

medartis®

PRECISION IN FIXATION



Convocation of the
Annual General Meeting
of Medartis Holding AG

Friday, 17 April 2020, 10:00 a.m.

VISCHER AG
Aeschenvorstadt 4
4051 Basel

To the shareholders of Medartis Holding AG

Basel, 23 March 2020

Dear Madam, Dear Sir,

With the present letter we convene the Annual General Meeting of Medartis Holding AG. Pursuant the "Ordinance 2 on measures to prevent Coronavirus (COVID-19)" of the Swiss Federal Council updated on 16 March 2020 ("COVID-19 Ordinance 2"), the Annual General Meeting will take place on 17 April 2020, 10:00 a.m., without an audience at VISCHER AG, Aeschenvorstadt 4, 4051 Basel.

Please find enclosed the agenda, the reply form for granting authorization to the independent proxy and the 2019 Annual Report Highlights.

Pursuant to Art. 6a para. 1 lit. b COVID-19 Ordinance 2, voting must be exercised via the independent proxy, NEOVIUS AG.

You have the option to submit your voting instructions either by means of the enclosed reply form to our share registrar areg.ch ag, to be received by 14 April 2020 at the latest, or alternatively online by 14 April 2020, 11:59 a.m., via the website www.netvote.ch/medartis.

The present convening of the Annual General Meeting is subject to the proviso that no further decrees or conditions are issued by the authorities which would render the planned execution impossible. As the situation is constantly changing, we ask you to consult our website www.medartis.com for up-to-date information.

We thank you for your understanding.

Yours sincerely,

Medartis Holding AG



Dr. h.c. Thomas Straumann
Chairman of the Board of Directors

Attachments:

- Reply form and envelope
- 2019 Annual Report Highlights

Agenda and proposals of the Board of Directors

1. Approval of the Management Report, the Annual Financial Statements, the Consolidated Financial Statements and consultative vote on the Remuneration Report for the financial year 2019

1.1 Approval of the Management Report, the Annual Financial Statements and the Consolidated Financial Statements for the financial year 2019

The Board of Directors proposes that the Management Report, the Annual Financial Statements and the Consolidated Financial Statements 2019 be approved.

1.2 Consultative vote on the Remuneration Report for the financial year 2019

In addition, the Board of Directors proposes that the 2019 Remuneration Report be approved in a consultative vote. The Remuneration Report sets out the relevant principles of Medartis' compensation system and contains information about the compensation paid to the Board of Directors and the Executive Management Board. The Remuneration Report is published online in English and is available in section "Investor & Media Relations" at www.medartis.com.

2. Approval of the appropriation of available earnings and dividend payment for the financial year 2019

The Board of Directors proposes to appropriate the 2019 earnings as follows:

Net profit for 2019	CHF	5'613'027
Loss carried forward from previous years	CHF	-34'432'310
Balance carried forward	CHF	-28'819'283

No dividend will be distributed.

3. Discharge of the Board of Directors

The Board of Directors proposes that the members of the Board of Directors be granted discharge for their activities during the financial year 2019.

4. Approval of the Compensation of the Board of Directors for the period from the 2020 Annual General Meeting until the 2021 Annual General Meeting

The compensation paid to the Board of Directors consists of a fixed compensation, which in accordance with the Articles of Association is paid in cash and/or in the form of shares.

With the implementation of the new "Restricted Share Plan for the Board" approved by the Board of Directors, the Members of the Board of Directors have the option to receive all or part of their remuneration in the form of Medartis shares with a blocking period of 2 years determined by the Board of Directors at a discount of 15 percent instead of cash.

The Board of Directors proposes for all Members of the Board collectively for the period from the 2020 Annual General Meeting until the 2021 Annual General Meeting, a fixed compensation in the maximum amount of CHF 1'918'955 (including related social security costs).

5. Approval of the Compensation of the Executive Management Board

The compensation paid to the Executive Management Board consists of a fixed basic compensation component, which is paid in cash and includes other benefits (e.g. company car etc.) as well as a variable performance-related short-term compensation component and a variable performance-related long-term compensation component.

The Short-Term Incentive Plan (STI) rewards the performance of the Executive Management Board if the overarching annual financial targets are achieved, measured on net sales, OPEX and EBITDA of the Medartis Group. Detailed information about the STI Plan is set out in the Remuneration Report which is available online in section "Investor & Media Relations" on www.medartis.com.

According to the new "Long-Term Incentive Plan for EMB" (LTI) as approved by the Board of Directors, the Board of Directors determines at its discretion the amount of the LTI for the members of the Executive Management Board, which will be converted into a number of Medartis shares subject to a blocking period of 2 years for members residing in Switzerland, and a blocking and holding period of each 1 year for members residing outside of Switzerland respectively, determined by the Board of Directors with a discount of 25 percent.

In the scope of the envisaged regionalisation of the sales structure and its close integration into the Executive Management Board, it is planned to increase the Executive Management Board by two new members to a total of eight members (including the CEO), which is to be implemented in the current financial year and is fully taken into account in the remuneration to be approved for the 2021 financial year.

5.1 Approval of the fixed compensation of the Executive Management Board for the financial year 2021

The Board of Directors proposes to approve a maximum total fixed compensation of CHF 4'241'870 (including related social security costs) for all members of the Executive Management Board collectively for the financial year 2021.

5.2 Approval of the variable compensation of the Executive Management Board for the current financial year

The Board of Directors proposes a total variable compensation in the maximum amount of CHF 3'445'525 (including related social security costs) for all members of the Executive Management Board collectively for the financial year 2020.

6. Election of the Board of Directors and the Chairman

The term of office of all members of the Board of Directors ends at the 2020 Annual General Meeting. All current members of the Board are standing for re-election for a further term of office.

Accordingly, the Board of Directors proposes the:

- 6.1 Re-election of Dr. h.c. Thomas Straumann, as a member and as Chairman**
- 6.2 Re-election of Dominik Ellenrieder, as a member**
- 6.3 Re-election of Dr. Jürg Greuter, as a member**
- 6.4 Re-election of Dr. med. Daniel Herren, as a member**
- 6.5 Re-election of Roland Hess, as a member**
- 6.6 Re-election of Willi Miesch, as a member**
- 6.7 Re-election of Damien Tappy, as a member**

The Board of Directors further proposes the:

6.8 Election of Marco Gadola, as a member

each for a term of office of one year ending with the closing of the 2021 Annual General Meeting.

7. Election of the Members of the Remuneration Committee

The Board of Directors proposes the:

- 7.1 Re-election of Dominik Ellenrieder, as a member**
- 7.2 Re-election of Dr. Jürg Greuter, as a member**

as well as the:

7.3 Election of Willi Miesch, as a member

each for a term of office of one year ending with the closing of the 2021 Annual General Meeting.

8. Election of the independent proxy

The Board of Directors proposes the re-election of NEOVIUS AG, Basel, as the independent proxy for a term of office of one year ending with the closing of the 2021 Annual General Meeting.

9. Election of the auditors

The Board of Directors proposes the re-election of Ernst & Young AG, Basel, as the auditor for the financial year 2020.

10. Increase of authorized share capital

The Board of Directors proposes to increase the authorized share capital to CHF 1'175'052.80 for the issuance of up to 5'875'264 registered shares with a nominal value of CHF 0.20 each and to amend article 3a paragraph 1 of the Articles of Association as follows:

“Artikel 3a Genehmigtes Kapital

Der Verwaltungsrat ist ermächtigt, jederzeit bis zum 16. April 2022, das Aktienkapital im Maximalbetrag von CHF 1'175'052.80 durch Ausgabe von höchstens 5'875'264 vollständig zu liberierenden Namenaktien mit einem Nennwert von je CHF 0.20 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.“

11. Increase in conditional share capital for bonds or similar instruments

The Board of Directors proposes to increase the conditional share capital for bonds or similar instruments to CHF 1'056'957.20 for the issuance of up to 5'284'786 registered shares with a nominal value of CHF 0.20 each and to amend Article 3b para. 1 of the Articles of Association as follows:

“Artikel 3b Bedingtes Kapital für Anleiensobligationen oder ähnliche Instrumente

Das Aktienkapital der Gesellschaft wird im Maximalbetrag von CHF 1'056'957.20 durch Ausgabe von höchstens 5'284'786 vollständig zu liberierenden Namenaktien mit einem Nennwert von CHF 0.20 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 Anleiensobligationen oder ähnlichen Instrumenten eingeräumt wurden oder werden, einschliesslich Wandelanleihen.“

Organizational Details and Additional Information

A 2019 Annual Report (incl. Remuneration Report)

The 2019 Annual Report including the Remuneration Report and the corresponding reports of the statutory auditors are published in English online and have been made available since 3 March 2020 at:

<https://www.medartis.com/investor-media-relations>

The 2019 Annual Report Highlights are attached to this invitation.

B Registration

Pursuant the "Ordinance 2 on measures to prevent Coronavirus (COVID-19)" of the Swiss Federal Council ("COVID-19 Ordinance 2") updated on 16 March 2020, the Annual General Meeting will take place without an audience. Shareholders registered in the share register of Medartis Holding AG with voting rights at 5:00 p.m. on 6 April 2020 are entitled to vote.

C Exercise of voting rights

Pursuant to Art. 6a para. 1 lit. b COVID-19 Ordinance 2, voting must mandatorily be exercised via the independent proxy, NEOVIUS AG, Hirschgässlein 30, 4010 Basel. Shareholders are therefore kindly requested to specify their voting instructions on the reply form, sign by hand and send it to the share registrar areg.ch ag to be received no later than 14 April 2020.

D Electronic Communication

Shareholders may issue instructions to the independent proxy electronically via www.netvote.ch/medartis. The instructions must be submitted no later than 11:59 a.m. on 14 April 2020.

E Translation

This document is the English translation of the German original invitation. In case of any discrepancies between the English translation and the German original, the German original shall prevail.

