets out requirements for powers of attorney and voting instructions. A shareholder may, by written proxy, be represented at the shareholders' meeting by a person who need not be shareholder or, by the independent proxy-holder.

The shareholders' meeting appoints the independent proxy-holder for a period of office that lasts until the close of the next ordinary shareholders' meeting. Re-appointment is possible.

If the corporation does not have an independent proxy-holder, one will be appointed by the Board of Directors for the next shareholders' meeting.

**Art. 13 The Shareholders' Meeting**

The shareholders' meeting is chaired by the Chairman of the Board of Directors. If he or she is unable to chair the meeting, the Board of Directors will appoint another of its members to take the chair. If no member of the Board of Directors is available, the shareholders' meeting will appoint a chairman.

The Chairman appoints the required vote tellers and a secretary who need not be shareholders or shareholders' representatives.

The Chairman takes all actions necessary to direct the discussions.

**Art. 14 Minutes**

Minutes of the discussion shall be prepared and signed by the Chairman and the secretary. The minutes shall record:

- a. The number, type, par value and class of shares represented by shareholders and by the independent proxy-holder;
- b. Resolutions and elections;
- c. Requests for information and answers given thereto;
- d. Shareholders' statements requested to be recorded in the minutes.

**Art. 15 Resolutions**

Resolutions are passed and elections carried out by the shareholders' meeting with the absolute majority of the votes cast, subject to Art. 704 para. 1 and 2 CO and deviating provisions of these Articles of Association.

Voting and elections shall take place openly unless the Chairman orders otherwise or one or more shareholders, together representing at least 5% of the represented shares, request a secret ballot. At the instructions of the Chairman, votes and elections may also be conducted electronically.

**B. The Board of Directors**

**Art. 16 Election and Term**

The Board of Directors shall consist of five or more members, who must be shareholders.

The shareholders' meeting elects the members of the Board of Directors and the Chairman of the Board of Directors individually for a term of office that lasts until the

close of the next ordinary shareholders' meeting. Re-election is possible. If the position of Chairman is vacant, the Board of Directors will nominate one of its number to serve as Chairman until the close of the next ordinary shareholders' meeting.

#### **Art. 17 Organization**

With the exception of the election of the Chairman and the members of the Compensation Committee, the Board of Directors constitutes itself. It appoints its Secretary, who need not be a member of the Board of Directors.

The Board of Directors also draws up Organizational Regulations governing its structure, meetings, quoracy and the means by which it takes its decisions.

#### **Art. 18 Duties**

The Board of Directors shall bear ultimately responsibility for the management of the company and for supervising and monitoring the Management.

The Board of Directors shall also decide on all matters which are not the preserve of the shareholders' meeting law or the Articles of Association.

#### **Art. 19 Ultimate Management Responsibility**

Ultimate management responsibility shall include the following tasks, in particular:

- a. Issue of the Organizational Regulations;
- b. Appointment of members of Management;
- c. Issue of principles for accounting and financial reporting;
- d. Decisions on the motions put to the shareholders' meeting.

#### **Art. 20 Supervision and Monitoring**

Supervising and monitoring the Management shall include the following tasks, in particular:

- a. Establishing a suitable system of internal controls;
- b. Receiving regular reports on the progress of business;

- c. Handling the management report, to the extent legally required, the annual financial statements and the interim financial statements, and the compensation report;
- d. Handling the reports produced by the auditors.

#### **Art. 21 Management and Delegation**

The Board of Directors may, except as reserved under Art. 716a CO, delegate the

Management in whole or in part, pursuant to the Organizational Regulations it shall adopt, to one or more members of the Board of Directors or to other natural persons. Asset management may be delegated to legal entities.

The Organizational Regulations shall define the Management of the corporation, determine the positions necessary for such Management, define its duties and determine the reporting requirements.

#### **Art. 22 Authorized Representation**

The Board of Directors represents the corporation externally. Within the limits of the law and the Articles of Association it can transfer representation rights to one or more members of the Board of Directors or to third parties.

#### **Art. 23 Compensation Committee**

The Compensation Committee comprises at least two members of the Board of Directors.

The shareholders' meeting appoints the members of the Compensation Committee individually for a period of office that lasts until the close of the next ordinary shareholders' meeting. Re-appointment is possible.

If there is a vacancy or vacancies on the Compensation Committee, the Board of Directors will nominate one or more of its number to serve as member(s) of the Compensation Committee until the close of the next ordinary shareholders' meeting.

The Compensation Committee constitutes itself. It appoints one of its members as its chairman. The Board of Directors shall otherwise issue rules on the organisation of the Compensation Committee and how it passes its resolutions.

The Compensation Committee supports the Board of Directors with the determination



and review of compensation policy and guidelines and performance targets, as well as with the preparation of proposals to the shareholders' meeting concerning the compensation to be paid to the Board of Directors and Management. It may submit proposals to the Board of Directors on other compensation-related matters.

The Board of Directors shall determine in a set of regulations those functions of the Board of Directors and Management for which the Compensation Committee, with the Chairman of the Board of Directors or alone, shall propose performance objectives, target figures and compensation, or shall determine performance objectives, target figures and compensation itself as provided for in these Articles of Association and in the guidelines on compensation issued by the Board of Directors.

The Board of Directors may allocate further duties to the Compensation Committee.

#### **Art. 24 Approval of Compensation by the Shareholders' Meeting**

The shareholders' meeting approves each individual proposal by the Board of Directors with regard to total amounts:

- a. Of the maximum fixed part of compensation to members of the Board of Directors for the period up to the next ordinary shareholders' meeting;
- b. Of the variable part of compensation to members of the Board of Directors for the financial year just ended;
- c. Of the maximum fixed part of compensation to members of Management for the period from 1 July of the current calendar year to 30 June of the following calendar year.
- d. Of the variable part of compensation to members of Management for the financial year just ended.

The Board of Directors may submit alternative and additional proposals with regard to the same or other time periods to the shareholders' meeting.

Should the shareholders' meeting reject one of the proposals of the Board of Directors, the Board of Directors shall consider all of the relevant circumstances and set a corresponding maximum amount or several maximum sub-amounts, and must submit this (or these) to the shareholders' meeting for approval.

Subject to its retroactive approval, the corporation, or companies controlled by it, may pay out compensation prior to its approval by the shareholders' meeting.

**Art. 24a: Compensation in the Event of Changes to Management**

The corporation or companies controlled by it is/are authorised to pay any member of Management joining Management after compensation has been approved by the shareholders' meeting an additional amount for the duration of the compensation period(s) that has/have already been approved, if the compensation that has already been approved is not sufficient to cover this new member's compensation. For each compensation period, this additional amount may not exceed 60 percent of the most recently approved total maximum amounts for fixed and variable compensation to Management.

**Art. 24b: Forms of and criteria for compensation**

In addition to fixed compensation, members of the Board of Directors and Management may be paid a variable component of compensation that is determined by the achievement of specific performance objectives.

Such performance objectives may be personal objectives, corporate and division-specific objectives, or objectives set relative to the market, to other companies or to comparable benchmarks, taking into account the function and level of responsibility of the recipient of such variable compensation. The Board of Directors or the Compensation Committee shall determine the weightings of performance objectives and the individual target figures.

Compensation may be paid in the form of money, shares, in kind or in the form of services; compensation to members of Management may also be granted in the form of options, comparable instruments, or units. The Board of Directors or the Compensation Committee shall determine the terms of allocation and exercise, as well as exercise periods and any retention periods, and the terms that apply at maturity. It may provide that, should certain pre-determined events take place, such as a change of control or the termination of an employment or mandate relationship, exercise terms and periods and holding periods may be shortened or cancelled, compensation may be paid on the assumption that target figures have been reached, or that compensation already paid out is forfeited. The corporation may acquire the necessary shares on the market or in the form of a conditional capital increase.

Compensation may be paid by the corporation itself or by companies controlled by it.

**Art. 25: Contracts with Members of the Board of Directors and Management**

The corporation or companies controlled by it may conclude fixed-term or permanent compensation contracts with members of the Board of Directors. The duration and termination of such contracts depends on length of service and the provisions of law.

The corporation or companies controlled by it may conclude fixed-term or permanent employment contracts with members of Management. Fixed-term employment contracts have a maximum term of one year. They may be extended. Permanent employment contracts have a maximum period of notice of twelve months.

Such contracts may include a non-compete clause extending for no longer than one year beyond the end of the employment contract. Compensation for such a non-compete clause may not exceed the most recent annual compensation paid to the member in question.

**Art. 25a: Loans**

Loans to members of the Board of Directors and Management may be granted on market terms only and may not exceed the amount of one year's compensation for each member.

**Art. 26: External Directorships**

No member of the Board of Directors may assume more than ten additional directorships, no more than five of which may be with stock exchange-listed companies.

No member of Management may assume more than five directorships, no more than two of which may be with stock exchange-listed companies.

The following are exempt from the foregoing restrictions:

- (a) Directorships of companies that are controlled by or control the corporation;
- (b) Directorships that a member of the Board of Directors or Management assumes on the instructions of the corporation or companies controlled by it, specifically of portfolio companies. Any compensation for such mandates shall be

surrendered to the corporation. No member of the Board of Directors or Management may hold more than ten such directorships; and

- (c) Directorships or trusteeships of associations, charitable organisations, foundations, trusts and employee pension institutions. No member of the Board of Directors or Management may hold more than ten such directorships or trusteeships.

"Directorship" or "Trusteeship" refers to a mandate the superior managing body of a legal entity, resulting in entry in the Swiss Commercial Register or in an equivalent foreign register. Directorships or trusteeships of different legal entities which are under the same control or which have the same beneficial owners are deemed to be one directorship or trusteeship in the sense of this article.

## C. THE AUDITORS

### **Art. 27 Election and Term**

The shareholders' meeting shall elect an auditing company subject to governmental supervision as required by law for each business year. The term ends with the close of the shareholders' meeting during which the report for the corresponding business year is presented. Re-election is possible.

### **Art. 28 Duties**

Rights and obligations of the auditors are determined by the law.

### **Art. 29 Reporting**

The auditors submit to the Board and the shareholders' meeting the legally required reports.

## **IV. BUSINESS YEAR, BUSINESS REPORT AND DISTRIBUTION OF PROFITS**

### **Art. 30 Business Year**

The business year shall end on such date as determined by the Board of Directors.

**Art. 31 Business Report**

Each business year the Board of Directors shall prepare a business report which shall consist of the annual financial statements and, where required, the group financial statements as well as the management report.

**Art. 32 Use of Profits**

Net earnings shall be disbursed by the shareholders' meeting within the limits of the law.

**V. DISSOLUTION AND LIQUIDATION**

**Art. 33 Dissolution**

The shareholders' meeting can at any time decide to liquidate the corporation.

**Art. 34 Liquidation**

Once a resolution has been passed to dissolve and liquidate the corporation, the liquidation shall be executed by the Board of Directors or one or more liquidators elected by the shareholders' meeting.

**VI. OFFICIAL ANNOUNCEMENTS**

**Art. 35 Means of Publication**

Official announcements by the corporation shall be published in the Swiss Official Gazette of Commerce. The Board of Directors may determine additional publication vehicles.

**VII. TEMPORARY PROVISIONS<sup>1</sup>**

**Art. 36 Intended Acquisition of Assets**

The corporation intends to acquire interests in its subsidiary HBM BioVentures (Cayman) Ltd amounting to a maximum of CHF 518,032,500. Reference is made to the Private Placement Memorandum of 1 June 2001 published in connection with the capital increase and filed with the Commercial Registry.

**Art. 37 Intended Acquisition of Assets**

The corporation intends to acquire interests in its subsidiary HBM BioVentures (Cayman) Ltd amounting to a maximum of CHF 260,365,875. Reference is made to the Information Memorandum of 26 October 2001 published in connection with the capital increase and filed with the Commercial Registry.

**Art. 38 Merger with Contribution in Kind**

The corporation merged with NMT New Medical Technologies under the terms of the merger agreement of 23 December 2002. Based on the merger balance sheet of 30 September 2002 the corporation took over all assets and liabilities of NMT New Medical Technologies with retroactive effect as of 1 October 2002. The assets amounted to CHF 221,290,000; the liabilities amounted to CHF 290,000. Based on the asset surplus of CHF 221,000,000, the former shareholders of NMT New Medical Technologies received 2,721,600 fully paid registered shares with a par value of CHF 60 each.

**Art. 39 Capital Increase with Contribution in Kind**

Under the terms of the agreement regarding contributions in kind of 23 December 2004 between the corporation and Bank Julius Bär & Co. AG, in Zurich, the corporation acquired, in the course of the capital increase of 27 December 2004 from Bank Julius Bär & Co. AG, in Zurich, acting in a fiduciary capacity in the name and for the account of the former shareholders of International BM Biomedicine Holdings Inc., in Basel, which have transferred their registered shares to the corporation in connection with the exchange and purchase offer of 10 December 2004, 2,098,235 fully paid registered shares in International BM Biomedicine Holdings Inc., in Basel, with a par value of CHF 10 each.

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<sup>1</sup> The transactions mentioned in Arts. 36-39 have all been completed

These shares were acquired at a total value of CHF 70,018,101. Bank Julius Bär & Co. AG, in Zurich, acting in a fiduciary capacity in the name and for the account of the former shareholders of International BM Biomedicine Holdings Inc., in Basel, which have transferred their registered shares to the corporation in connection with the exchange and purchase offer of 10 December 2004, receives from the corporation as a consideration for this contribution in kind for each registered share in International BM Biomedicine Holdings Inc. 0.42 fully paid registered shares in the corporation (in total 881,259 fully paid registered shares in the corporation) with a par value of CHF 10 each (in total CHF 52,875,540) and CHF 3.60 in cash (in total CHF 7,553,646). The corporation allocated the difference between the total par value of the issued shares and the net book value of the contribution in kind of CHF 70,018,101 to the reserves.

24 June 2019