

**Minutes of the 22<sup>nd</sup> annual Shareholders' Meeting of Polyphor AG, Allschwil  
(hereinafter the "Company")**

Date & Time: April 12, 2019, 14:00 local time

Place: ZLF Zentrum für Lehre und Forschung, Hebelstrasse 20, Basel

Present: Dr. Jerry Karabelas, Chairman, Chair  
Dr. Kuno Sommer, Vice-Chairman  
Bernard Bollag, Member  
Dr. Silvio Inderbitzin, Member  
Dr. Jean-Pierre Obrecht, Member  
Dr. Frank T. Weber, Member  
Giacomo di Nepi, CEO  
Dr. Daniel Obrecht, CSO  
Kalina Scott, CFO  
Helmut Kessmann, Head BD  
Franziska Müller, Head HR  
Jürg Zürcher, E&Y  
Jukka Schäublin, E&Y  
Marius Meier, independent proxy  
Dr. Matthias Staehelin, Minutes  
Total of 62 shareholders or shareholders' representatives

**Constitution**

Jerry Karabelas opens the meeting. He states the shareholders were duly invited to the General Assembly and welcomes the present members of the Board and management. The invitation to the shareholders has been published in the Swiss Official Gazette of Commerce on 20 March 2019 and sent to the shareholders registered in the share register on 20 March 2019. The invitation included the agenda items and the proposals of the Board of Directors. The General Assembly has been convened properly in the statutory form and in compliance with legal and statutory deadlines with the announcement of the agenda and the proposals of the Board of Directors.

According to Article 12 of the Articles of Association Jerry Karabelas as Chairman of the Board of Directors assumes the chair of the General Assembly. He appoints Dr. Matthias Staehelin, the Secretary of the Board of Directors, as secretary, vote counter and notary public of the meeting.

Polyphor's auditor E&Y is represented at this meeting by Jürg Zürcher and Jukka Schäublin; Marius Meier is the independent proxy.

Giacomo di Nepi & Kalina Scott present a summary of the past year and an outlook. The presentation is attached to the minutes.

Matthias Staehelin reports that of a total of 11'046'502 shares, 5'549'741 are represented today. The independent proxy represents 4'406'890 votes. 62 persons participating in the meeting represent 1'142'851 shares. If all shareholders vote yes or not, then the absolute majority is 2'774'871 shares. The two third majority required for agenda item 4 hereinafter is 3'699'827. Thus, the General Assembly is duly constituted. No objections are raised against this statement.

**1. Approval of the Management Report and the Consolidated Accounts (IFRS) for the year 2018 and the Annual Accounts (statutory) of Polyphor Ltd for the year 2018**

The Board of Directors proposes approval of the management report and the consolidated accounts (IFRS) for the year 2018 and the annual accounts (statutory) of Polyphor Ltd for the year 2018.

*://: The Shareholders' Meeting by majority resolves to approve the management report and the consolidated accounts (IFRS) for the year 2018 and the annual accounts (statutory) of Polyphor Ltd for the year 2018.*

**2. Allocation of the Balance Sheet Result**

The Board of Directors proposes to carry forward the net loss of the year 2018 amounting to CHF 50'109'857 under Swiss statutory accounts.

*://: The Shareholders' Meeting by majority resolves to approve the proposed allocation of the balance sheet result.*

**3. Discharge of the Board of Directors and Executive Management**

The Board of Directors proposes that the Members of the Board of Directors and Executive Management will be granted discharge for the year 2018. The Members of the Board and the Management do not vote on this item.

*://: The Shareholders' Meeting by majority grants discharge to the Board of Directors and the Executive Management for the year 2018.*

**4. Increase of Conditional Share Capital**

The Board of Directors proposes to the General Assembly to increase the conditional share capital for employee benefit plans by 335'000 (three hundred thirty-five thousand) registered shares (common shares) with a nominal value of CHF 2 (two Swiss francs) each and to amend article 3c (three c) paragraph 1 (one) of the Articles of Association accordingly to read as follows:

<p><b>"Art. 3c Conditional Share Capital for Employee Benefit Plans</b></p> <p><i>The share capital of the Company shall be increased by an amount not exceeding CHF 1'132'626 through the issue of a maximum of 566'313 registered shares, payable in full, each with a nominal value of CHF 2.00, in connection with the exercise of option rights granted to any employee of the Company or a</i></p>	<p><b>"Art. 3c Bedingtes Aktienkapital für Mitarbeiterbeteiligungspläne</b></p> <p><i>Das Aktienkapital kann durch die Ausgabe von höchstens 566'313 voll zu liberierenden Namenaktien im Nennwert von je CHF 2.00 um höchstens CHF 1'132'626 durch Ausübung von Optionsrechten erhöht werden, welche Mitarbeitenden der Gesellschaft oder ihrer Tochtergesell-</i></p>
--	---

<p><i>subsidiary, and any consultant, members of the Board of Directors, or other person providing services to the Company or a subsidiary."</i></p>	<p><i>schaften, Personen in vergleichbaren Positionen, Beratern, Verwaltungsratsmitgliedern oder anderen Personen, welche Dienstleistungen zu Gunsten der Gesellschaft erbringen, gewährt wurden."</i></p>
--	--

*:// The Shareholders' Meeting by majority exceeding two thirds of the votes represented resolves to approve the proposed changes to the conditional share capital.*

## **5. Election to the Board of Directors**

According to the Articles of Association, the Members of the Board of Directors have to be elected or re-elected every year.

The Board of Directors proposes to re-elect Jerry Karabelas as chairman and member of the Board and Kuno Sommer, Bernard Bollag, Silvio Inderbitzin, Jean-Pierre Obrecht, Andreas Wallnöfer and Frank T. Weber as members of the Board, each for the term until the next Annual Shareholders' Meeting.

Matthias Staehelin leads through the vote which is performed individually for each candidate:

### **5.a Re-Election of Jerry Karabelas as chairman and member of the Board**

*:// The Shareholders' Meeting by majority resolves to re-elect Jerry Karabelas as chairman and member of the Board of Directors for a term until the next Annual Shareholders' Meeting.*

### **5.b Re-Election of Kuno Sommer as member of the Board**

*:// The Shareholders' Meeting by majority resolves to re-elect Kuno Sommer as member of the Board of Directors for a term until the next Annual Shareholders' Meeting.*

### **5.c Re-Election of Bernard Bollag as member of the Board**

*:// The Shareholders' Meeting by majority resolves to re-elect Bernard Bollag as member of the Board of Directors for a term until the next Annual Shareholders' Meeting.*

### **5.d Re-Election of Silvio Inderbitzin as member of the Board**

*:// The Shareholders' Meeting by majority resolves to re-elect Silvio Inderbitzin as member of the Board of Directors for a term until the next Annual Shareholders' Meeting.*

### **5.e Re-Election of Jean-Pierre Obrecht as member of the Board**

*:// The Shareholders' Meeting by majority resolves to re-elect Jean-Pierre Obrecht as member of the Board of Directors for a term until the next Annual Shareholders' Meeting.*

### **5.f Re-Election of Andreas Wallnöfer as member of the Board**

*:// The Shareholders' Meeting by majority resolves to re-elect Andreas Wallnöfer as member of the Board of Directors for a term until the next Annual Shareholders' Meeting.*

### **5.g Re-Election of Frank T. Weber as member of the Board**

*:// The Shareholders' Meeting by majority resolves to re-elect Frank T. Weber as member of the Board of Directors for a term until the next Annual Shareholders' Meeting.*

## 6. Election of the auditors

The Board of Directors proposes to re-elect the current auditors, Ernst & Young AG, for the term until the next Annual Shareholders' Meeting.

*://: The Shareholders' Meeting by majority resolves to re-elect Ernst & Young as auditors for a term until the next Annual Shareholders' Meeting.*

## 7. Election of the Independent Proxy

The Board of Directors proposes to re-elect lic. iur. Marius Meier, Attorney at Law and Public Notary, Lautengartenstrasse 7, CH-4052 Basel, Switzerland, as independent proxy for the term until the next Annual Shareholders' Meeting.

*://: The Shareholders' Meeting by majority resolves to re-elect Marius Meier, Attorney at Law and Public Notary, Lautengartenstrasse 7, CH-4052 Basel, Switzerland, as independent proxy for the term until the next Annual Shareholders' Meeting.*

## 8. Election of the Members of the Compensation Committee

The Board of Directors proposes to elect Kuno Sommer, Jerry Karabelas and Frank T. Weber as the members of the compensation committee, each for the term until the next Annual Shareholders' Meeting.

Matthias Staehelin leads through the vote which is performed individually for each candidate:

### 8.a Election of Kuno Sommer

*://: The Shareholders' Meeting by majority resolves to elect Kuno Sommer as member of the Compensation Committee for a term until the next Annual Shareholders' Meeting.*

### 8.b Election of Frank T. Weber

*://: The Shareholders' Meeting by majority resolves to elect Frank T. Weber as member of the Compensation Committee for a term until the next Annual Shareholders' Meeting.*

### 8.c Election of Jerry Karabelas

*://: The Shareholders' Meeting by majority resolves to elect Jerry Karabelas as member of the Compensation Committee for a term until the next Annual Shareholders' Meeting.*

## 9. Compensation for the Members of the Board of Directors and the Executive Management

The Board of Directors proposes to hold the following separate votes on the non-performance related and the variable compensation of the Board of Directors and the Executive Management:

### 9a Vote on Total Fixed (Non-Performance-Related) Compensation for Members of the Board of Directors until the next Annual Shareholders' Meeting

The Board of Directors proposes that shareholders approve the total maximum amount of fixed (non-performance-related) compensation for the members of the Board of Directors for the period until the next Annual Shareholders' Meeting of CHF 364'175, including a maximum of CHF 50'000 for additional consultancy services by Board members and including the related social security costs.

*://: The Shareholders' Meeting by majority approves this proposal.*

**9b Vote on Equity Based Compensation for Members of the Board of Directors until the next Annual Shareholders' Meeting**

The Board of Directors proposes that shareholders approve the grant of a maximum of 25'250 options for the members of the Board of Directors for the period until the next Annual Shareholders' Meeting, with a current maximum value of all options of CHF 189'375, a vesting ending at the next shareholders' meeting and a lock-up of three years plus the related social security costs (estimate based on current value: CHF 12'310).

*:// The Shareholders' Meeting by majority approves this proposal.*

**9c Vote on Additional Compensation for Members of the Board of Directors for the period up to the Annual Shareholders' Meeting 2019**

The Board of Directors proposes that shareholders approve the payment of CHF 30'000 to Andreas Wallnöfer (including the related social security costs) for additional consultancy services provided by such Board Member during the period up to the 2019 Annual Shareholders' Meeting.

*:// The Shareholders' Meeting by majority approves this proposal.*

**9d Vote on Cash Compensation for Members of the Executive Management payable in 2020**

The Board of Directors proposes that shareholders approve the total maximum amount of cash compensation for the six members of the Executive Management payable 2020 of CHF 2'750'794 (including the related social security costs) of which a maximum of CHF 1'960'794 is for fixed (non-performance-related) compensation and a maximum of CHF 790'000 is variable (performance-related) compensation.

*:// The Shareholders' Meeting by majority approves this proposal.*

**9e Vote on Equity Based Compensation for Members of the Executive Management for 2020**

The Board of Directors proposes that shareholders approve the grant of a maximum of 161'250 options for the six members of the Executive Management for the year 2020, with a current maximum value of all options of CHF 1'196'475 with quarterly vesting over four years plus the related social security costs (estimate based on current value: CHF 77'771).

*:// The Shareholders' Meeting by majority approves this proposal.*

There being no general remarks or questions, the Chairman closes the meeting at 15:10 local time.

April 12, 2019

For the minutes



Dr. Jerry Karabelas,  
Chairperson



Dr. Matthias Staehelin,  
Minutes