

Plan-les-Ouates, 1 June 2017



To the shareholders of Addex Therapeutics Ltd

## Invitation to the Annual General Meeting

Thursday, 22 June 2017, 11:00 a.m. at Addex Therapeutics Ltd, Campus Biotech, Chemin des Mines 9, CH-1202 Geneva (doors open at 10:30 a.m.).

### Agenda

1. Approval of the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the business year 2016
2. Consultative vote on the Compensation Report for the business year 2016
3. Appropriation of the results
4. Discharge of the members of the Board of Directors and of the Executive Management
5. Election and re-elections of the members of the Board of Directors and re-election of the Chairman of the Board of Directors
  - 5.1. Re-election of Vincent Lawton as member and Chairman of the Board of Directors
  - 5.2. Re-election of Raymond Hill as member of the Board of Directors
  - 5.3. Re-election of Timothy Dyer as member of the Board of Directors
  - 5.4. Election of Roger Mills as member of the Board of Directors
6. Re-elections of the members of the Compensation Committee
  - 6.1. Re-election of Vincent Lawton as member of the Compensation Committee
  - 6.2. Re-election of Raymond Hill as member of the Compensation Committee
7. Re-election of the Auditors
8. Re-election of the Independent Voting Rights Representative
9. Amendments to the Articles of Association
  - 9.1. Extension and increase of the authorized share capital (article 3b of the Articles of Association); and
  - 9.2. Increase of the conditional share capital (article 3c of the Articles of Association)
10. Compensation of the members of the Board of Directors and of the Executive Management
  - 10.1. Compensation of the members of the Board of Directors; and
  - 10.2. Compensation of the members of the Executive Management
    - 10.2.1. For the financial year 2017
    - 10.2.2. For the financial year 2018
11. Miscellaneous

## Motions and Explanations

### 1. **Approval of the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the business year 2016**

The Board of Directors **proposes** to approve the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the business year 2016.

### 2. **Consultative vote on the Compensation Report for the business year 2016**

The Board of Directors **proposes** to the Annual General Meeting (AGM) to endorse the Compensation Report 2016. This vote is consultative.

#### *Explanation*

In line with the recommendations of the Swiss Code of Best Practice for Corporate Governance, the Board of Directors has decided to submit the Compensation Report 2016 to the shareholders for a consultative vote. The Compensation Report includes the content required by law and furthermore describes the compensation system and its application in the business year under review.

### 3. **Appropriation of the results**

The Board of Directors **proposes** to carry forward the loss of CHF1,864,744 for the business year 2016.

### 4. **Discharge of the members of the Board of Directors and of the Executive Management**

The Board of Directors **proposes** that discharge be granted to the members of the Board of Directors and the Executive Management for their activities in the business year 2016.

### 5. **Election and re-elections of the members of the Board of Directors and re-election of the Chairman of the Board of Directors**

The Board of Directors **proposes** the re-election of its members Vincent Lawton, Raymond Hill and Timothy Dyer for a term of one year each; and the re-election of Vincent Lawton as its Chairman. Further, the Board of Directors proposes the election of Roger Mills as a new board member for a term of one year.

#### *Explanation*

Pursuant to article 16 of the Articles of Association, the members of the Board of Directors and the Chairman must be elected annually at the AGM; re-election is possible.

CVs and other information on the current members of the Board of Directors proposed for re-election can be found on the Addex Therapeutics website and in the Corporate Governance Report for the business year 2016. The CV of Roger Mills is set out below.

#### **5.1. Re-election of Vincent Lawton as member and Chairman of the Board of Directors**

The Board of Directors proposes to re-elect Vincent Lawton as a member of the Board of Directors and as Chairman of the Board of Directors for a term of office extending until completion of the next AGM.

#### **5.2. Re-election of Raymond Hill as member of the Board of Directors**

The Board of Directors proposes to re-elect Raymond Hill as a member of the Board of Directors for a term of office extending until completion of the next AGM.

### **5.3. Re-election of Timothy Dyer as member of the Board of Directors**

The Board of Directors proposes to re-elect Timothy Dyer as a member of the Board of Directors for a term of office extending until completion of the next AGM.

### **5.4. Election of Roger Mills as member of the Board of Directors**

The Board of Directors proposes to elect Roger Mills as a member of the Board of Directors for a term of office extending until completion of the next AGM.

CV of Roger Mills:

Dr. Mills brings more than 25 years of biopharmaceutical industry experience at both large global pharmaceutical companies and smaller biotechnology companies, including Acadia Pharmaceuticals, Pfizer, Gilead Sciences, Abbott Laboratories and Wellcome, across a spectrum of disease areas. His extensive track record includes managing drug development programs from Investigational New Drug Application preparation through to post-marketing and OTC products, including NUPLAZID™ for the treatment of Parkinson's Disease Psychosis, as well as regulatory affairs and business development activities. Most recently, Dr. Mills was with Acadia Pharmaceuticals for nine years, serving as Executive Vice President, Development and Chief Medical Officer. In this role, he oversaw the largest ever international phase III program in Parkinson's Disease Psychosis, and led the Company's New Drug Application submission to the US Food and Drug Administration (FDA) for NUPLAZID, which was subsequently approved and remains the first and only medication approved by the FDA in this indication. Dr. Mills currently serves as a Visiting Professor at the Centre for Age Related Diseases, Institute of Psychiatry, Psychology and Neuroscience, King's College London. He received his medical degree from Imperial College, Charing Cross Hospital Medical School, London, United Kingdom.

## **6. Re-elections of the members of the Compensation Committee**

The Board of Directors **proposes** the re-election of Vincent Lawton and Raymond Hill as members of the Compensation Committee.

### *Explanation*

Pursuant to article 20 of the Articles of Association, the members of the Compensation Committee have to be elected by the AGM. The term of office is one year; re-election is possible.

### **6.1. Re-election of Vincent Lawton as member of the Compensation Committee**

The Board of Directors **proposes** to re-elect Vincent Lawton as a member of the Compensation Committee for a term of office extending until completion of the next AGM.

### **6.2. Re-election of Raymond Hill as member of the Compensation Committee**

The Board of Directors **proposes** to re-elect Raymond Hill as a member of the Compensation Committee for a term of office extending until completion of the next AGM.

## **7. Re-election of the Auditors**

The Board of Directors **proposes** the re-election of PricewaterhouseCoopers SA, Geneva, as Auditors for the business year 2017.

## **8. Re-election of the Independent Voting Rights Representative**

The Board of Directors **proposes** to re-elect Robert P. Briner, attorney-at-law, Briner & Brunisholz, Cours des Bastions 5, CH-1205 Geneva, as the Independent Voting Rights Representative for a term of office extending until completion of the next AGM.

### *Explanations*

Pursuant to article 13 of the Articles of Association, the Independent Voting Rights Representative has to be elected by the AGM. The term of office is one year; re-election is possible.

## 9. Amendments to the Articles of Association

### 9.1. Extension and increase of the authorized share capital (article 3b of the Articles of Association)

The Board of Directors **proposes** to (i) increase the authorized share capital in an amount of CHF2,895,653 raising the authorized share capital from CHF4,796,841 to CHF7,692,494 and accordingly (ii) to adopt a new article 3b of the Articles of Association as follows:

Version telle que proposée par le Conseil d'administration (texte actuel et inchangé en caractères normaux; suppressions en gras, italique et barré; modifications en gras et italique):

Texte faisant foi / Binding version:

#### **Article 3b** **Capital-actions autorisé**

Jusqu'au ~~23 juin 2018~~ **22 juin 2019**, le conseil d'administration peut augmenter le capital-actions d'un montant de ~~CHF4'796'841.-~~ **CHF7'692'494.-** par l'émission de ~~4'796'841~~ **7'692'494** actions nominatives entièrement libérées d'une valeur nominale de CHF1 chacune. Une augmentation du capital-actions en plusieurs tranches est autorisée. Le conseil d'administration détermine le prix d'émission, le moyen de paiement, la date d'émission des nouvelles actions, les conditions d'exercice des droits de souscription préférentiels et la date à partir de laquelle les nouvelles actions donnent droit au paiement d'un dividende. A cet égard, le conseil d'administration peut émettre de nouvelles actions par une souscription ferme opérée au travers d'une institution bancaire, d'un syndicat ou de tout autre tiers comprenant une offre subséquente de ces actions aux actionnaires actuels (à moins que les droits de souscription préférentiels des actionnaires actuels ne soient supprimés). Le conseil d'administration peut laisser se périmer les droits de souscription préférentiels qui n'ont pas été exercés; il peut également vendre aux conditions du marché ces droits et/ou les actions liées aux droits de souscription préférentiels accordés mais non exercés, ou les utiliser dans un autre but conforme à l'intérêt de la Société.  
(...)

#### *Explanations*

Since the beginning of the ongoing business year 2017, the Board of Directors has used part of the authorized share capital that was approved by the 2016 AGM. At present, the Company has an authorized share capital of CHF4,796,841 authorizing the Board of Directors to issue up to 4,796,841 shares with a nominal value of CHF1 each. This authorized share capital shall expire on 23 June 2018. The Board of Directors would like to retain full flexibility in connection with possible future financing of the Company and hence proposes to increase the amount of the authorized share capital to CHF7,692,494 and extend its term until 22 June 2019.

### 9.2. Increase of the conditional share capital (article 3c of the Articles of Association)

The Board of Directors **proposes** (i) to increase the conditional share capital in a total amount of CHF965,218 from CHF6,727,276 to CHF7,692,494 as further explained below and accordingly (ii) to amend article 3c of the Articles of Association as follows:

Version as proposed by the Board of Directors (current and unchanged wording in normal font; deletions in bold, italics and stricken through; amendments in bold and italics):

Traduction informelle en anglais / Informal English translation:

#### **Article 3b** **Authorized Share Capital**

The Board of Directors shall be authorized, at any time until ~~23 June 2018~~ **22 June 2019** to increase the share capital in an amount ~~CHF4'796'841.-~~ **CHF7'692'494.-** through the issuance of ~~4'796'841~~ **7'692'494** fully paid registered shares with a nominal value of CHF1 each. An increase in partial amounts shall be permitted. The Board of Directors shall determine the issue price, the type of payment, the date of issue of new shares, the conditions for the exercise of pre-emptive rights and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a banking institution, a syndicate or another third party with a subsequent offer of these shares to the current shareholders (unless the pre-emptive rights of current shareholders are excluded). The Board of Directors may permit pre-emptive rights that have not been exercised to expire or it may place these rights and/or shares as to which pre-emptive rights have been granted but not exercised, at market conditions or use them for other purposes in the interest of the Company.  
(...)

Version telle que proposée par le Conseil d'administration (texte actuel et inchangé en caractères normaux; suppressions en gras, italique et barré; modifications en gras et italique):

Texte faisant foi / Binding version:

### Article 3c Capital-actions conditionnel

A) Le capital-actions de la Société peut être augmenté d'un montant total maximum de ~~CHF2'600'000.-~~ **CHF3'500'000.-** par l'émission de ~~2'600'000~~ **3'500'000** actions nominatives au maximum, entièrement libérées et d'une valeur nominale de CHF1 chacune, liées à l'exercice des droits d'option ou des droits de souscription attachés aux bons de jouissance attribués aux employés, aux membres du conseil d'administration et/ou aux consultants de la Société ou d'une autre société du groupe en fonction des règles respectives adoptées par le conseil d'administration. Les droits de souscription préférentiels des actionnaires sont exclus. L'acquisition d'actions nominatives par l'exercice des droits d'option ou des droits de souscription attachés aux bons de jouissance et le transfert subséquent des actions nominatives sont soumis aux restrictions prévues à l'article 5 des présents Statuts.

B) Le capital-actions de la société peut être augmenté d'un montant maximal de ~~CHF4'127'276.-~~ **CHF4'192'494.-** par l'émission de ~~4'127'276~~ **4'192'494** actions nominatives au maximum, entièrement libérées et d'une valeur nominale de CHF1 chacune, liées à l'exercice de droits d'option et/ou de conversion attribués **à des actionnaires de la société et/ou** en relation avec l'émission par la Société ou par une autre société du groupe d'obligations ou de tout autre instrument financier. En cas ~~d'émission de telles attributions ou de tout autre instrument financier couplés avec des droits d'option et/ou de conversion~~, les droits de souscription préférentiels des actionnaires sont exclus. Les détenteurs de droits d'option et/ou de conversion ont un droit de recevoir les nouvelles actions. Le conseil d'administration détermine les termes des droits d'option et/ou de conversion. L'acquisition d'actions nominatives par l'exercice de droits d'option ou de conversion et le transfert subséquent des actions nominatives sont soumis aux restrictions prévues à l'article 5 des présents Statuts.

Le conseil d'administration peut restreindre ou exclure les droits de souscription préférentiels des actionnaires (1) si une obligation ou tout autre instrument financier ~~est émis avec un droit de conversion ou un warrant et/ou des droits de conversion ou des warrants sont émis~~ dans le but de financer ou de refinancer l'acquisition d'entreprises, de parties d'une entreprise, ou de participations, ou de réaliser de nouveaux investissements, ou (2) si une obligation ou tout autre instrument financier ~~est offert et/ou des droits de conversion ou des warrants sont offerts~~ sur les marchés des capitaux nationaux ou internationaux avec une souscription ferme par une institution bancaire ou un consortium bancaire comprenant une offre subséquente au public **ou (3) si une obligation ou tout autre instrument financier et/ou des droits de conversion ou des warrants sont offerts afin de lever des capitaux de façon rapide et flexible, dans les cas où cela ne pourrait pas être réalisé sans exclure les droits de souscription préférentiels des actionnaires.** (...)

Version as proposed by the Board of Directors (current and unchanged wording in normal font; deletions in bold, italics and stricken through; amendments in bold and italics):

Traduction informelle en anglais / Informal English translation:

### Article 3c Conditional Share Capital

A) The share capital of the Company may be increased by a maximum aggregate amount of ~~CHF2'600'000.-~~ **CHF3'500'000.-** through the issuance of a maximum of ~~2'600'000~~ **3'500'000** registered shares, which shall be fully paid-in, with a par value of CHF1 per share by the exercise of option rights or subscription rights attached to bons de jouissance which the employees, directors and/or consultants of the Company or a group company are granted according to respective regulations of the Board of Directors. The pre-emptive rights of the shareholders are excluded. The acquisition of registered shares through the exercise of option rights or subscription rights granted to the holders of bons de jouissance and the subsequent transfer of the registered shares shall be subject to the transfer restrictions provided in Article 5 of the Articles of Association.

B) The share capital of the Company may be increased by a maximum aggregate amount of ~~CHF4'127'276.-~~ **CHF4'192'494.-** through the issuance of a maximum ~~4'127'276~~ **4'192'494** registered shares, which shall be fully paid-in, with a par value of CHF1 per share by the exercise of option and/or conversion rights which are granted **to shareholders of the company and/or** in connection with the issue of bonds, similar obligations or other financial instruments by the Company or another group company. In the case of ~~the issue of bonds, similar obligations or other financial instruments linked with such grants of~~ option and/or conversion rights, the ~~pre-emptive right advanced~~ **subscription right** of shareholders is excluded. The holders of option and/or conversion rights are entitled to receive the new shares. The Board of Directors shall determine the terms of the option and/or conversion rights. The acquisition of registered shares through the exercise of option or conversion rights and the subsequent transfer of the registered shares shall be subject to the transfer restrictions provided in Article 5 of the Articles of Association.

The Board of Directors shall be authorized to restrict or exclude the ~~pre-emptive rights advanced~~ **subscription rights** of shareholders (1) if the debt or other financial instruments ~~issued with conversion rights or warrants and/or conversion rights or warrants are~~ **issued** for the purpose of financing or refinancing of the acquisition of enterprises, parts of an enterprise, or participations or new investments, or (2) if such debt or other financial instruments ~~and/or conversion rights or warrants~~ **are issued** on the national or international capital markets and for the purpose of a firm underwriting by a banking institution or a consortium of banks with subsequent offering to the public **or (3) if such debt or other financial instruments and/or conversion rights or warrants are issued for raising capital in a fast and flexible manner, which would not be achieved without the exclusion of the advanced subscription rights of the existing shareholders.** (...)

### *Explanations*

At present, the Company has a conditional share capital pursuant to which the share capital may be increased by a maximum amount of CHF2,600,000 by issuing a maximum of up to 2,600,000 shares with a nominal value of CHF1 each, under the exclusion of shareholders' pre-emptive rights, to directors, employees or consultants of the Company or a Group company who exercise option rights or subscription rights attached to bonds de jouissance granted to them under the Company's equity incentive plans. At present the Company has outstanding subscription rights of 1,643,642. The Board of Directors would like to continue the targeted use of options and subscription rights as a long-term incentive and as a means to motivate directors, employees and consultants to invest further in Addex shares, and hence proposes to increase the amount of conditional share capital reserved for such purposes in an amount of CHF900,000 from CHF2,600,000 to CHF3,500,000.

In addition, at present the Company has a conditional share capital pursuant to which the share capital may be increased by a maximum amount of CHF4,127,276 by issuing a maximum of up to 4,127,276 shares with a nominal value of CHF1 each, under the exclusion of shareholders' pre-emptive rights, to holders of bonds, similar obligations or other financial instruments who exercise option and/or conversion rights which are granted in connection with the issue of bonds, similar obligations or other financial instruments by the Company or another group company. In its current wording, it is unclear whether article 3c para. B) of the Articles of Association would enable the issuance of option and/or conversion rights to shareholders of the company. Accordingly, the new article 3c para. B), if the proposed wording is approved by the shareholders, expressly enables the Board of Directors to grant option and/or conversion rights to shareholders to alleviate any doubt as to validity of the issuance of such option and/or conversion rights. Furthermore, the current wording of article 3c 3<sup>rd</sup> para. of the Articles of Association does not authorize the Board of Directors to exclude the advanced pre-emptive rights of the existing shareholders for the purpose of raising new equity by way of an issuance of option and/or conversion rights, to shareholders. Accordingly, the Board of Directors proposes the amendment of article 3c 3<sup>rd</sup> para. of the Articles of Association to enable the Company to do so. Finally, the Board of Directors would like to retain full flexibility in connection with possible future financing of the Company and hence proposes to increase the amount of conditional share capital reserved for such purpose in an amount of CHF65,218 from CHF4,127,276 to CHF4,192,494.

## **10. Compensation of the members of the Board of Directors and of the Executive Management**

### **10.1. Compensation of the members of the Board of Directors**

The Board of Directors **proposes** the approval of the maximum total compensation amount of CHF300,000 for members of the Board of Directors for the period from the 2017 AGM until the 2018 AGM.

### *Explanations*

The proposed amount covers the fixed monetary compensation, variable monetary compensation based on board meeting attendance, the fair value of the variable equity incentive unit grants and related social security contributions. The proposed amount has been increased to CHF300,000 compared to CHF150,000 in prior period due to expected new hires and equity incentive grants associated with executing the Company's growth strategy. For the period from the 2016 AGM to the 2017 AGM, the total compensation for the Board was CHF99,503. Further details are available in the Compensation Report 2016.

### **10.2. Compensation of the members of the Executive Management**

#### **10.2.1. For the financial year 2017**

The Board of Directors **proposes** the approval of the maximum total compensation amount of CHF3,000,000 for members of the Executive Management for the period from 1 January to 31 December 2017.



*Explanations*

The proposed amount covers the fixed monetary compensation, variable monetary compensation based on performance, the fair value of the variable equity incentive unit grants and related social security contributions. The proposed amount has been increased to CHF3,000,000 compared to CHF2,000,000 in 2016 due to expected new hires and equity incentive grants associated with executing the Company's growth strategy. For the period from 1 January to 31 December 2016, the total compensation for the Executive Management was CHF929,741. Further details are available in the Compensation Report 2016.

**10.2.2. For the financial year 2018**

The Board of Directors **proposes** the approval of the maximum total compensation amount of CHF3,000,000 for members of the Executive Management for the period from 1 January to 31 December 2018.

*Explanations*

The proposed amount covers the fixed monetary compensation, variable monetary compensation based on performance, the fair value of the variable equity incentive unit grants and related social security contributions. The proposed amount has been set at the same level as 2017 due to expected new hires and equity incentive grants associated with executing the Company's growth strategy.

On behalf of the Board of Directors of Addex Therapeutics Ltd

Vincent Lawton, Chairman

Enclosures:

- Registration and Power of Attorney Form
- Return envelope to Addex Therapeutics Ltd, Aktienregister, c/o ShareCommService AG, Europastrasse 29, CH-8152 Glattbrugg

## **Attendance Procedures and Documentation**

### **Registration and Participation to the Annual General Meeting**

Only shareholders entered in the share register with the right to vote on 16 June 2017 will be entitled to participate in the AGM. From 16 June 2017 until 22 June 2017 no registrations will be entered in the share register. Shareholders with the right to vote will receive their admission cards upon request using the Registration and Power of Attorney Form enclosed with this invitation. The Registration and Power of Attorney Form should be sent to the Company's share register (ShareCommService AG, Aktienregister der Addex Therapeutics Ltd, Europastrasse 29, CH-8152 Glattbrugg) as soon as possible. Admission cards will be sent out starting 17 June 2017.

Please note that you do not need to attend the AGM in person and that you may be represented by:

- a) Robert P. Briner, attorney-at-law, Briner & Brunisholz, Cours des Bastions 5, CH-1205 Geneva, as independent voting rights representative.

If you do not provide specific written voting instructions, you instruct, by signing the Registration and Power of Attorney Form or submitting your instructions electronically, the Independent Voting Rights Representative to exercise your voting rights in accordance with the proposals of the Board of Directors with regard to the items listed in this invitation. If new agenda items (other than those in this invitation) or new proposals or motions with respect to those agenda items set forth in this invitation are put forth before the AGM, you instruct, in the absence of other specific instructions, the Independent Voting Rights Representative to exercise your voting rights in accordance with the recommendation of the Board of Directors. To the extent the voting instructions are not clear, the shares will be deemed non-represented.

Shareholders may cast their votes online by issuing electronic authorizations and instructions to the Independent Voting Rights Representative. The necessary individual login data is enclosed with the meeting materials supplied to each shareholder. Shareholders may vote electronically, or change any instructions they may have communicated electronically until 20 June 2017, 11.00 am. Shareholders who voted electronically are then not permitted to cast their votes at the AGM in person, but can attend the AGM as guests.

- b) a proxy which can be another person who does not need to be a shareholder.

To authorize another person you have to indicate this person's name on the proxy form on the reverse side of the admission card, which you will receive upon request using the Registration and Power of Attorney Form enclosed with this invitation. In order to allow the authorized person to participate in the AGM you need to hand the admission card to that person.

### **Documentation**

The invitation to the AGM, the agenda and the proposals of the Board of Directors have been sent to the duly registered shareholders of the Company.

The Annual Report, including the Annual Financial Statements, the Group Consolidated Financial Statements for the business year 2016 containing the reports of the Auditors and the French text of the Articles of Association will be mailed upon request, which may be made by returning the Registration and Power of Attorney Form enclosed with this invitation.

The Annual Report and the French text of the Articles of Association are also available to the shareholders at the Company's head office at c/o TMD Advisory, Fongit, Blue Box, Chemin du Pré-Fleuri 3, 1228 Plan-les-Ouates, Geneva, Switzerland. The Annual Report can further be viewed on the internet via <http://www.addextherapeutics.com/investors/downloads/>.

### **Language**

The AGM will be held partially in French and partially in English. There will be no simultaneous translation of the AGM.