

**Minutes of the 23<sup>rd</sup> annual Shareholders' Meeting of Polyphor AG, Allschwil  
(hereinafter the "Company")**

Date & Time: June 4, 2020, 14:00 local time  
Place: Hegenheimermattweg 125, 4123 Allschwil  
Present: Dr. Kuno Sommer, Chairman  
Elisa Alfieri, E&Y  
Marius Meier, independent proxy  
Hernan Levett, CFO  
Dr. Matthias Staehelin, Minutes and Notary

**Constitution**

Dr. Kuno Sommer opens the meeting. He states the shareholders were duly invited to the General Assembly. The invitation to the shareholders has been published in the Swiss Official Gazette of Commerce on 6 May 2020 and sent to the shareholders registered in the share register on 5 May 2020. The invitation included the agenda items and the proposals of the Board of Directors. On the basis of the Federal Council's "Ordinance 2 on Measures to Combat Coronavirus (COVID-19)" ("COVID-19 Ordinance 2") the meeting is held without an audience. Pursuant to Art. 6b para. 1 lit. b COVID-19 Ordinance 2, voting must be carried out by an independent proxy. 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, Dr. Kuno Sommer as Chairman of the Board of Directors assumes the chair of the General Assembly. He appoints Dr. Matthias Staehelin as secretary, vote counter and notary public of the meeting. Dr. Matthias Staehelin will take-up a separate protocol for agenda items no. 4, 5, 6 and 7 in German with English translation in a separate public deed, which needs to be filed with the commercial register.

Polyphor's auditor Ernst & Young AG, Basel, is represented at this meeting by Elisa Alfieri; Marius Meier, attorney at law and public notary in Basel, acts as independent proxy.

Dr. Matthias Staehelin reports that of a total of 11'063'207 shares, 5'504'224 are represented by the independent proxy today. If all shareholders vote yes or not, then the absolute majority is 2'752'113 shares. The two third majority required for agenda item 4, 5 and 6 hereinafter is 3'669'483. 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 2019 and the Annual Accounts (statutory) of Polyphor Ltd for the year 2019**

The Board of Directors proposes approval of the management report and the consolidated accounts (IFRS) for the year 2019 and the annual accounts (statutory) of Polyphor Ltd for the year 2019.

*://: The Shareholders' Meeting by majority resolves to approve the management report and the consolidated accounts (IFRS) for the year 2019 and the annual accounts (statutory) of Polyphor Ltd for the year 2019.*

## 2. Allocation of the Balance Sheet Result

The Board of Directors proposes to carry forward the net loss of the year 2019 amounting to CHF 63'670'737 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 2019. 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 2019.*

## 4. Renewal of the Authorized Share Capital

The Board of Directors proposes to renew the authorized share capital to comprise 5'531'603 registered shares with a nominal value of CHF 2 each and to amend article 3a paragraph 1 of the articles of association to read as follows:

<p><b>Art. 3a Authorized Share Capital</b></p> <p><i>The Board of Directors is authorized to increase the share capital, at any time until May 27, 2022, by a maximum amount of CHF 11'063'206.00 by issuing a maximum of 5'531'603 registered shares with a par value of CHF 2.00 each, to be fully paid up. An increase of the share capital (i) by means of an underwriting (ii) by a subsidiary in view of and related to any of the below mentioned transactions allowing an exclusion of the preemptive rights and (iii) in partial amounts shall be permissible.</i></p>	<p><b>Art. 3a Genehmigtes Kapital</b></p> <p><i>Der Verwaltungsrat ist ermächtigt, jederzeit bis zum 27. Mai 2022, das Aktienkapital im Maximalbetrag von CHF 11'063'206.00 durch Ausgabe von höchstens 5'531'603 vollständig zu liberierende Namenaktien mit einem Nennwert von je CHF 2.00 zu erhöhen. Erhöhungen des Aktienkapitals (i) auf dem Wege der Festübernahme, (ii) durch eine Tochtergesellschaft im Hinblick und im Zusammenhang mit einer nachfolgend genannten Transaktion, bei welcher der Bezugsrechtsausschluss zulässig ist sowie (iii) in Teilbeträgen sind gestattet.</i></p>
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*://: The Shareholders' Meeting by majority exceeding two thirds of the votes represented resolves to approve the proposed changes to the authorized share capital.*

## 5. Creation of Conditional Share Capital for Bonds and Similar Debt Instruments

The Board of Directors proposes to create a conditional share capital for bonds and similar debt instruments comprising 2'212'641 registered shares with a nominal value of CHF 2 each and to adopt a new article 3b to the articles of association to read as follows:

<p><b>Art. 3b Conditional Capital for Bonds and Similar Debt Instruments</b></p> <p><i>The share capital of the Company shall be increased by a maximum amount of CHF 4'425'282.00 through the issuance of a maximum of 2'212'641 registered shares, payable in full, each with a nominal value of CHF 2.00 through the exercise of conversion and/or option rights granted in connection with bonds or similar instruments, issued or to be issued by the Company or by subsidiaries of the Company, including convertible debt instruments.</i></p>	<p><b>Art. 3b Bedingtes Kapital für Anleiheobligationen oder ähnliche Instrumente</b></p> <p><i>Das Aktienkapital der Gesellschaft wird im Maximalbetrag von CHF 4'425'282.00 durch Ausgabe von höchstens 2'212'641 vollständig zu liberierenden Namenaktien mit einem Nennwert von CHF 2.00 je Aktie erhöht durch die Ausübung von Wandlungs- und/oder Optionsrechten, welche im Zusammenhang mit von der Gesellschaft oder ihren Tochtergesellschaften emittierten oder noch zu emittierenden Anleiheobligationen oder ähnlichen Instrumenten eingeräumt wurden oder werden, einschliesslich Wandelanleihen.</i></p>
<p><i>Shareholders' subscription rights are excluded. Shareholders' advance subscription rights with regard to the new bonds or similar instruments may be restricted or excluded by decision of the Board of Directors in order to finance or refinance the acquisition of companies, parts of companies or holdings, or new investments planned by the Company, or in order to issue convertible bonds or similar instruments on the international capital markets or through private placement. If advance subscription rights are excluded, then (1) the instruments are to be placed at market conditions, (2) the exercise period is not to exceed ten years from the date of issue of option rights and twenty years for conversion rights and (3) the conversion or exercise price for the new shares is to be set at least in line with the market conditions prevailing at the date on which the instruments are issued.</i></p>	<p><i>Das Bezugsrecht der Aktionäre ist für diese Aktien ausgeschlossen. Das Vorwegzeichnungsrecht der Aktionäre in Bezug auf neue Anleiheobligationen oder ähnliche Instrumente kann durch Beschluss des Verwaltungsrates zu folgenden Zwecken eingeschränkt oder ausgeschlossen werden: Finanzierung und Refinanzierung des Erwerbs von Unternehmen, Unternehmensteilen, Beteiligungen, oder von der Gesellschaft geplanten neuen Investitionen, oder für die Ausgabe von Anleiheobligationen oder ähnlichen Instrumenten auf internationalen Kapitalmärkten oder mittels Privatplatzierungen. Falls Vorwegzeichnungsrechte ausgeschlossen werden, müssen (1) die Instrumente zu Marktkonditionen platziert werden, (2) der Ausübungszeitraum darf zehn Jahre seit dem Ausgabedatum der Optionsrechte und 20 Jahre seit dem Ausgabedatum der Wandlungsrechte nicht überschreiten und (3) der Wandlungs- oder Ausübungspreis für die neuen Aktien muss mindestens gemäss den Marktbedingungen am Ausgabedatum der Instrumente festgelegt werden.</i></p>
<p><i>The purchase of registered shares through the exercise of conversion or option rights and any transfers of registered shares shall be</i></p>	<p><i>Der Erwerb von Namenaktien durch Ausübung von Wandel- oder Optionsrechten sowie sämtliche weiteren Übertragungen von</i></p>

<p><i>subject to the restrictions specified in Article 4 of the Articles of Association.</i></p>	<p><i>Namenaktien unterliegen den Übertragungsbeschränkungen gemäss Art. 4 der Statuten.</i></p>
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*://: The Shareholders' Meeting by majority exceeding two thirds of the votes represented resolves to approve the proposed creation of the conditional share capital.*

## 6. Increase of the Conditional Share Capital for Employee Benefit Plans

The Board of Directors proposes to increase the conditional share capital for employee benefit plans by 300'000 registered shares with a nominal value of CHF 2 each and to amend article 3c paragraph 1 of the articles of association 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 1'699'216 through the issue of a maximum of 849'608 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 subsidiary, and any consultant, members of the Board of Directors, or other person providing services to the Company or a subsidiary.</i></p>	<p><b>Art. 3c Bedingtes Aktienkapital für Mitarbeiterbeteiligungspläne</b></p> <p><i>Das Aktienkapital kann durch die Ausgabe von höchstens 849'608 voll zu liberierenden Namenaktien im Nennwert von je CHF 2.00 um höchstens CHF 1'699'216 durch Ausübung von Optionsrechten erhöht werden, welche Mitarbeitenden der Gesellschaft oder ihrer Tochtergesellschaften, Personen in vergleichbaren Positionen, Beratern, Verwaltungsratsmitgliedern oder anderen Personen, welche Dienstleistungen zu Gunsten der Gesellschaft erbringen, gewährt wurden.</i></p>
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*://: The Shareholders' Meeting by majority exceeding two thirds of the votes represented resolves to approve the proposed changes to the conditional share capital.*

## 7. 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 Kuno Sommer as chairman and member of the Board and Bernard Bollag, Silvio Inderbitzin and Andreas Wallnöfer as members of the Board, each for the term until the next Annual Shareholders' Meeting.

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

### 7.a Re-Election of Kuno Sommer as chairman and member of the Board

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

### 7.b Re-Election of Bernard Bollag as member of the Board

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

### **7.c Re-Election of Silvio Inderbitzin as member of the Board**

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

### **7.d Re-Election of Andreas Wallnöfer as member of the Board**

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

The meeting takes note that Jean-Pierre Obrecht has indicated not to stand for re-election as member of the Board of Directors.

## **8. 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 re-elects Ernst & Young as auditors for a term until the next Annual Shareholders' Meeting.*

## **9. 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 re-elects 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.*

## **10. Election of the Members of the Compensation Committee**

The Board of Directors proposes to elect Silvio Inderbitzin, Kuno Sommer, and Andreas Wallnöfer as the members of the compensation committee, each for the term until the next Annual Shareholders' Meeting.

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

### **10.a Election of Silvio Inderbitzin**

*://: The Shareholders' Meeting by majority elects Silvio Inderbitzin as member of the Compensation Committee for a term until the next Annual Shareholders' Meeting.*

### **10.b Election of Kuno Sommer**

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

### **10.c Election of Andreas Wallnöfer**

*://: The Shareholders' Meeting by majority elects Andreas Wallnöfer as member of the Compensation Committee for a term until the next Annual Shareholders' Meeting.*

## 11. **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:

### **11.a 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 300'000, 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.*

### **11.b 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 18'750 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 106'688, a quarterly 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 7'468).

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

### **11.c Vote on Cash Compensation for Members of the Executive Management payable in 2021**

The Board of Directors proposes that shareholders approve the total maximum amount of cash compensation for the five members of the Executive Management payable 2021 of CHF 2'500'00 (including the related social security costs) of which a maximum of CHF 1'750'000 is for fixed (non-performance-related) compensation and a maximum of CHF 750'000 is variable (performance-related) compensation.

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

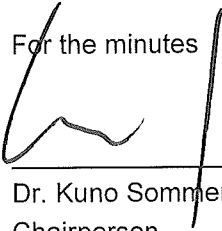
### **11.d Vote on Equity Based Compensation for Members of the Executive Management for 2021**


The Board of Directors proposes that shareholders approve the grant of a maximum of 130'000 options for the five members of the Executive Management for the year 2021, with a current maximum value of all options of CHF 790'000 with quarterly vesting over four years plus the related social security costs (estimate based on current value: CHF 31'437).

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

There being no general remarks or questions, the Chairman closes the meeting at 14:07  
local time.

4 June 2020

For the minutes  
  
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Dr. Kuno Sommer,  
Chairperson

  
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Dr. Matthias Staehelin,  
Minutes