



Plan-les-Ouates, March 17, 2009

To the shareholders of Addex Pharmaceuticals Ltd

## Invitation to the Annual General Meeting

Thursday April 16, 2009, at 14:30 at the Ramada Park Hotel Geneva, Avenue Louis-Casai 75–77, CH-1216 Cointrin-Geneva (doors open at 14:00).

### Agenda

1. Approval of the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the year 2008
2. Appropriation of the results
3. Discharge to the members of the Board of Directors and the Executive Management
4. Elections to the Board of Directors
  - 4.1 Re-election to the Board of Directors
  - 4.2 Election to the Board of Directors
5. Election of the Auditors
6. Amendments to the Articles of Association
  - 6.1 “Renewal” and increase of the Authorized Share Capital (Article 3a of the Articles of Association)
  - 6.2 Increase of the Conditional Share Capital (Article 3b of the Articles of Association)
  - 6.3 References to Group Auditors (Articles 7 lit. c, 8 (item 2), 19 para. 2 (item 10), 20 para. 1 and 2, 21 and 22 of the Articles of Association)

## **Motions and Explanations**

### **1. Approval of the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the year 2008**

The Board of Directors **proposes** to approve the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the year 2008.

### **2. Appropriation of the results**

The Board of Directors **proposes**:

- 2.1 To carry forward the net income of CHF 1,951,332 for 2008 in full;
- 2.2 To transfer CHF 64,093 from share premium to treasury share reserve.

### **3. Discharge to the members of the Board of Directors and 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 2008.

### **4. Elections to the Board of Directors**

#### **4.1 Re-election to the Board of Directors**

The Board of Directors **proposes** to re-elect

- André J. Mueller for a term of 3 years

as member of the Board of Directors.

#### ***Explanations***

The term of office of André J. Mueller expires at the 2009 Annual General Meeting. André J. Mueller has been the Chairman of the Board of Directors of the Company and its predecessor company since 2002. He stands for re-election for a term of 3 years.

Detailed CV is available at the Company's website at <http://www.addexpharma.com/about-us/board-of-directors/>

#### **4.2 Election to the Board of Directors**

The Board of Directors **proposes** to elect as a new director Vincent Lawton for a term of 3 years.

#### ***Explanations***

The term of office of Werner Henrich expires at the 2009 Annual General Meeting and Werner Henrich will not stand for re-election. Furthermore, Deborah Harland and Jacques Theurillat have tendered their resignations for the 2009 Annual General Meeting. In replacement, the Board of Directors proposes to elect Vincent Lawton.

*Vincent Lawton*

Mr. Lawton was Managing Director of Merck Sharp & Dohme (MSD) U.K. and Vice President of MSD Europe, both subsidiaries of Merck & Co., Inc. In 2006 he retired from Merck after 26 years service. Mr. Lawton oversaw the growth of MSD UK, while it launched 11 new products onto the market and became the highest performing Merck subsidiary outside the U.S for a number of blockbuster products. Mr. Lawton also spent time at Merck in France, the U.S., Canada and Spain primarily in sales and marketing. From 2004–2006 he was president of the Association of the British Pharmaceutical Industry. He was a founder member of the U.K. Clinical Research Collaboration, the Ministerial Industry Strategy Group, the Pharmaceutical Industry Competitiveness Task Force, and helped establish the Ask About Medicines Campaign. In 2006 he was appointed CBE by the Queen of England for services to the Pharmaceutical Industry. Mr Lawton is a Non Executive Director of the UK medicines regulator, the MHRA. An Honorary Professor of the University of Wales, Mr Lawton holds undergraduate and PhD degrees in Psychology from University of London.

**5 Election of the Auditors**

The Board of Directors **proposes** the re-election of PricewaterhouseCoopers SA, Geneva, as Auditors for the business year 2009.

**6 Amendments to the Articles of Association**

**6.1 “Renewal” and increase of the Authorized Share Capital (Article 3a of the Articles of Association)**

The Board of Directors **proposes** (i) to “renew” the authorized share capital authorizing the Board of Directors to issue shares for another two years and to increase such authorized share capital in an amount of CHF 937,500 raising the authorized share capital from CHF 1,993,746 to CHF 2,931,246 and accordingly (ii) to adopt a new Article 3a of the Articles of Association as follows:

**Current Version**

Article 3a

**Authorized Share Capital**

The Board of Directors shall be authorized, at any time until 3 May 2009 to increase the share capital in an amount of CHF 1'993'746.– through the issuance of 1'993'746 fully paid registered shares with a nominal value of CHF 1 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.

**Proposed New Version**

Article 3a

**Authorized Share Capital**

The Board of Directors shall be authorized, at any time until **16 April 2011** to increase the share capital in an amount of CHF **2'931'246.–** through the issuance of **2'931'246** fully paid registered shares with a nominal value of CHF 1 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.

The subscription and acquisition of the new shares, as well as each subsequent transfer of the shares, shall be subject to the restrictions of Article 5 of the Articles of Association.

The Board of Directors is authorized to restrict or exclude the pre-emptive rights of shareholders and allocate such rights to third parties if the shares are to be used (1) for the acquisition of enterprises, parts of an enterprise, or participations, or for new investments, or, in case of a share placement, for the financing or refinancing of such transactions; or (2) for the purpose of the participation of strategic partners (including in the event of a public tender offer) or for the purpose of an expansion of the shareholder constituency in certain investor markets or (3) for the granting of an over-allotment option (Greenshoe) of up to 20 percent to the banks involved in connection with a placement of shares, or (4) for raising capital in a fast and flexible manner, which would not be achieved without the exclusion of the statutory pre-emptive rights of the existing shareholders.

The subscription and acquisition of the new shares, as well as each subsequent transfer of the shares, shall be subject to the restrictions of Article 5 of the Articles of Association.

The Board of Directors is authorized to restrict or exclude the pre-emptive rights of shareholders and allocate such rights to third parties if the shares are to be used (1) for the acquisition of enterprises, parts of an enterprise, or participations, or for new investments, or, in case of a share placement, for the financing or refinancing of such transactions; or (2) for the purpose of the participation of strategic partners (including in the event of a public tender offer) or for the purpose of an expansion of the shareholder constituency in certain investor markets or (3) for the granting of an over-allotment option (Greenshoe) of up to 20 percent to the banks involved in connection with a placement of shares, or (4) for raising capital in a fast and flexible manner, which would not be achieved without the exclusion of the statutory pre-emptive rights of the existing shareholders.

## Explanations

At present, the Company has an authorized share capital of CHF 1,993,746 authorizing the Board of Directors to issue up to 1,993,746 shares. This authorized share capital shall expire on May 9, 2009.

To date, the Board of Directors has not used any of its authorized share capital. The Board of Directors would however like to retain full flexibility in this respect in connection with possible future financing of the Company. For the same reason, the Board of Directors proposes to increase the amount of the authorized share capital to CHF 2,931,246.

## 6.2 Increase of the Conditional Share Capital (Article 3b of the Articles of Association)

The Board of Directors **proposes** (i) to increase the conditional share capital reserved for the exercise of option rights which the employees or directors of the Company or a Group company are granted according to respective regulations of the Board of Directors in an amount of CHF 600,000 raising the conditional share capital reserved to this effect from CHF 300,000 to CHF 900,000, (ii) to increase the conditional share capital reserved for the exercise of warrants and/or notes granted in connection with bonds or similar debt instruments or options granted by the Company in an amount of CHF 337,500 raising the conditional share capital reserved to this effect from CHF 1,693,746 to CHF 2,031,246 and accordingly (iii) to amend Article 3b of the Articles of Association as follows:

### Current Version

#### Article 3b

##### Conditional Share Capital

A) The share capital of the Company may be increased by a maximum aggregate amount of CHF 300,000.– through the issuance of a maximum of 300,000 registered shares, which shall be fully paid-in, with a par value of CHF 1 per share by the exercise of option rights which the employees or directors of the Company or a group company are granted according to respective regulations of the Board of Directors. (...)

### Proposed New Version

#### Article 3b

##### Conditional Share Capital

A) The share capital of the Company may be increased by a maximum aggregate amount of CHF **900,000.–** through the issuance of a maximum of **900,000** registered shares, which shall be fully paid-in, with a par value of CHF 1 per share by the exercise of option rights which the employees or directors of the Company or a group company are granted according to respective regulations of the Board of Directors. (...)

B) The share capital of the Company may be increased by a maximum aggregate amount of CHF 1,693,746.– through the issuance of a maximum 1,693,746 registered shares, which shall be fully paid-in, with a par value of CHF 1 per share by the exercise of 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. (...).

B) The share capital of the Company may be increased by a maximum aggregate amount of CHF **2,031,246.–** through the issuance of a maximum **2,031,246** registered shares, which shall be fully paid-in, with a par value of CHF 1 per share by the exercise of 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. (...)

### Explanations

At present, the Company has a conditional share capital pursuant to which its share capital may be increased by a maximum amount of CHF 300,000 by issuing a maximum of up to 300,000 shares, under the exclusion of shareholders' pre-emptive rights, to directors or employees of the Company or a Group company who exercise option rights granted to them under the Company's incentive plans.

To date, the Company has granted 312,800 such option rights. The Board of Directors will continue the targeted use of options as a long-term incentive and as a means to motivate directors and employees to invest further in Addex shares. The additional conditional capital will be used for future issuances of options.

Besides, at present, the Company has a conditional share capital for the exercise of warrants and/or notes granted in connection with bonds, obligations or similar debt instruments or options granted by the Company pursuant to which the share capital may be increased by a maximum amount of CHF 1,693,746.

To date, the Company has not issued any bonds or similar instruments. The Board of Directors would like, however, to retain full flexibility to issue such instruments if in the interest of the Company, in particular given the current financial and market environment, and hence propose to increase the amount of the additional share capital reserved for such situation to CHF 2,031,246.

### 6.3 References to Group Auditors (Articles 7 lit c, 8 (item 2), 19 para. 2 (item 10), 20 para. 1 and 2, 21 and 22 of the Articles of Association)

The Board of Directors **proposes** (i) to delete all references to the Group Auditors in the Articles of Association and accordingly (ii) to amend Articles 7 lit. c, 8 (item 2), 19 para. 2 (item 10), 20 para. 1 and 2, 21 and 22 of the Articles of Association as follows:

#### Current Version

##### Article 7 **Corporate Bodies**

The corporate bodies of the Company are:

- a) The Meeting of Shareholders;
- b) The Board of Directors;
- c) The Statutory Auditors and the Group Auditors.

##### Article 8

##### **Competences of the Meeting of Shareholders**

The Meeting of Shareholders is the supreme body of the Company. The following non-delegable powers are vested in the Meeting of Shareholders:

- (...)
- 2. to elect and remove the members of the Board of Directors, the Auditors and the Group Auditors;
- (...)

#### Proposed New Version

##### Article 7 **Corporate Bodies**

The corporate bodies of the Company are:

- a) The Meeting of Shareholders;
- b) The Board of Directors;
- c) The **(statutory) Auditors** ~~and the Group Auditors.~~

##### Article 8

##### **Competences of the Meeting of Shareholders**

The Meeting of Shareholders is the supreme body of the Company. The following non-delegable powers are vested in the Meeting of Shareholders:

- (...)
- 2. to elect and remove the members of the Board of Directors **and** the Auditors ~~and the Group Auditors;~~
- (...)

Article 19

**Competences of the Board of Directors**

(...)  
The Board of Directors has, in particular, the following non-delegable and inalienable duties:  
(...)  
10. the examination of the professional qualifications of the auditors;  
(...).

Article 20

**Election, Term of Office**

The Meeting of Shareholders shall elect the Auditors and the Group Auditors.  
The term of office of the Auditors and the Group Auditors shall be one year. The term of office commences on the day of the election and expires on the day of the next Ordinary Meeting of Shareholders.  
The Meeting of Shareholders may for purposes of the special reviews required in connection with capital increases (articles 652f, 653f, 653i CO) elect special auditors. If no special auditors have been elected, the regular Auditors are in charge of these tasks.

Article 21

**Duty to Audit and Report**

The Auditors and the Group Auditors perform their duties in accordance with the applicable provisions of the Swiss Code of Obligations.

Article 22

**Special Audits, Interim Audits**

The Board of Directors may at any time request the Auditors and the Group Auditors to conduct special audits, including interim audits, and to submit respective reports.

Article 19

**Competences of the Board of Directors**

(...)  
The Board of Directors has, in particular, the following non-delegable and inalienable duties:  
(...)  
10. the examination of the professional qualifications of the Auditors;  
(...).

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**Election, Term of Office**

The Meeting of Shareholders shall elect the Auditors ~~and the Group Auditors.~~  
The term of office of the Auditors ~~and the Group Auditors~~ shall be one year. The term of office commences on the day of the election and expires on the day of the next Ordinary Meeting of Shareholders.  
The Meeting of Shareholders may for purposes of the special reviews required in connection with capital increases (articles 652f, 653f, 653i CO) elect special auditors. If no special auditors have been elected, the regular Auditors are in charge of these tasks.

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**Duty to Audit and Report**

The Auditors ~~and the Group Auditors~~ perform their duties in accordance with the applicable provisions of the Swiss Code of Obligations.

Article 22

**Special Audits, Interim Audits**

The Board of Directors may at any time request the Auditors ~~and the Group Auditors~~ to conduct special audits, including interim audits, and to submit their reports.

**Explanations**

As part of the partial revision of the Swiss Code of Obligations which entered into force on January 1, 2008, the previous distinction between (statutory) auditors and group auditors was abolished. As a result, as from January 1, 2008 the statutory financial statements of a corporation and the consolidated financial statements of the corporation and its subsidiaries need to be audited by one set of auditors only. These amendments to the Articles of Association do not change anything in substance.

Plan-les-Ouates, March 17, 2009

On behalf of the Board of Directors of Addex Pharmaceuticals Ltd



André J. Mueller, Chairman

Enclosures:

- Registration and Power of Attorney Form
- Return envelope to Addex Pharmaceuticals Ltd, Aktienregister, c/o ShareCommService AG, Europa-Strasse 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 April 9, 2009 will be entitled to participate in the Annual General Meeting. From April 9, 2009 until April 16, 2009 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 the invitation. The Registration and Power of Attorney Form should be sent to the Company's share register (ShareCommService AG, Aktienregister der Addex Pharmaceuticals Ltd, Europastrasse 29, CH-8152 Glattbrugg) as soon as possible. Admission cards will be sent out starting April 3, 2009.

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

- a) Addex Pharmaceuticals Ltd, as corporate proxy holder to exercise your voting rights in accordance with the proposals of the Board of Directors. Proxies with different instructions will be transferred to the independent proxy holder; or
- b) Robert P. Briner, attorney-at-law, Briner & Brunisholz, Cours des Bastions 5, CH-1205 Geneva, as Independent Proxy Holder.

You can authorize Mr. Briner to act as your representative (with substitution rights) in accordance with article 689c of the Swiss Code of Obligations. Mr. Briner will vote as instructed by you. If no instructions have been given, or shall the instructions not be clear, Mr. Briner will vote in favour of the Board's proposal(s); or

- c) a proxy which can be another person who does not need to be a shareholder, e.g. your depository bank (in accordance with article 689d of the Swiss Code of Obligations).

To authorize another person, e.g. your depository bank, you have to fill in 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 Annual General Meeting you need to hand the admission card to that person.

### **Documentation**

The invitation to the Annual General Meeting, the agenda and the proposals of the Board of Directors has 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 year 2008 containing the reports of the Auditors 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 is also available to the shareholders at the Company's head office at Chemin des Aulx 12, 1228 Plan-les-Ouates, Geneva or on the internet via [www.addexpharma.com](http://www.addexpharma.com) from March 18, 2009.

### **Language**

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

