

# HBM BioVentures Ltd

Bundesplatz 1, 6300 Zug

## ***Invitation to the 11th Ordinary Shareholders' Meeting***

Friday, 22 June 2012, 3.00 pm

**Parkhotel Zug  
Industriestrasse 14  
6300 Zug**

The admission office opens at 2.30 pm

### **Agenda and Motions of the Board of Directors:**

- 1. Annual report, statutory financial statements and consolidated financial statements 2011/2012; reports of the auditors**

***Motion:** The annual report, statutory financial statements and consolidated financial statements for the 2011/2012 business year are to be approved*

- 2. Discharge from liability of the members of the Board of Directors and of the Management**

***Motion:** The members of the Board of Directors and of the Management are to be discharged from liability for the 2011/2012 business year*

- 3. Appropriation of results**

***Motion:** The accumulated loss of CHF 343'028'307 is to be carried forward as follows to the new accounts:*

<i>in CHF</i>	<i>2011/2012</i>
<i>Loss for the year</i>	<i>- 25'883'999</i>
<i>Loss carryforward</i>	<i>- 317'144'308</i>
<i>Accumulated loss</i>	<i>- 343'028'307</i>

- 4. Elections to the Board of Directors**

***Motions:** 4.a. Re-election of Robert A. Ingram as a member of the Board for a term of 3 years*

*4.b. Re-election of Dr Rudolf Lanz as a member of the Board for a term of 3 years*

*4.c. Re-election of Mr Hans Peter Hasler as a member of the Board for a term of 3 years*

*4.d. Election of Mr Mario Germano Giuliani, citizen of Lugano, domiciled in Milan, as a member of the Board of Directors for a term of 3 years*

The terms of office of Mr Hans Peter Hasler, Dr Rudolf Lanz and Mr Robert A. Ingram end at the forthcoming Ordinary Shareholders' Meeting. All of them stand for re-election. Based on the suggestion of the largest shareholder, Astellas, the Board of Directors proposes the first-time election of Mr Mario Germano Giuliano as a new member of the Board of Directors.

**Hans Peter Hasler** has been a member of the Board of Directors since 2009, and Chairman of the Board of Directors since 2010. Hans Peter Hasler knows the biotech business from the grass roots upwards. Hans Peter Hasler held managerial positions, each of duration of 8 years, at Biogen Idec and before that at Wyeth. Mr Hans Peter Hasler also serves on the Board of Directors of Acino Pharma, Ferring Holding and Elan Corporation.

Mr **Robert Ingram** has been a member of the Board of Directors since 2006 as well as a member of the Nomination Committee. Robert Ingram holds a Bachelor of Science in Business Administration and knows the industry like few others. His global personal network continues to be of irreplaceable value to HBM BioVentures, with around half of HBM BioVentures' holdings in the USA. For a period of 20 years Robert Ingram stayed with GlaxoSmithKline, holding positions such as President, COO and CEO. He is also serves on the Board of Directors of notable companies such as Elan Corporation, Valeant Pharmaceuticals and Allergan.

**Dr Rudolf Lanz** has been a member of the Board of Directors since 2003 as well as a member of the Audit Committee and the Nomination Committee. He holds a dual degree in business administration and law. He has spent most of his professional life in the areas of acquisitions, divestments, mergers and large scale financings. For 20 years Dr Lanz was with Ernst & Young, holding mainly leading positions. He then joined forces with partners to found "The Corporate Finance Group", and became Chairman of the Board.

Mr **Mario Germano Giuliani** (born 1972) holds a degree in Economy and Commerce. Mr. Giuliani has been working in the family owned business Giuliani SpA in Milan (Italy) for the past 15 years during which he has been involved in all business areas such as marketing & sales, finance & controlling as well as the management. Since 2001 he serves as CEO and since 2003 he is Chairman of the Board of Directors. Since Mr. Giuliani became the CEO, he built and expanded the business further and multiplied the turnover. Before joining the family business he was working with an US based asset management company.

Mr Giuliani serves as a member of the Investment Committee of Mosaix Ventures, LLP, Toronto, Canada (Since 2000), as a member of the Board of Directors of Royalty Pharma in New York, USA (since 2001) and also as a member of the Board of Directors of the listed pharma company Recordati SpA in Milan (since 2011). The Board of Directors is convinced that Mr Giuliani, with his qualification and experience, would further strengthen the Board of Directors.

## 5. Election of the auditor

**Motion:** *Ernst & Young AG, Zurich, is to be re-elected as auditor of the statutory financial statements and the consolidated financial statements for the 2012/2013 business year*

## 6. Reduction of the share capital (cancellation of own shares)

**Motion:** (1) *The share capital of CHF 588'000'000.-- is to be reduced to at least CHF 546'000'000.-- by means of the cancellation of a maximum of 700'000 registered shares with a par value of CHF 60.-- each;*

(2) *The audit report of Ernst & Young AG, which states that creditor receivables are covered in full even after the share capital has been reduced, is to be formally acknowledged;*

(3) *Art. 3 of the articles of association, concerning share capital, is to be amended as follows (changes are marked):*

*"The share capital of the company amounts to CHF ~~588'000'000.--~~ [546'000'000.-: to be determined finally on the day of the Shareholders' Meeting] and is divided into ~~9'800'000~~ [9100'000: to be determined finally on the day of the Shareholders' Meeting] registered shares with a par value of CHF 60.-- each. All shares are fully paid in."*

As part of the 2009 share buy-back programme for up to 20% of issued shares, which runs until 31 August 2012, the Company had acquired a total of 597'345 of its own shares via the second trading line on SIX Swiss Exchange Ltd as at the date this invitation was sent out. The shares correspond to 6.1% of the issued shares. The Board of Directors intends to propose the cancellation of the shares that have already been acquired, plus any further shares that may be repurchased under this share buy-back programme up to 21 June 2012. However, the number of shares to be cancelled will be rounded down to the nearest hundred thousand, but will not exceed 700,000 registered shares.

The Board of Directors will announce the final number of registered shares that are proposed for cancellation, as well as the final number of remaining shares, at the Ordinary Shareholders' Meeting.

## **7. Approval of a new share buy-back programme and capital reduction**

- Motion:** (1) *Under the terms of a new share buy-back programme that will run until 30 June 2015 ("2012 buy-back programme"), the Board of Directors is to be authorised to repurchase up to 10% of outstanding issued shares, as they stand following the capital reduction in the previous agenda item, in order to cancel them by means of a capital reduction;*
- (2) *As part of the 2012 buy-back programme, the share capital is to be reduced by a maximum of 10% of the share capital (following the entry in the Commercial Register of the capital reduction adopted under the previous agenda item) by means of the final cancellation of a maximum of 10% of share capital. The precise extent of the reduction is to be determined by the actual number of own shares repurchased under the 2012 buy-back programme;*
- (3) *It is to be determined that, according to the findings of the Ernst & Young AG audit report, creditor receivables as at 21 June 2012 would be covered in full even after a capital reduction to the maximum extent permitted under the previous paragraph.*

The company repurchased its own shares for the purpose of a capital reduction as part of the share buy-back programme adopted in September 2008 and 2009. With the 2012 buy-back programme, the Board of Directors would like to keep open the option of repurchasing more of the company's own shares via the second trading line in order to cancel them as part of a capital reduction. These buy-backs shall be effected in the future depending on how business, disposable liquidity and the markets develop. The share buy-back programme adopted in September 2009 will be terminated before the 2012 share buy-back programme is launched.

The shares to be repurchased under the 2012 buy-back programme are definitely intended for cancellation by means of a capital reduction. At one of the forthcoming shareholders' meeting, the Board of Directors will propose that those shares repurchased under the 2012 share buy-back programme be cancelled (resolution implementing the – possibly lower – amount of the capital reduction) as well as the corresponding reduction in capital (amendment to the articles of association).

## 8. Change of name to “HBM Healthcare Investments AG”

**Motion:** *Art. 1 of the articles of association, concerning company, duration and registered office is to be rewritten as follows:*

*“Under the company name HBM Healthcare Investments AG (HBM Healthcare Investments SA) (HBM Healthcare Investments Ltd) 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.”*

The company operates since its foundation in 2001 under the name of „HBM BioVentures Ltd“. In the meantime, the portfolio has matured and actually consists of around 60% of investments in companies, which are already profitable or with products on the market. Based on the Investment Guidelines, adopted by the Board of Directors in June 2010, forthcoming investment activities shall focus more on companies with predictable business growth and less on traditional venture capital financing. The name change would reflect the broadening of the investment segment.

## 9. Miscellaneous

### Documentation

The 2011/2012 business report, including the annual report, the statutory financial statements, the consolidated financial statements, as well as the reports of the auditors, is being sent out to all shareholders entered in the Share Register unless they had requested not to receive a copy. It is also available for review at Bundesplatz 1, 6300 Zug, Monday to Friday from 9.00 am to 5.00 pm and can be ordered from the same address (please call +41 (0)41 768 11 08). This also applies to the Ernst & Young AG audit reports on agenda items 6 and 7. The business report can be accessed at [www.hbmbioventures.com](http://www.hbmbioventures.com).

### Admission cards / voting materials

Shareholders who are entered in the Share Register with the right to vote as at 5.00 pm on 12 June 2012 (the qualifying date) will receive the invitation as well as, upon request, a personal admission card and the voting materials directly from the company.

Shareholders who are entitled to vote according to the Share Register as of the qualifying date may participate in the Shareholders' Meeting. Each share carries one vote. Shareholders who have sold their shares before the Shareholders' Meeting are no longer entitled to vote.

### Granting of powers of attorney

Shareholders who do not participate in person in the Shareholders' Meeting may appoint as a representative a different shareholder, a third party, their bank, the company's agent, or Mr Walter Boss, chartered fiduciary agent, KBT Treuhand AG, Zimmergasse 16, 8032 Zurich, as independent proxy holder in the sense of Art. 689c of the Swiss Code of Obligations.

The power of attorney on the registration form must be filled in accordingly, signed and returned to the company or the independent proxy holder by 19 June 2012 at the latest.

Without specific instructions to the contrary, the proxy will be exercised to vote in favour of the motions of the Board of Directors. Shareholders who sign their power of attorney and return it to the company without indicating a representative will be represented by the company's agent; their votes will be cast in favour of the motions of the Board of Directors. Powers of attorney containing instructions that differ from the motions submitted by the Board of Directors will be passed on to the independent proxy holder.

Proxy holder for shares held in custody accounts

Proxy holders representing shares held in custody accounts, as described in Art. 689d of the Swiss Code of Obligations, are kindly asked to inform the company of the number of shares they represent as soon as possible and no later than 2.00 pm on 22 June 2012.

Admissions office

The admissions office opens at 14.30 pm on the day of the Shareholders' Meeting. Shareholders are kindly asked to present their admission cards at the entrance.

Registration

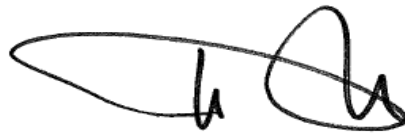
Please return the registration form by 19 June 2012 if you intend to participate in the Shareholders' Meeting.

Reception

The Board of Directors is pleased to invite you to a reception after the Shareholders' Meeting.

Zug, 29 May 2012

On behalf of the Board of Directors  
The Chairman

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a smaller, more intricate flourish.

Hans Peter Hasler