

English convenience translation of the authoritative German version.

## **Invitation to the Annual General Meeting of Shareholders (AGM)**

Tuesday, June 18, 2024, 10:00 a.m. (door opening: 09:30 a.m.)

Haus der Wirtschaft, Hardstrasse 1, 4133 Pratteln, Switzerland

### **Agenda (Overview)**

- 1. Approval of the Annual Report, Annual Financial Statements and the Consolidated Financial Statements 2023**
- 2. Appropriation of the Annual Result and Offset of Deficit**
- 3. Consultative Vote on the Compensation Report 2023**
- 4. Discharge of the Members of the Board of Directors and of the Executive Management from Liability for the Financial Year 2023**
- 5. Amendments to the Articles of Incorporation**
- 6. Re-election of the Members of the Board of Directors and of the Chairman of the Board**
- 7. Re-election of the Members of the Compensation Committee**
- 8. Approval of the Compensation of the Members of the Board of Directors**
- 9. Approval of the Compensation of the Members of the Executive Management**
- 10. Re-election of the Statutory Auditors**
- 11. Re-election of the Independent Proxy**

## Agenda Items, Motions and Explanations

### 1. Approval of the Annual Report, Annual Financial Statements and the Consolidated Financial Statements 2023

#### Motions

The Board of Directors proposes to approve the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the 2023 financial year.

#### Explanations

*According to Swiss law and the Company's Articles of Incorporation, the annual report, the annual financial statements and the consolidated financial statements have to be submitted to the shareholders. The Annual Report 2023, the Financial Statements and the Consolidated Financial Statements for the fiscal year 2023 are available for inspection at <https://www.santhera.com/investors-and-media/investor-toolbox/financial-reports>.*

### 2. Appropriation of the Annual Result and Offset of Deficit

#### Motion

The Board of Directors proposes to approve the offset of the annual loss for 2023 in the amount of CHF 9,112,954 with other voluntary reserves.

#### Explanations

*According to Swiss law and the Company's Articles of Incorporation, the general meeting of shareholders resolves on the appropriation of available earnings or the accumulated loss. Swiss mandatory law requires that losses be offset with, among other things, free reserves. Therefore, the Board of Directors seeks approval of the offset of the Company's losses with the other voluntary reserves (free reserves).*

In CHF	2023	2022
Other voluntary reserves (free reserves)	66,099,956	114,994,714
Mandatory offset of losses	-9,112,954	-48,894,758
<b>Other voluntary reserves (free reserves) to be carried forward</b>	<b>56,987,002</b>	<b>66,099,956</b>

### 3. Consultative Vote on the Compensation Report 2023

#### Motion

The Board of Directors proposes to approve the Compensation Report 2023 in a non-binding consultative vote.

#### Explanations

*In compliance with the law and with Article 25 of the Articles of Incorporation, the Board of Directors submits the Compensation Report 2023 to the AGM for a non-binding consultative vote. The Compensation Report 2023 covers the fundamentals of the compensation for the members of the Board of Directors and of the Executive Management as well as the compensation paid to them during the financial year 2023. The compensation report is available as part of the 2023 Annual Report at <https://www.santhera.com/investors-and-media/investor-toolbox/financial-reports>.*

### 4. Discharge of the Members of the Board of Directors and of the Executive Management from Liability for the Financial Year 2023

#### Motions

##### (a) Discharge of the Members of the Board of Directors

The Board of Directors proposes to grant discharge from liability to the members of the Board of Directors for their activities during the financial year 2023.

##### (b) Discharge of the Members of the Executive Management

The Board of Directors proposes to grant discharge from liability to the members of the Executive Management for their activities during the financial year 2023.

#### Explanations

*According to Swiss law and the Company's Articles of Incorporation, the general meeting of shareholders is competent to discharge the members of the Board of Directors and the Executive Management from liability. The resolution of the general meeting of shareholders to grant discharge is effective only with respect to facts that have been disclosed and only towards the company and those shareholders who have approved the resolution or who have since acquired the shares knowing of the resolution. The right of action of the other shareholders expires twelve months after the resolution to grant discharge.*

*Members of the Board of Directors and the Executive Board may not participate in the vote on the discharge.*

### 5. Amendments to the Articles of Incorporation

On January 1, 2023, the revised Swiss corporate law came into force. The revision of corporate law aimed, among other things, to improve corporate governance, to modernize corporate law and to integrate the rules on remuneration for listed companies in the statute. Swiss corporations are required to adjust their Articles of Incorporation to the new law by the end of 2024.

Against this background, the Board of Directors proposes to amend the Company's Articles of Incorporation as set out below. The proposed amendments to the Articles of Incorporation are grouped by topic and will be submitted to the general meeting of shareholders for a vote as separate items (agenda items 5(a) to 5(d)). The proposed amendments are explained separately for each item below.

A comparison of the amendments proposed by the Board of Directors and the current Articles of Incorporation can be found in the separate booklet "Amendments to the Articles of Incorporation" available at <https://www.santhera.com/investors-and-media/investor-toolbox/share-bondholder-meetings>. In the following, the references to provisions of the Articles of Incorporation refer to the Articles of Incorporation as proposed by the Board of Directors.

## Motions

### (a) General Meetings and Communication with Shareholders

The Board of Directors proposes the amendment of Art. 5 para. 1, Art. 8, Art. 9 para. 2, Art. 10 para. 3 and 4, Art. 11 para. 1 to 3, Art. 12 para. 3, Art. 13 para. 2, Art. 14 para. 1 to 3, Art. 32 para. 2 and 3 and Art. 34 para. 2 of the Articles of Incorporation as well as the introduction of a new Art. 11a in the Articles of Incorporation, as set out in the separate booklet "Amendments to the Articles of Incorporation".

## Explanations

*The new corporate law allows corporations to communicate with, and to make documents available to their shareholders electronically. To make use of this new possibility, the Articles of Incorporation must be updated accordingly. Against this background, the Board of Directors proposes to amend Art. 5 para. 1 and Art. 34 para. 2 of the Articles of Incorporation accordingly.*

*Under the new corporate law, the powers of the general meeting of shareholders have been extended and specified. The Board of Directors therefore proposes the update of Art. 8 of the Articles of Incorporation to align it with applicable law.*

*The new corporate law stipulates a threshold of 5% of the share capital or votes (previously 10% of the share capital) for the right to have an extraordinary general meeting called. In addition, under the new law, shareholders who individually or jointly represent at least 0.5% of the share capital or votes may request that an item be placed on the agenda or that a motion to an agenda item be included in the invite. The new law also specifies the information that must be disclosed in the invitation to a general meeting of shareholders and stipulates that any report on non-financial matters in accordance with Art. 964c CO must also be made available at least 20 days prior to the annual general meeting. These amendments lead to an adjustment of Art. 9 para. 2, Art. 10 para. 3 and 4 as well as Art. 11 para. 1 and 2 of the Articles of Incorporation.*

*Listed companies must now allow shareholders to be represented at the general meeting of shareholders by any third party. A limitation of the representation to another shareholder with voting rights is no longer permissible. Furthermore, listed companies must make the resolutions and election results available electronically within 15 days after the general meeting of shareholders, stating the exact voting results. In addition, shareholders may request that the minutes be made available to them within 30 days after the general meeting of shareholders. These statutory requirements shall be expressly stated in the Articles of Incorporation (Art. 12 para. 3 and Art. 13 para. 2).*

*The corporate law reform now expressly provides for the possibility of holding the general meeting of shareholders at different locations or as hybrid or virtual events. In case of a hybrid general meeting, shareholders who are not present or unable to be present, respectively, at the venue of the general meeting can alternatively participate by electronic means. In case of a virtual general meeting, all participants participate electronically and there is no possibility of physical attendance. The Board of Directors does not currently intend to hold virtual general meetings. The additional flexibility that the new law allows with regard to the venue, shall, however, be incorporated into the company's Articles of Incorporation by introducing a new Art. 11a. Shareholders have the same participation rights – in particular, the right to speak and to ask questions as well as the right to vote – in case of a virtual general meeting as at a general meeting of shareholders with physical attendance.*

*In order to adapt the Articles of Incorporation to the revised wording of the new law and to reflect the established voting procedure of the Company, the Board of Directors proposes further amendments to Art. 11 para. 3 and Art. 14 para. 1 to 3 of the Articles of Incorporation.*

*In addition, with the new corporate law, the statutory provisions on reserves were aligned with accounting rules, and statutory reserves are now also divided into retained earnings and capital reserves. These changes shall be reflected in Art. 32 para. 2 and 3 of the Articles of Incorporation.*

#### **(b) Board of Directors and Remuneration**

The Board of Directors proposes to amend Art. 17 para. 1, Art. 18 para. 2, Art. 25 para. 1, Art. 28 para. 3 and Art. 30 para. 3 of the Articles of Incorporation as set out in the separate booklet "Amendments to the Articles of Incorporation".

#### **Explanations**

*The proposed amendment to Art. 17 para. 1 of the Articles of Incorporation specifies, in accordance with the new corporate law, that the appointment of a secretary is now at the Board of Directors' discretion.*

*Similar to the powers of the general meeting of shareholders, the powers of the Board of Directors have been specified and partially revised. The Board of Directors proposes to reflect these amendments in the Articles of Incorporation (Art. 18 para. 2).*

*Art. 25 para. 1 lit. c of the Articles of Incorporation currently stipulates that the general meeting of shareholders approves the maximum variable remuneration of the Executive Management for the previous financial year. In the past, the Board of Directors proposed the approval of a variable remuneration component – as part of the long-term incentive plan – for the current financial year based on its authorization as per Art. 25 para. 2 and is also doing so at the present general meeting (agenda item 9(c)). The Board of Directors proposes that this practice be expressly set forth in the Articles of Incorporation and that Art. 25 para. 1 of the Articles of Incorporation be amended accordingly.*

*The new corporate law transposed the Ordinance Against Excessive Remuneration in Listed Corporations (VegüV), which entered into force on January 1, 2014, into the statute. Certain provisions were amended at that occasion. The Board of Directors proposes to reflect the explicit statutory provision according to which the consideration for contractual non-compete undertakings may not exceed the average of the compensation of the last three business years as well as the revised definition of external mandates in the Articles of Incorporation (Art. 28 para. 3 and Art. 30 para. 3).*

**(c) Transfer Restriction**

The Board of Directors proposes to amend Art. 5 para. 2 of the Articles of Incorporation as set out in the separate booklet "Amendments to the Articles of Incorporation".

**Explanations**

*The new corporate law allows corporations to make registration as a shareholder in the share register with voting rights conditional on the acquirer declaring that there is no agreement to take back or return the shares concerned and that the acquirer bears the economic risk associated with the shares (Art. 685d para. 2 CO). The purpose of this provision is to reduce the misuse of securities lending and similar legal transactions to influence votes and elections of the general meeting of shareholders.*

*The Board of Directors supports this objective and therefore proposes to amend Art. 5 para. 2 of the Articles of Incorporation accordingly. The resolution of the general meeting on this agenda item 5(c) requires the approval of two-thirds of the votes represented at the AGM.*

**(d) Removal of Contributions in Kind; Place of Jurisdiction**

The Board of Directors proposes to amend Art. 35 of the Articles of Incorporation as set out in the separate booklet "Amendments to the Articles of Incorporation".

**Explanations**

*Art. 35 of the Articles of Incorporation currently contains a provision regarding contributions in kind made in connection with capital increases in 2005 and 2009. The general meeting of shareholders may delete such provisions of the Articles of Incorporation after ten years (Art. 634 para. 4 CO). The Board of Directors therefore proposes the deletion of the provision in Art. 35 of the Articles of Incorporation concerning contributions in kind.*

*In line with recent market practice, the Board of Directors proposes a new Art. 35 of the Articles of Incorporation, which stipulates that the registered office of the Company is the exclusive place of jurisdiction for all legal actions arising from or in connection with the corporate relationship.*

**6. Re-election of the Members of the Board of Directors and of the Chairman of the Board**

**Motions**

**(a) Re-election of Thomas Meier to the Board of Directors and as Chairman of the Board of Directors**

The Board of Directors proposes the re-election of Thomas Meier as a member and as Chairman of the Board of Directors until the end of the 2025 AGM.

**(b) Re-election of Philipp Gutzwiller to the Board of Directors**

The Board of Directors proposes the re-election of Philipp Gutzwiller as a member of the Board of Directors until the end of the 2025 AGM.

**(c) Re-election of Bradley C. Meyer to the Board of Directors**

The Board of Directors proposes the re-election of Bradley C. Meyer as a member of the Board of Directors until the end of the 2025 AGM.

**(d) Re-election of Otto Schwarz to the Board of Directors**

The Board of Directors proposes the re-election of Otto Schwarz as a member of the Board of Directors until the end of the 2025 AGM.

**Explanations**

*The votes on each member and the Chairman of the Board of Directors need to be separate. The term of office of all members of the Board of Directors will end at this year's AGM. All members of the Board of Directors stand for re-election. Thomas Meier is proposed for re-appointment as chairman of the Board of Directors.*

**7. Re-election of the Members of the Compensation Committee**

**Motions**

**(a) Re-election of Thomas Meier as member of the Compensation Committee**

The Board of Directors proposes the re-election of Thomas Meier as a member of the Compensation Committee until the end of the 2025 AGM.

**(b) Re-election of Bradley C. Meyer as member of the Compensation Committee**

The Board of Directors proposes the re-election of Bradley C. Meyer as a member of the Compensation Committee until the end of the 2025 AGM.

**Explanations**

*The votes on each member of the Compensation Committee need to be separate. Only members of the Board of Directors are eligible. It is intended that Bradley C. Meyer remains Chairman of the Compensation Committee.*

**8. Approval of the Compensation of the Members of the Board of Directors**

**Motions**

The Board of Directors proposes the approval of a maximum total amount of fixed compensation of the Board of Directors of CHF 595,000 (excl. employer contributions to social security) until the 2025 AGM.

**Explanations**

*In case of approval of the proposed total compensation of the Board of Directors by the AGM, the Board of Directors plans to compensate the chairmanship and the membership of the Board of Directors and its Committees as follows:*

<i>Function</i>	<i>Compensation (CHF)*</i>	<i>Number</i>	<i>Total (CHF)*</i>
<i>Chairman of the Board of Directors</i>	<i>180,000</i>	<i>1</i>	<i>180,000</i>
<i>Member of the Board of Directors</i>	<i>115,000</i>	<i>3</i>	<i>345,000</i>
<i>Chairman of the Audit Committee</i>	<i>30,000</i>	<i>1</i>	<i>30,000</i>

<i>Member of the Audit Committee</i>	10,000	1	10,000
<i>Chairman of the Compensation Committee</i>	20,000	1	20,000
<i>Member of the Compensation Committee</i>	10,000	1	10,000
<b>Total</b>			<b>595,000</b>

*\* excluding employer contributions to social security*

*The total compensation, which is the same level as for the last period, of CHF 595,000 (excluding legally required employer's contributions to social security) would be paid at a minimum of 50% in the form of restricted shares and the remainder in cash fees. The value of the restricted shares represents a market value that takes into account the following elements, among others: Share price on the day of the AGM, vesting on the day before the 2025 AGM and thereafter a blocking period until May 27, 2027, during which the restricted shares may generally not be sold. Members of the Board of Directors may elect to receive up to 100% of their compensation in the form of restricted shares.*

*The table below sets out the approved maximum and the estimated actual compensation for the Board of Directors for the period from the 2023 AGM to the 2024 AGM, as well as the proposed maximum compensation for the period from the 2024 AGM to the 2025 AGM.*

	<b>Proposed AGM 2024 – AGM 2025</b>	<b>Approved AGM 2023 – AGM 2024</b>	<b>Paid/payable AGM 2023 – AGM 2024</b>
<i>Board fees (CHF) cash</i>	297,500	355,000	297,500
<i>Board fees (CHF) elected to be received as RSU</i>			0
<i>Board fees (CHF) mandatory RSU portion</i>	297,500	355,000	297,500
<i>Total ordinary compensation (CHF)</i>	595,000	710,000	595,000
<i>Extraordinary compensation (CHF)<sup>1</sup></i>	0	390,000	187,500
<i>Total compensation (CHF)</i>	595,000	1,100,000	782,500

<sup>1</sup>The amount included an amount for Restricted Share Units for the attraction of new Board members on a one-time basis at the level of 75% of the normalized total annual compensation.

## **9. Approval of the Compensation of the Members of the Executive Management**

### **Motions**

#### **(a) Fixed Compensation of the Members of the Executive Management for 2025**

The Board of Directors proposes the approval of a maximum total amount of fixed compensation of the members of the Executive Management for the period from January 1, 2025 to December 31, 2025 of CHF 4,100,000 (incl. employer contributions to social security and pension plans).



**(b) Variable Compensation of the Members of the Executive Management for 2023 (Cash Gratification)**

The Board of Directors proposes a variable compensation of the Executive Management for the period from January 1, 2023 to December 31, 2023 in the total amount of CHF 1,400,000 (incl. employer contributions to social security and pension plans).

**(c) Variable Compensation of the Members of the Executive Management for 2024 (SAR & PSU)**

The Board of Directors proposes a variable compensation for the financial year 2024 for the Executive Management in the maximum total amount of CHF 3,150,000 (incl. employer contributions to social security and pension plans) in the form of Share Appreciation Rights and Performance Share Units.

**Explanations**

*According to Art. 25 of the Articles of Incorporation, the maximum fixed compensation of the Executive Management must be submitted for approval for the following year, in this case for the period from January 1 to December 31, 2025. In addition, the Board of Directors must submit for approval any variable compensation of the Executive Management for the previous year, i.e., for the period from January 1 to December 31, 2023. As in previous years, the Board of Directors also proposes the approval of variable remuneration for the Executive Management for the current financial year.*

**(a) Fixed Compensation of the Members of the Executive Management for 2025**

*At the 2023 AGM, the maximum amount of CHF 3,300,000 was approved as fixed compensation for the Executive Management for 2024.*

*For the period from January 1, 2025 to December 31, 2025, the Board of Directors proposes a fixed compensation for the six members of the Executive Management of CHF 4,100,000 (incl. employer contributions to social security and pension plans). This amount has increased compared to the prior year in particular due to the adjustment to inflation and wage development. It also gives the Compensation Committee flexibility to address competitive pressures, higher price and salary levels, potential retention challenges and other contingencies.*

**(b) Variable Compensation of the Members of the Executive Management for 2023 (Cash Gratification)**

*Santhera's variable compensation consists of the compensation elements of the short-term incentive plan (STI), which is typically paid out in cash, and the share-based long-term incentive plan (LTI).*

*The cash gratification is based on the achievement of corporate and individual objectives and the financial situation of the Company. Corporate objectives for the past business year included the approval of Agamree® in the USA and Europe, the conclusion of a partnership to market Agamree® in the USA, the successful completion of a financing and restructuring of the balance sheet.*

*Overall, the business targets have been exceeded by far. Agamree® received approval in both the USA and Europe with a label that is ideal for future marketing. A license agreement was concluded with Catalyst Pharmaceuticals for the marketing of Agamree® in the USA, resulting in milestone payments in the amount of USD 55 million to Santhera in 2023. The company also achieved its financial targets, i.e., Santhera currently has sufficient financial resources until into the year 2025. In addition, the Raxone® business was sold to Chiesi Pharmaceuticals and, hence, financial liabilities could be reduced.*

*The Board of Directors proposes a maximum cash bonus of CHF 1,400,000 (incl. employer contributions to*

*social security and pension plans).*

**(c) Variable Compensation of the Members of the Executive Management for 2024**

*The Company's LTI program provides for the grant of Options, Share Appreciation Rights (SARs) and Performance Share Units (PSUs).*

*The objective of this LTI program is to align the executive management's compensation with the long-term strategy of Santhera. The Long-Term Incentive (LTI) program is designed to motivate eligible managers to ensure that their actions and decisions promote the achievement of the medium- and long-term value-based targets. Santhera seeks to align the interests of management and the Group with the interests of its shareholders beyond share price appreciation. In addition, the LTI program aims to strengthen the loyalty of its managers to Santhera, identification with the Company and motivation among its key talents to stay with the Company.*

*The proposed compensation of the members of the executive management is increased compared to the business year 2023 due to market considerations and in the light of the restraint shown in previous years. The number of instruments to be issued will be calculated based on their fair market value at the time of grant.*

*Based on Art. 25 para. 2 of the Company's Articles of Incorporation, the Board proposes the payment of a variable compensation for the financial year 2024 for the Executive Management in the maximum total amount of CHF 3,150,000 (including employer contributions to social security and pension funds) in the form of Share Appreciation Rights (SAR) or PSU.*

## **10. Re-election of the Statutory Auditors**

### **Motion**

The Board of Directors proposes the re-election of Ernst & Young AG, Basel, as auditors for another one-year term until the end of the 2025 AGM.

### **Explanations**

*According to Art. 22 para. 2 of the Articles of Incorporation, the AGM shall elect the auditors for a term until the next AGM.*

## **11. Re-election of the Independent Proxy**

### **Motion**

The Board of Directors proposes the re-election of Dr. Balthasar Settelen, Basel, as independent proxy until the end of the 2025 AGM.

### **Explanations**

*According to Art. 13a of the Articles of Incorporation, the independent proxy is elected annually for a term until the end of the next AGM.*

Pratteln, May 28, 2024  
For the Board of Directors

Dr. Thomas Meier  
Chairman

## Organizational Remarks

### Documents

The 2023 Annual Report, including the auditors' reports, can be downloaded from <https://www.santhera.com/investors-and-media/investor-toolbox/financial-reports>.

### Admission cards

Shareholders registered in the share register with the right to vote as of June 10, 2024, at 5:00 p.m. CEST, will receive the invitation to the AGM and – upon request – the admission card. Shareholders selling their shares before the AGM will not be entitled to participate in the AGM.

### Book closure period

The Company's share register will close on June 10, 2024, at 5:00 p.m. CEST, and will reopen on June 19, 2024, at 7:00 a.m. CEST.

### Granting of Power of Attorney to the Independent Proxy

Shareholders may give proxy to the independent proxy (*unabhängiger Stimmrechtsvertreter*), **Dr. Balthasar Settelen**, Advokat, Centralbahnstrasse 7, P.O. Box 206, 4010 Basel, Switzerland, or to another shareholder entitled to vote. Proxy may be given by completing and returning the registration form for the admission card or by filling in the respective proxy form on the admission card. In the absence of specific instructions given to the independent proxy, the proxy form will provide that the independent proxy will be deemed to be instructed to vote in favor of the proposals of the Board.

### Electronic remote votes by proxy and voting instructions to the independent proxy (Netvote)

Shareholders may participate in the votes and elections by giving instructions to the independent proxy electronically via <https://santhera.netvote.ch>. The required login information will be sent to shareholders together with the written documents for the Annual General Meeting. Changes to the electronically transferred instructions can be made until June 14, 2024, 11:59 a.m. CEST.

If you would like to receive the invitation to the AGM by e-mail in the future, you can select the option "Delivery method" on <https://santhera.netvote.ch>. The login details are printed on the enclosed reply form. You may change the dispatch method on <https://santhera.netvote.ch> at any time.

### Venue

The Haus der Wirtschaft, Hardstrasse 1, 4133 Pratteln, Switzerland, is located about 15 minutes from Basel SBB railway station and about 40 minutes from Basel Airport (EuroAirport).

### Admission

On the day of the meeting, the admission desk will open from 9:30 a.m. CEST. The language of the meeting will be German.