

# HBM Healthcare Investments Ltd

Bundesplatz 1, 6300 Zug

## ***Invitation to the 15th Ordinary Shareholders' Meeting***

Friday, 24 June 2016, 2:00 pm

**Parkhotel Zug  
Industriestrasse 14  
6300 Zug**

The admission office opens at 1:30 pm

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

- 1. Management report, statutory financial statements and consolidated financial statements 2015/2016; reports of the auditors**

**Motion:** *Approval of management report, statutory financial statements and consolidated financial statements for the 2015/2016 business year*

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

**Motion:** *Discharge from liability of the members of the Board of Directors and of the Management for the 2015/2016 business year*

- 3. Appropriation of results**

**Motions: 3.1** *Appropriation of disposable profit of CHF 12'309'552:*

<u>in CHF</u>	<u>2015/2016</u>
<i>profit for the year</i>	10'495'476
<u><i>profit carry forward</i></u>	<u>1'814'076</u>
<i>accumulated profit</i>	12'309'552
<i>- allocation to the general legal reserves</i>	5'410'000
<i>- carry forward to the new account</i>	6'899'552

- 3.2** *Withholding tax-exempt cash distribution from the reserve from capital brought in of CHF 5.50 per entitled share\*, i.e. a maximum of CHF 40.8 million.*

*\* All registered shares in HBM Healthcare Investments Ltd which are not held by the Company itself are entitled to receive a distribution. Changes in the Company's holdings may still change the number of entitled shares.*

In view of the business result for the year, the Board of Directors proposes a cash distribution of CHF 5.50 per share, in the form of a withholding tax-exempt dividend from the reserve from capital brought in. Should the motion be passed, the cash payment of CHF 5.50 per registered share will be made on 30 June 2016. Registered shares which are entitled to receive a dividend will be traded for the last time on 27 June 2016. As of 28 June 2016 they will be traded exclusive of any distribution entitlement (ex date).

#### **4. Elections regarding the Board of Directors**

##### **4.1 Re-elections of the Chairman and of the Members of the Board of Directors**

**Motions:**

- a. *Re-election of Mr. Hans Peter Hasler as Chairman of the Board of Directors to the close of the 2017 Ordinary Shareholders' Meeting*
- b. *Re-election of Prof. Dr h.c. mult. Heinz Riesenhuber as member of the Board of Directors to the close of the 2017 Ordinary Shareholders' Meeting*
- c. *Re-election of Dr Eduard Holdener as member of the Board of Directors to the close of the 2017 Ordinary Shareholders' Meeting*
- d. *Re-election of Mr. Robert A. Ingram as member of the Board of Directors to the close of the 2017 Ordinary Shareholders' Meeting*
- e. *Re-election of Dr Rudolf Lanz as member of the Board of Directors to the close of the 2017 Ordinary Shareholders' Meeting*
- f. *Re-election of Mr. Mario Germano Giuliani as member of the Board of Directors to the close of the 2017 Ordinary Shareholders' Meeting*

**Mr. Hans Peter Hasler** has been a member of the Board of Directors since 2009, and its Chairman since 2011. He is also a member of the Compensation Committee. He knows the biotech business very well, Mr Hasler spent eight years each in leading positions at Biogen Idec and, previously, at Wyeth. He is Chairman of the Board of Directors of MIAC AG (Medical Imaging Analysis Center AG, a not-for-profit organisation set up by the University Hospital of Basle) and member of the Board of Directors of AOP Orphan Pharmaceuticals AG and of Patheon Inc.

**Prof. Dr Heinz Riesenhuber** has been a member of the Board of Directors since 2001. He is also a member of the Audit Committee. He is a certified chemist and has 15 years' industry experience as the CEO of subsidiaries of Metallgesellschaft AG. Prof. Riesenhuber has been a member of the German Federal Parliament since 1976, and served as Federal Minister of Research and Technology from 1982 to 1993. Prof. Riesenhuber is a member of the Investors Committee of Heidelberg Innovation BioScience Venture.

**Dr Eduard Holdener** has been a member of the Board of Directors since 2008. He is an onco-haematologist, and has 14 years' clinical experience in a hospital environment in Switzerland and the USA, as well as 22 years' experience in clinical research and development at Roche. In his last eight years at Roche, he was Head of Global Clinical Devel-

opment in Oncology, as well as member of the Pharma Executive and the Corporate Executive Committee. Dr Holdener is a member of the Board of Directors of Parexel International Corp. and Chairman of the Board of Directors of NovImmune SA.

Mr. **Robert Ingram** has been a Member of the Board of Directors since 2006. He is also a member of the Nominating Committee and a member of the Compensation Committee. He is an economist, and his knowledge of the pharma industry is virtually unparalleled. His personal network world-wide is of irreplaceable value, especially in the USA, where the majority of HBM Healthcare Investments' portfolio companies are based. Mr Ingram worked at GlaxoSmithKline for 20 years, in positions including Chairman, COO and CEO. His is Chairman of the Board of Directors of Valeant Pharmaceuticals International Inc, of Novan Inc. and of Viamet Pharmaceuticals, Inc, as well as member of the Board of Directors of Cree Inc. and of BioCryst Pharmaceuticals, Inc.

**Dr Rudolf Lanz** has been a member of the Board of Directors since 2003. He is also a member of the Audit Committee and a member of the Nominating Committee. He has a master's degree in economics and a doctorate in law, and has spent much of his professional life in acquisitions, divestments, mergers and major financing transactions. For 20 years, Dr Lanz worked mainly in management positions at Ernst & Young, before founding "The Corporate Finance Group" with partners, and becoming the Chairman of its Board of Directors. Dr Lanz is a member of the Board of Directors of Pearls Fashion Holding AG and of MIAC AG (Medical Imaging Analysis Center AG, a not-for-profit organisation set up by the University Hospital of Basle).

Mr. **Mario Germano Giuliani** has been a member of the Board of Directors since 2012. He is also a member of the Compensation Committee. He is an economist. In the course of 16 years at his family pharmaceutical company, Milan-based Giuliani SpA, he has held positions at all levels. Being a member of the Board of Directors since 1999, he was Chief Executive Officer from 2001-2014, and Chairman of the Board of Directors from 2003-2014 of Giuliani SpA. Mr. Giuliani is also a member of the Board of Directors of Mosaix Ventures LLP, of of Royalty Pharma, of Nogra Group SA and of Jukka LLC, as well as Chairman of the Board of Directors of Fair-Med Healthcare AG and of NGR (Monaco) SAM.

#### **4.2 Re-election of the members of the Compensation Committee**

***Motions:***

- a. *Re-election of Mr. Mario Germano Giuliani as a member of the Compensation Committee to the close of the 2017 Ordinary Shareholders' Meeting*
- b. *Re-election of Mr. Hans Peter Hasler as a member of the Compensation Committee to the close of the 2017 Ordinary Shareholders' Meeting*
- c. *Re-election of Mr. Robert Ingram as a member of the Compensation Committee to the close of the 2017 Ordinary Shareholders' Meeting*

## **5. Compensation to the Board of Directors and to the Management**

### **5.1 Compensation to the Board of Directors**

**Motion:** *Approval of the maximum fixed compensation to the Board of Directors of CHF 450'000 (including social security contributions) for the time between the Ordinary Shareholders' Meetings 2016 and 2017*

### **5.2 Compensation to the Management**

**Motion:** *Approval of the maximum fixed compensation to the Management of CHF 320'000 (including social security contributions) for the time between 1 July 2016 and 30 June 2017*

The amounts proposed are explained in detail in the Compensation Report. There is currently no agreement for a variable compensation to the Management in place. Due to the fact that the High Water Mark has not been exceeded, Members of the Board of Directors are not entitled to a variable compensation for the financial year 2015/2016.

## **6. Appointment of auditors**

**Motion:** *Re-appointment of Ernst & Young AG, Zurich, as auditors of the statutory financial statements and the consolidated financial statements for the 2016/2017 business year*

## **7. Appointment of independent proxy-holder**

**Motion:** *Appointment of KBT Treuhand AG, Zurich, as independent proxy-holder to the close of the 2017 Ordinary Shareholders' Meeting*

## **8. Reduction of share capital by means of cancellation of own shares**

**Motion:** (1) *Reduction of share capital of CHF 450'450'000.-- to CHF 427'050'000.-- by cancellation of 400'000 registered shares at a par value of CHF 58.50 each;*

(2) *Formal acknowledgement of the audit report from Ernst & Young AG, which states that creditor receivables are covered in full even after the share capital has been reduced;*

(3) *Amendment of Art. 3 of the Articles of Association, concerning share capital, as follows (changes marked):*

*"The share capital of the corporation is CHF ~~450'450'000.--~~ 427'050'000.-- and is divided in ~~7'700'000~~ 7'300'000 registered shares with a par value of CHF 58.50 each. All shares are fully paid in."*

As part of the 2014 share buy-back programme, up to the date on which this invitation was sent out, the Company acquired another 400'000 of its own shares via a second trading

line on SIX Swiss Exchange, which are to be cancelled at the Ordinary Shareholders' Meeting.

## **9. Approval of a new share buy-back programme and capital reduction in principle**

- Motion:** (1) *Authorisation for the Board of Directors to repurchase up to a maximum of 10% of the shares outstanding following the capital reduction in accordance with agenda item 8, under a new share buy-back programme over the next three years, in order to cancel those shares as part of a capital reduction;*
- (2) *Under the share buy-back programme, reduction in share capital by a maximum of 10% of share capital (following the entry in the Commercial Register of the capital reduction adopted under agenda item 8) by means of the final and absolute 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 buy-back programme;*
- (3) *Formal acknowledgement of the audit report from Ernst & Young AG, which states that creditor receivables as at 24 June 2016 would remain covered in full even after the share capital has been reduced by the full extent provided for in the previous paragraph.*

In accordance with the share buy-back programme adopted on 20 June 2014, a maximum of 99'497 shares can still be repurchased. After termination of this share buy-back programme, the Board of Directors would like to keep the option of repurchasing more of the company's own shares in order to cancel them as part of a capital reduction. These buy-backs would be effected in the future depending on how business, available liquidity, and the markets develop.

The shares to be repurchased under the new buy-back programme are definitely intended for cancellation by means of a capital reduction. At a forthcoming ordinary shareholders' meeting, the Board of Directors will propose that those shares repurchased under this 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).

## **10. Miscellaneous**

### Documentation

The 2015/2016 annual report, including the management report, the statutory financial statements, the consolidated financial statements, the compensation report, as well as the reports of the auditors, is sent out to all shareholders entered in the Shareholders' Register unless they have 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. It can be ordered from the same address. Please call +41 (0)41 710 75 77. The same applies to the Ernst & Young AG audit reports with regard to agenda items 8 and 9. The annual report is also available on the [www.hbmhealthcare.com](http://www.hbmhealthcare.com) website.

### Admission cards / voting materials

Shareholders who are entered in the Shareholders' Register with the right to vote as at 5.00 pm on 14 June 2016 (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 Shareholders' Register as of the qualifying date may participate in the Ordinary Shareholders' Meeting. Each share carries one vote. Shareholders who have sold their shares before the Ordinary Shareholders' Meeting takes place are no longer entitled to vote.

### Granting of powers of attorney

Shareholders who do not participate in person in the Ordinary Shareholders' Meeting may appoint as a representative a different shareholder, a third party, or Mr Reto Leeman, 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. Granting of powers of attorney to members of governing bodies or custody accounts is illegitimate.

The power of attorney on the registration form must be filled in accordingly, signed and returned to the independent proxy holder, or to the Shareholders' Register at SIX SAG Ltd, Baslerstrasse 90, CH-4600 Olten, by 21 June 2016 at the latest.

In the absence of any specific instructions, the independent proxy-holder will be deemed to have been instructed to exercise the voting right in favour of the motions of the Board of Directors. This also applies to motions put forward in the Ordinary Shareholders' Meeting.

As an alternative to written power of attorneys, Shareholders have this year for the first time the opportunity to submit power of attorneys and voting instructions to the independent proxy holder electronically via the platform [www.ecomm-portal.com](http://www.ecomm-portal.com) of SIX SAG AG. Shareholders who wish to make use of this may follow the enclosed SIX Securities Services instructions regarding the opening of a Shareholder account and the registration to the Ordinary Shareholders' Meeting.

### Admission office

The admission office opens at 1.30 pm on the day of the Ordinary Shareholders' Meeting. Shareholders are asked to present their admission cards at the entrance.

Registration

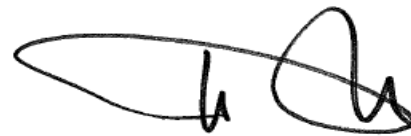
We ask you kindly to return the registration form by 21 June 2016 if you intend to participate in the Ordinary Shareholders' Meeting.

Reception

The Board of Directors is pleased to invite you to a reception after the meeting.

Zug, 30 May 2016

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