

# Corporate Governance



**HBM Healthcare Investments Ltd (HBM Healthcare or the Company) emphasises the systematic implementation of a corporate governance policy as a key component of its corporate culture. The objective of corporate governance is to ensure transparent business policy and the responsible use of deployed resources by the Company's Board of Directors and Management. It establishes a system of transparency, checks and balances that is tailored to the size and complexity of HBM Healthcare.**

This Corporate Governance Report contains the information, effective 31 March 2017, that is required by the "Directive on Information Relating to Corporate Governance (DCG)" issued by SIX Swiss Exchange, and the content and scope, which are required under the provisions of the "Ordinance against Excessive Compensation in Listed Companies (OAEC)" issued by the Federal Council and entered into force on 1 January 2014, and is structured in accordance with these directives.

## 1. Group structure and shareholders

### 1.1 Group structure

HBM Healthcare Investments (Group) holds and manages an international portfolio of promising companies in the human medicine, biotechnology, medical technology and diagnostics sectors, and related areas.

The Group comprises HBM Healthcare Investments Ltd, Zug, and its subsidiary HBM Healthcare Investments (Cayman) Ltd, Cayman Islands, wholly-owned by HBM Healthcare Investments Ltd. In addition, HBM Private Equity India, Republic Mauritius, is a wholly-owned subsidiary of HBM Healthcare Investments (Cayman) Ltd.

### HBM Healthcare Investments Ltd

HBM Healthcare is a holding company established under Swiss law and domiciled in Zug. The objective of the company is to purchase, hold and sell positions in other companies, as well as to manage and finance such positions.

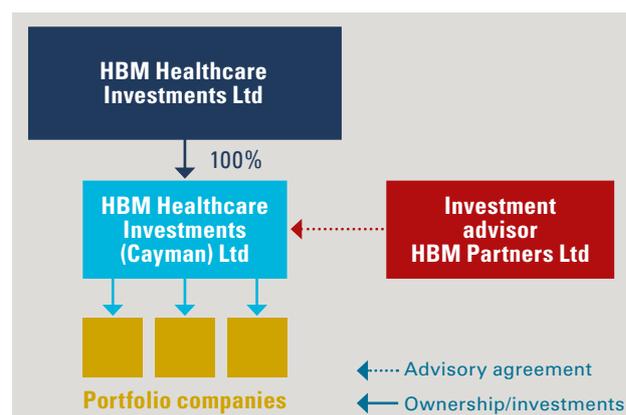
The Company's shares are listed on SIX Swiss Exchange. For further information about the shares, please refer to the "Investor Information" section on page 101.

### HBM Healthcare Investments (Cayman) Ltd

All investments in portfolio companies are held via HBM Healthcare Investments (Cayman) Ltd, some of them indirectly via the above mentioned subsidiary.

The share capital of HBM Healthcare Investments (Cayman) Ltd was CHF 846 million as at 31 March 2017.

## Group structure



## 1.2 Investment advisor

The role of investment advisor to HBM Healthcare Investments (Cayman) Ltd and its subsidiaries is performed by HBM Partners Ltd, Zug. As an asset manager of collective investment schemes in accordance with Art. 13 para. 2 f CISA, HBM Partners Ltd is subject to supervision by the Swiss Financial Market Supervisory Authority FINMA.

HBM Partners Ltd, based in Zug, Switzerland, provides as an investment advisor a variety of services to HBM Healthcare Investments (Cayman) Ltd and its subsidiaries under the terms of an advisory agreement. HBM Partners Ltd provides defined advisory services, specifically the identification and evaluation of possible investment targets, the coordination and conduction of due diligence and contractual negotiations in respect of investments, the support of portfolio companies, the monitoring of portfolio holdings and the assessment of potential exit strategies.

## 1.3 Significant shareholders

As at the balance sheet date, the Company had 1,580 registered shareholders. Shareholders are institutional and private investors.

For details of shareholders with equity holdings of three percent or more, see note 6.3 "Significant shareholders" to the Group Financial Statements in accordance with International Financial Reporting Standards (IFRS) on page 82.

A complete overview of all disclosures received and published by the Company is available on the websites of HBM Healthcare Investments (<http://www.hbmhealthcare.com/en/investoren/bedeutende-aktionaere.php>) and SIX Swiss Exchange. The Company is not aware of the existence of any shareholder pooling agreements.

## 2. Capital structure

### 2.1 Share capital and changes to share capital

The Company's share capital of CHF 427,050,000 consists of 7,300,000 fully paid up registered shares with a par value of CHF 58.50 each. No share certificates are issued.

A review of the Company's changes in capital since 31 March 2014 is provided in the parent company's "Statement of changes in equity", see page 93.

### 2.2 Rights attached to shares

Each registered share carries one vote at the Ordinary Shareholders' Meeting (with exemption of the following note 2.3). There are no shares which carry preferential voting rights. Shareholders are entitled to dividends and to other rights as laid down in the Swiss Code of Obligations (CO).

### 2.3 Limitations on transferability

The Board of Directors may refuse the transfer of shares if the number of registered shares held by the prospective buyer exceeds ten percent of the total number of registered shares pursuant to the Commercial Register. A number of purchasers acting in a group or in a coordinated manner in order to circumvent registration restrictions are deemed to be a single share purchaser. The Company may also refuse entry in the share register if the share purchaser does not explicitly confirm upon request that they have acquired the shares under their own name and for their own account. These limitations on transferability are laid down in the Articles of Association and can be lifted only by an absolute majority of the votes cast at the Ordinary Shareholders' Meeting.

## 3. Board of Directors

### 3.1 Members of the Board of Directors

As at 31 March 2017, the Board of Directors was composed of the following members:

Board of Directors	First elected
Hans Peter Hasler, Chairman	2009
Prof. Dr Dr h.c. mult. Heinz Riesenhuber, Vice Chairman	2001
Mario G. Giuliani	2012
Dr Eduard E. Holdener	2008
Robert A. Ingram	2006
Dr Rudolf Lanz	2003

Specific knowledge of the healthcare and financial sector is needed to ensure the active monitoring of business activities. The members of the Board of Directors cover the following areas of expertise: Hans Peter Hasler and Robert A. Ingram: sector and marketing strategies, market approval (FDA); Dr Eduard E. Holdener: research and development; Prof. Heinz Riesenhuber and Mario G. Giuliani: management, production, audit; Dr Rudolf Lanz: finance, M&A transactions, audit.

The Board of Directors is elected by an absolute majority of the votes cast at the Ordinary Shareholders' Meeting (i.e. at least half of the valid votes cast plus one vote). There are no limitations on its tenure. Further information on the members of the Board of Directors is given on pages 41 to 43.

The Shareholders' Meeting appoints the independent proxy-holder for a period of office that lasts until the close of the next ordinary Shareholders' Meeting. They may be reappointed. If the Company does not have an independent proxy-holder, one will be appointed by the Board of Directors for the next Shareholders' Meeting.

### 3.2 Internal organisation

The Board of Directors shall consist of five or more members, who must be shareholders. The Board of Directors consists of a Chairman, Vice Chairman and members, who shall be appointed to various committees. In the current reporting period 2016/2017 the following committees have been active:

- > Audit Committee;
- > Compensation Committee;
- > Nominating Committee.

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. They may be reappointed. If the position of Chairman is vacant, the Board of Directors will nominate one of its members to serve as Chairman until the close of the next

ordinary Shareholders' Meeting. 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.

Board meetings are convened by the Chairman or, in his absence, by the Vice Chairman. Individual members of the Board of Directors may, stating their reasons, demand that the Chairman call a meeting immediately. Prior to the meetings, the members of the Board of Directors receive comprehensive documentation on the agenda items to be discussed.

The Board of Directors passes its resolutions by a majority of votes cast, whereby the Chairman has the deciding vote in the event of a tie. The Board of Directors is quorate when the majority of its members takes part in a Board meeting. No quorum is required for resolutions on statements about capital increases that have already taken place. Resolutions of the Board of Directors or of a Board Committee may also be passed by way of written consent to a proposal, i.e. by ordinary mail or telefax or via e-mail (circular resolution), provided that (1) all members of the respective body have been given prior notification of the text of the resolution and provided that (2) no member requests oral deliberation within the period stipulated for the vote. The resolution requires the approval by the majority of the votes of the entire respective body.

Four half-day meetings of the Board of Directors took place during the 2016/2017 financial year. The Company's Chief Executive Officer and Chief Financial Officer, as well as Dr Benedikt Suter, in his function as the Board's secretary, attended all Board meetings.

The rule with respect to the number of permissible external mandates of members of the Board of Directors can be found in Art. 26 of the Articles of Association. The Articles of Associations are available on the Company's website (<http://www.hbmhealth->

care.com/wAssets/docs/unternehmensdokumente/Articles-of-Association.pdf).

### Audit Committee

The Audit Committee supports the Board of Directors in the supervision of the Company's business activities in the following domains, in accordance with written guidelines:

- > financial reporting;
- > auditing and controlling;
- > compliance with laws, directives and corporate governance.

In performing its function, the Audit Committee reviews how the Company's largest financial exposures and risks are handled, as well as the independence and performance of the Company's auditors. The Audit Committee does not have decision-making power.

The members of the Audit Committee are appointed by the Board of Directors. Their term of office corresponds to the term of office on the Board of Directors. They may be reappointed. The current members of the Audit Committee are:

<b>Audit Committee</b>	<b>First appointed to the committee</b>
Prof. Dr Dr h.c. mult. Heinz Riesenhuber	2001
Dr Rudolf Lanz	2003

The Audit Committee held three half-day meetings during the 2016/2017 financial year. All of the meetings were also attended by the Company's CEO and CFO, as well as by Thomas Heimann, in his function as the Audit Committee's secretary. The members of the Audit Committee report to the full Board of Directors on the issues they have discussed. Minutes of Audit Committee meetings are sent for information to all members of the Board of Directors.

### Compensation Committee

Members of the Compensation Committee were appointed by the Shareholders' Meeting in June 2016.

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. They may be reappointed. If there is a vacancy or vacancies on the Compensation Committee, the Board of Directors will nominate one or more of its members to serve on 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 the 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. The current members of the Compensation Committee are:

<b>Compensation Committee</b>	<b>First appointed to the committee</b>
Hans Peter Hasler	2014
Mario G. Giuliani	2014
Robert A. Ingram	2014

The Compensation Committee held one meeting during the 2016/2017 financial year.

### Nominating Committee

The Nominating Committee was established in September 2008. It is concerned with the composition of the Board of Directors and, jointly with the Chairman, supports the Board in implementing a process for the nomination of new members. The members of the Nominating Committee are appointed by the Board of Directors. Their term of office corresponds to their term of office on the Board of Directors. They may be reappointed. The members of the Nominating Committee are not compensated separately. The current members of the Nominating Committee are:

<b>Nominating Committee</b>	<b>First appointed to the committee</b>
Dr Rudolf Lanz	2008
Robert A. Ingram	2008

The Nominating Committee did not hold any meetings during the 2016/2017 financial year.

### 3.3 Authorities and responsibilities of the Board of Directors and Management

The Board of Directors is the Company's highest governing body and is also charged with supervising and monitoring the activities of the Management. Furthermore, the Board of Directors passes resolutions on all matters which are not the preserve of the Shareholders' Meeting by law or the Articles of Association.

As the Company's highest governing body, the Board of Directors is responsible for the following, in particular:

- > defining the strategy;
- > issuing the organisational regulations;
- > appointing the members of Management;
- > issuing accounting policies;
- > passing resolutions on motions to be put to the Ordinary Shareholders' Meeting.

The supervision and monitoring of management activities includes the following specific tasks:

- > annual risk assessment;
- > setting up an appropriate system of internal checks and balances;
- > receiving regular reports on the Company's business;
- > examining the Group Financial Statements IFRS, statutory and interim financial statements and the compensation report;
- > examining the reports produced by the statutory auditors.

The members of the Board of Directors do not hold executive positions; neither has any member of the Board of Directors held an executive position with HBM Healthcare Investments in the past. In particular, the Company's Board of Directors does not, in the context of regular business operations, take any decisions with regard to investments in, or disposals of, individual companies.

### 3.4 Information and control instruments with regard to Management

The Board of Directors has adopted directives on all of the major aspects of business activities. The key directives are:

- > the Investment Guidelines, see pages 47 to 49;
- > the Operations Manual, which governs the investment and disposal processes and the monitoring of portfolio companies;
- > guidelines on own-account trading for members of governing bodies and members of staff;
- > guidelines on trading in the Company's own shares for members of governing bodies and members of staff.

#### Guidelines on own-account trading

The Company has issued restrictive guidelines for members of HBM Healthcare Investments' governing bodies on trading for their own accounts. These guidelines also apply to HBM Partners Ltd (HBM Partners) and its staff as well as to HBM Partners' contractual partners and their staff. In principle, own-account trading involving private companies in

the human medicine, biotechnology, medical technology, diagnostics, and related sectors are prohibited. In addition to a number of other regulations, own-account trading in public companies is subject to the rule that the interests of the Group must not be infringed upon. Own-account trading involving private companies may be authorised in exceptional cases.

#### **Guidelines on trading in the Company's own shares**

The Company has issued restrictive guidelines for members of HBM Healthcare Investments' governing bodies on trading in the Company's own shares. These guidelines also apply to HBM Partners and its staff as well as to HBM Partners' contractual partners and their staff. Trading in the Company's own shares is prohibited for insiders if unpublished information exists which would probably be of significance in an investor's decision to buy or sell such shares. Furthermore, insiders are not permitted to trade within defined time windows.

#### **Transactions with related parties**

Details of transactions with related parties are given in note 10 to the Group Financial Statements IFRS on pages 86 and 87.

#### **Information instruments**

In addition to the Company's comprehensive external reporting, prior to each of its meetings, the Board of Directors receives detailed documentation from the Management about the performance of the Company and its advisory organisation. Among the issues reported upon at each meeting of the Board of Directors are financial performance, major portfolio events, liquidity planning, new developments in the advisory organisation, and compliance with own-account and insider trading guidelines. Regular meetings are held between the Chairman of the Board and the Management.

#### **External review mandates**

The Board of Directors has issued the following review mandates to the auditors as a complement to the external audit of the financial statements that is required by law:

- > review of the corporate governance section of the annual report;
- > review of the compensation report;
- > audit procedures required by law in relation to the reduction of corporate capital of 2.9.2016.

The auditors must submit a written report on their findings to the Board of Directors. The findings of audits and reviews are also discussed with the auditors in the context of the Audit Committee.

### **4. Management**

#### **4.1 Members of Management**

As at 31 March 2017, the Management was composed of the following members:

- > Dr Andreas Wicki, Chief Executive Officer;
- > Erwin Troxler, Chief Financial Officer.

The rule with respect to the number of permissible external mandates of members of the Management can be found in Art. 26 of the Articles of Association. The Articles of Association are available on the Company's website (<http://www.hbmhealthcare.com/wAssets/docs/unternehmensdokumente/Articles-of-Association.pdf>).

Further information on the members of Management is given on page 44.

#### **4.2 Advisory agreement**

HBM Healthcare Investments (Cayman) Ltd has entered into an advisory agreement with HBM Partners Ltd. Detailed information on the core elements of the advisory agreement and on the scope of remuneration is provided in the Compensation Report (section 9) on pages 55 and 56.

## 5. Remuneration and share allotments

### 5.1 Remuneration paid to serving members of governing bodies; method of determination

Details of the remuneration paid to serving members of governing bodies, as well as how this remuneration is determined, can be found in the Compensation Report (sections 3 and 4) on pages 52 to 54.

The rules governing the approval by the Shareholders' Meeting of the remuneration of the members of the Board of Directors and the Management, the additional amount as well as the principles governing the remuneration of the members of the Board of Directors and the Management can be found in Articles 24, 24a and 24b of the Articles of Association. Rules under the Articles of Association concerning loans, credits and pension benefits can be found in section 10.2 of the Compensation Report on page 57.

### 5.2 Disclosure of share transactions and ownership of governing bodies

HBM Healthcare Investments publishes each purchase or sale of Company shares by members of the Board of Directors or the Management within three trading days. This information is available on the website of SIX Swiss Exchange.

Details of the shares owned by serving members of governing bodies can be found in the notes to the Parent Company Financial Statements on page 96.

## 6. Shareholder co-determination rights

### 6.1 Voting rights

The right to vote may be exercised by anyone who is entered in the share register as a shareholder with voting rights on the cut-off date determined by the Board of Directors, provided they do not sell their shares before the end of the Ordinary Shareholders' Meeting. Shareholders who hold their shares via nominee entries are not entitled to vote.

### 6.2 Submission of agenda items

Motions and issues for discussion from shareholders holding shares with a par value of CHF 1,000,000 or more will be included in the agenda of the Ordinary Shareholders' Meeting, provided they are submitted in writing to the Board of Directors before the meeting actually convenes. The Ordinary Shareholders' Meeting itself may decide to permit the debate of motions on matters not properly submitted for discussion as described above. No resolution on the matter in question may be passed until the next Ordinary Shareholders' Meeting, however. Motions to call an Extraordinary Shareholders' Meeting or to conduct a special audit are not subject to this regulation. No advance notice is required to propose a motion in connection with matters already tabled for discussion.

### 6.3 Entries in the share register

Entry in the share register requires evidence of the purchase of title to registered shares or of a right of usufruct. No entries are made in the share register between the cut-off date determined by the Board of Directors and the day following the Ordinary Shareholders' Meeting.

## 7. Change of control and defensive measures

No rules regarding change of control and defensive measures have been made in the Articles of Association.

## 8. Auditors

### 8.1 Duration of mandate and term of office of auditor in charge

The Ordinary Shareholders' Meeting appoints the Company's auditors for each financial year. Ernst & Young Ltd was appointed as the Company's statutory and group auditors for the first time for the 2001/2002 financial year. Martin Mattes has been auditor in charge since the 2012/2013 financial year.

### 8.2 Audit fees

The fee paid to Ernst & Young Ltd for auditing the Company's Statutory Financial Statements and Group Financial Statements IFRS amounted to CHF 159,000 (previous year: CHF 155,000) during the fiscal year. The fee for auditing the capital reduction of 2.9.2016 amounted to CHF 8,000 (previous year: CHF 8,000). The fee for auditing the compliance with bond terms amounted to CHF 8,000 (previous year: CHF 4,000). Additional fees for reviewing the corporate governance disclosures in the annual report, the compensation report as well as other audit-related services amounted to CHF 6,500 (previous year: CHF 9,425).

### 8.3 Supervision and control instruments with regard to the auditors

The independence and performance of the auditors are reviewed by the Audit Committee. The auditors are instructed to issue audit reports on the Group Financial Statements IFRS and the Statutory Financial Statements, on their review of the corporate governance section of the annual report and the compensation report, as well as to run the audit procedures required by law in relation to the reduction of corporate capital of 2.9.2016. In addition, the Board of Directors receives a management letter from the auditors if required, and a comprehensive report following the annual audit. These documents are discussed by the Audit Committee with the auditors. Representatives of the auditors attended two of the total of three Audit Committee meetings taking place in the 2016/2017 financial year.

## 9. Information policy

Every year, the Company publishes an annual report and three quarterly reports. The Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt) is the Company's official publication for announcements. Moreover, the current net asset value (NAV) is published twice monthly on the Company's website ([www.hbmhealthcare.com](http://www.hbmhealthcare.com)). The Company is subject to the ad hoc publicity disclosure rules of SIX Swiss Exchange.

Further details of the Company's sources of information are given in the "Investor Information" section on page 101.

The Company's contact address is:  
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Phone +41 41 710 75 77  
Fax +41 41 710 75 78  
[info@hbmhealthcare.com](mailto:info@hbmhealthcare.com)  
[www.hbmhealthcare.com](http://www.hbmhealthcare.com)

## 10. Inapplicability/negative declaration

It is hereby stated expressly that all information that is not contained or mentioned in the corporate governance section is deemed inapplicable or is to be understood as a negative declaration.

**Hans Peter Hasler**  
Chairman of the Board of Directors  
Member of the Compensation Committee  
Date of birth 2.2.1956  
Nationality Swiss



**Prof. Dr Dr h.c. mult. Heinz Riesenhuber**  
Vice Chairman of the Board of Directors  
Member of the Audit Committee  
Date of birth 1.12.1935  
Nationality German



"HBM Healthcare manages a widely diversified investment portfolio in healthcare, an innovative growth market."

"Investors value the long-standing experience and sustainable track record of HBM Healthcare and its partners."

#### Education

Swiss Federal Commercial Diploma  
Marketing Certificate, Swiss School of Business  
Administration SIB, Zurich.

#### Professional history

**Since 2010** HPH Management GmbH, Switzerland, Global Life Science Advisors  
**2012–2013** Elan Corporation plc, Chief Operating Officer (COO)  
**2008–2009** Biogen Idec Inc, USA, Chief Operating Officer (COO)  
**2001–2007** Biogen Inc, USA, Head of Commercial Operations, Cambridge/USA and Zug/Switzerland  
**1998–2001** Wyeth Pharmaceuticals, USA, Senior Vice President, Chief Marketing Officer/Head of Global Strategic Marketing  
**1993–1998** Wyeth Pharmaceuticals, Switzerland, Austria, Eastern Europe, Germany

#### Directorships

**Since 2016** Dr Reddy's Laboratories, Member of the Board of Directors  
**Since 2016** Patheon Inc, Member of the Board of Directors  
**Since 2014** AOP Orphan Pharmaceuticals AG, Member of the Board of Directors  
**Since 2012** MIAC AG, Chairman of the Board of Directors

#### Education

Master's and PhD degrees in chemistry; post-doctoral fellow, University of Frankfurt am Main, Germany.

#### Professional history

**Since 2006** German Parliamentary Society, Chairman  
**2004–2010** Kabel Deutschland GmbH, Chairman  
**2000–2007** Vodaphone Germany, Member of the Board of Directors  
**1998–2008** Henkel & Co KGaA, Member of the Board of Directors  
**Since 1995** Goethe University, Honorary Professor  
**1994–2000** Mannesmann AG, Member of the Board of Directors  
**1993–2007** Altana AG, Chairman of the Board of Directors  
**1993–2008** Evotec AG, Chairman of the Board of Directors  
**1982–1993** German Federal Minister of Research & Technology  
**Since 1976** Member of the German Federal Parliament; 2001-2002 Chairman of the Committee of Economics and Technology  
**1971–1982** Synthomer Chemie GmbH, CEO  
**1966–1971** Erzgesellschaft mbH, since 1968 CEO

#### Directorships

**Since 2001** Heidelberg Innovation BioScience Venture II GmbH, Member of the Investors Committee

**Mario G. Giuliani**  
Member of the Board of Directors  
Member of the Compensation Committee  
Date of birth 26.2.1972  
Nationality Swiss



**Dr med. Eduard E. Holdener**  
Member of the Board of Directors  
Date of birth 14.1.1945  
Nationality Swiss



"The actively managed portfolio combines investments in privately held companies with holdings in mature public companies."

#### Education

Degree in Economics and Commerce from the Catholic University of the Sacred Heart in Milan, Italy.

#### Professional history

**2015–2016** Nogra Group SA, Luxembourg,  
Chairman of the Board of Directors

**2011–2014** Recordati SpA, Italy,  
Member of the Board of Directors

**1996–2014** Giuliani SpA, Italy  
Since 1999 Member of the Board of Directors  
(Chairman 2000–2001, 2003–2014)  
2011–2014 CEO

1996–2007 Finance and Controlling  
1999–2000 CFO

**1998–1999** Vector Fund Management, USA,  
Associate

#### Directorships

**Since 2015** Jukka LLC,

Member of the Board of Directors

**Since 2015** NGR (MONACO) SAM,  
Member of the Board of Directors

**Since 2013** Fair-Med Healthcare AG,  
Chairman of the Board of Directors

**Since 2010** Giuliani Group SpA  
Member of the Board of Directors

**Since 2001** Royalty Pharma,  
Member of the Investment Committee

**Since 2000** Mosaix Ventures LLP,  
Member of the Investment Committee

"HBM Healthcare maintains excellent relationships with the academic, finance and venture capital sectors worldwide."

#### Education

University of Zurich, Faculty of Medicine, Zurich,  
Switzerland (graduation November 1971);

MD degree (dissertation) University of Basle,  
Faculty of Medicine, Basle, Switzerland, 1975.

Clinical activities and training for specialist in internal  
medicine and oncology, 1972–1986.

#### Professional history

**1986–2007** F. Hoffmann-La Roche Ltd, Switzerland

2006–2007 Chief Medical Officer (CMO) and Member  
of the Extended Corporate Executive Committee  
1999–2006 Global Head of Pharma Development  
and CMO

1996–1998 Head of Pharma Development, Nippon  
Roche K.K., Tokyo, Japan

1994–1995 Deputy Head Global Clinical Development  
1991–1994 Head of Global Clinical Development in  
Oncology

1986–1990 Head of Clinical Interferon Development

#### Directorships

**Since 2008** NovImmune SA, Chairman of the Board  
of Directors, CEO (since 2016)

**Since 2008** Parexel International Co.,  
Member of the Board of Directors

**Robert A. Ingram**  
Member of the Board of Directors  
Member of the Compensation Committee  
Member of the Nominating Committee  
Date of birth 6.12.1942  
Nationality USA



**Dr Rudolf Lanz**  
Member of the Board of Directors  
Member of the Audit Committee  
Member of the Nominating Committee  
Date of birth 16.6.1950  
Nationality Swiss



"In addition to its main focus on North America and Europe, HBM Healthcare also invests in companies from emerging economies."

#### Education

Bachelor of Science in Business Administration from the Eastern Illinois University, Lumpkin College of Business, Charleston, Illinois, USA.

#### Professional history

**Since 2007** Hatteras Venture Partners, USA, General Partner

**1990–2010** GlaxoSmithKline plc

2010 Advisor to the CEO

2003–2009 Vice Chairman Pharmaceuticals

2001–2003 President and COO Pharmaceutical Operations

1999–2000 Chairman of the Board of Directors Glaxo Wellcome Inc

1997–2000 CEO Glaxo Wellcome plc

1990–1997 Several executive positions

#### Directorships

**Since 2015** Viamet Pharmaceuticals Inc, Chairman of the Board of Directors

**Since 2015** BioCryst Pharmaceuticals Inc, Member of the Board of Directors

**Since 2011** Novan Inc, Chairman of the Board of Directors

**Since 2008** Cree Inc, Member of the Board of Directors (Lead Independent Director)

"For a balanced risk profile, our portfolio bundles companies from various areas of activity and of different degrees of maturity."

#### Education

Master's degree in economics from the University of St. Gallen, Switzerland; doctorate in law from the University of Berne, Switzerland.

#### Professional history

**2000–2009** The Corporate Finance Group AG (TCFG), Co-Founder, Partner and Chairman of the Board of Directors

**1980–2000** Ernst & Young Ltd, Zurich and Berne

1997–2000 Member of the Executive Committee

1995–1999 CFO

1994–1997 Member of the Board of Directors

1992–2000 Partner

1988–2000 Head of Mergers & Acquisitions/Corporate Finance

1980–1988 Business Consultant Strategy, Finance and M&A

**1976–1977** Allgemeine Treuhand Ltd, Basle, Assurance and Advisory Department

#### Directorships

**Since 2015** MIAC AG, Member of the Board of Directors

**Since 2009** Dr Rudolf Lanz AG, Chairman of the Board of Directors

**Since 2009** Pearls Fashion Holding AG, Member of the Board of Directors

**Dr Andreas Wicki**  
Chief Executive Officer  
Date of birth 1.12.1958  
Nationality Swiss



**Erwin Troxler**  
Chief Financial Officer  
Date of birth 30.5.1970  
Nationality Swiss



"Investors benefit from a strong share price, increasing cash distributions and ongoing share buy-back programmes."

#### Education

Studies in chemistry and biochemistry at the University of Berne, Switzerland, graduating in 1983; doctoral thesis at the Theodor Kocher Institute of the University of Berne, completed in 1986.

#### Professional history

**Since 2001** HBM Healthcare Investments Ltd and HBM Partners Ltd, Zug, CEO

**1998–2001** Private Equity Holding Ltd, Venture Capital Advisor for life science investments

**1994–2001** Clinserve Ltd, Founder and CEO

**1993–1998** APAX Partners private equity group, Investment Advisor for life sciences

**1991–2001** ANAWA Holding AG / MDS Pharma Services Inc, CEO (1996) and Chairman (1998)

**1988–1990** Vivagen Diagnostics Ltd, Berne (sold to Unilabs Corp in 1990), Founder and CEO

#### Directorships

**Since 2016** Vitaeris Inc., Member of the Board of Directors

**Since 2007** Pacira Pharmaceuticals, Inc, Member of the Board of Directors

**Since 2001** HBM Healthcare Investments (Cayman) Ltd, Member of the Board of Directors

**Since 2000** Buchler GmbH/Fagus GmbH, Member of the Board of Directors

"Extensive disclosures ensure transparency for shareholders and analysts despite changes in financial reporting standards."

#### Education

Lucerne School of Economics and Business Administration, HWW (1996); Swiss Certified Public Accountant (2000).

#### Professional history

**Since 2005** HBM Healthcare Investments Ltd and HBM Partners Ltd, Zug

Since 2011 Chief Financial Officer

2005–2011 Management of several areas within the Finance Department

**2002–2005** Julius Baer Family Office, Zug, VP, Deputy Branch Manager, responsible for investment companies in the private equity segment

**1999–2002** PricewaterhouseCoopers Ltd, Lucerne, Audit Manager, responsible for audits of banks and of other clients in the financial services sector

**1990–1993** Luzerner Kantonalbank

#### Directorships

**Since 2014** Swiss Association of Investment Companies (SAIC), Chairman

## **HBM Healthcare Investments Ltd, Zug**

Zurich, 15 May 2017

### **Review Report for the Corporate Governance disclosures**

In accordance with your instructions, we have reviewed the Corporate Governance disclosures of HBM Healthcare Investments Ltd according to the Directive Corporate Governance (DRC) issued by the SIX Swiss Exchange (pages 33 to 44) for the year ended 31 March 2017.

These disclosures are the responsibility of the Board of Directors. Our responsibility is to issue a report on these disclosures based on our review.

Our review was conducted in accordance with Swiss Auditing Standard 910 applicable to review engagements, which requires that a review be planned and performed to obtain moderate assurance about whether the Corporate Governance disclosures are free from material misstatements. A review is limited primarily to inquiries of personnel and analytical procedures applied to the disclosures and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Corporate Governance disclosures of HBM Healthcare Investments Ltd are not complete with regard to the Directive Corporate Governance (DCG) issued by the SIX Swiss Exchange, contain material misstatements or are not in compliance with it.

Ernst & Young Ltd



Martin Mattes  
Licensed audit expert  
(Auditor in charge)



Karina Kamella  
Licensed audit expert