

Plan-les-Ouates, 27 May 2019



To the shareholders of Addex Therapeutics Ltd

## Invitation to the Annual General Meeting

Wednesday, 19 June 2019, 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 2018
2. Consultative vote on the Compensation Report for the business year 2018
3. Appropriation of the results
4. Discharge of the members of the Board of Directors and of the Executive Management
5. 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. Re-election of Roger Mills as member of the Board of Directors
  - 5.5. Re-election of Jake Nunn as member of the Board of Directors
  - 5.6. Re-election of Isaac Manke 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
11. Miscellaneous

## Motions and Explanations

### 1. **Approval of the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the business year 2018**

The Board of Directors **proposes** to approve the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for the business year 2018.

### 2. **Consultative vote on the Compensation Report for the business year 2018**

The Board of Directors **proposes** to endorse the Compensation Report 2018. 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 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 CHF 3,586,490 for the business year 2018.

### 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 2018.

### 5. **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, Timothy Dyer, Roger Mills, Jake Nunn and Isaac Manke for a term of one year each; and the re-election of Vincent Lawton as its Chairman.

#### *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.

#### **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. Re-election of Roger Mills as member of the Board of Directors**

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

#### **5.5. Re-election of Jake Nunn as member of the Board of Directors**

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

#### **5.6. Re-election of Isaac Manke as member of the Board of Directors**

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

## 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 2019.

## 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** (i) to increase the authorized share capital in an amount of CHF 6,426,906 raising the authorized share capital from CHF 9,997,411 to CHF 16,424,317, (ii) to extend its term until 19 June 2021 and accordingly (iii) 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 ~~20 juin 2020~~ **19 juin 2021**, le conseil d'administration peut augmenter le capital-actions d'un montant de ~~CHF 9'997'411.–~~ **CHF 16'424'317.–** par l'émission de ~~9'997'411~~ **16'424'317** actions nominatives entièrement libérées d'une valeur nominale de CHF 1 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

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 ~~20 June 2020~~ **19 June 2021** to increase the share capital in an amount of ~~CHF 9'997'411.–~~ **CHF 16'424'317.–** through the issuance of ~~9'997'411~~ **16'424'317** 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

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.

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.

(...)

(...)

#### *Explanations*

Since the beginning of the ongoing business year 2019, the Board of Directors has increased the issued share capital through an authorized capital increase, which was approved by the general meeting on 20 June 2018 and executed on 17 May 2019. At present, the Company has an authorized share capital of CHF 9,997,411 authorizing the Board of Directors to issue up to 9,997,411 shares with a nominal value of CHF 1 each. This authorized share capital shall expire on 20 June 2020. 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 CHF 16,424,317 and extend its term until 19 June 2021.

### **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 CHF 2,142,302 from CHF 14,282,015 to CHF 16,424,317 as further explained below and accordingly (ii) to amend article 3c 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):

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):

Texte faisant foi / Binding version:

Traduction informelle en anglais / Informal English translation:

#### **Article 3c Capital-actions conditionnel**

A) Le capital-actions de la Société peut être augmenté d'un montant total maximum de ~~CHF 8'415'117.-~~ **CHF 10'557'419.-** par l'émission de ~~8'415'117~~ **10'557'419** actions nominatives au maximum, entièrement libérées et d'une valeur nominale de CHF 1 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.

#### **Article 3b Conditional Share Capital**

A) The share capital of the Company may be increased by a maximum aggregate amount of ~~CHF 8'415'117.-~~ **CHF 10'557'419.-** through the issuance of a maximum of ~~8'415'117~~ **10'557'419** registered shares, which shall be fully paid-in, with a par value of CHF 1 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.

#### *Explanations*

At present, the Company has a conditional share capital pursuant to which the share capital may be increased by a maximum amount of CHF 8,415,117 by issuing a maximum of up to 8,415,117 shares with a nominal value of CHF 1 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 bons de jouissance granted to them under the Company's equity incentive plans. At present the Company has outstanding subscription rights of 5,694,280. 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 CHF 2,142,302 from CHF 8,415,117 to CHF 10,557,419.

## 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

#### 10.1.1. For the period from the 2018 AGM to 2019 AGM

The Board of Directors **proposes** the approval of an additional compensation amount of CHF 60,951 for members of the Board of Directors for the period from the 2018 AGM until the 2019 AGM.

#### *Explanations*

At the 2018 AGM the shareholders approved a maximum total compensation amount of CHF 500,000 for members of the Board of Directors for the period from the 2018 AGM until the 2019 AGM. The proposed additional amount of CHF 60,951 covers the fair value of the variable equity incentive unit grants which had been underestimated at the 2018 AGM.

#### 10.1.2. For the period from the 2019 AGM to 2020 AGM

The Board of Directors **proposes** the approval of the maximum total compensation amount of CHF 600,000 for members of the Board of Directors for the period from the 2019 AGM until the 2020 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 CHF 600,000 compared to CHF 500,000 in prior period to align with the actual prior period amount. For the period from the 2018 AGM to the 2019 AGM, the total compensation for the Board of Directors was CHF 560,951. Further details are available in the Compensation Report 2018.

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

The Board of Directors **proposes** the approval of the maximum total compensation amount of CHF 4,000,000 for members of the Executive Management for the period from 1 January to 31 December 2020.

#### *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 2019. For the period from 1 January to 31 December 2018, the total compensation for the Executive Management was CHF 2,894,632. Further details are available in the Compensation Report 2018.

On behalf of the Board of Directors of Addex Therapeutics Ltd

Vincent Lawton, Chairman

Enclosures:

- Registration and Power of Attorney Form
- Return envelope to 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 12 June 2019 will be entitled to participate in the AGM. From 13 June 2019 until 19 June 2019 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, Europastrasse 29, CH-8152 Glattbrugg) as soon as possible. Admission cards will be sent out starting 12 June 2019.

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 17 June 2019, 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 2018 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 Addex Pharma SA, Chemin Des Mines 9, 1202 Geneva. The Annual Report can further be viewed on the internet via <https://www.addextherapeutics.com/en/investors/downloads/>.

### **Language**

The AGM will be held in English.

There will be no simultaneous translation of the AGM.



