

3rd Annual General Meeting
of 19 May 2020

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Dear Shareholders

Galenica wants to generate attractive returns for its shareholders, play an active role in the Swiss health-care market and be an attractive employer.

Our remuneration policy and systems are intended to ensure that the interests of shareholders and management are largely aligned. In line with legal requirements and the Articles of Association, we request that you give your binding approval in the context of the 2020 Annual General Meeting for each of the two maximum total amounts of remuneration for 2021, and that you also comment on the 2019 Remuneration Report as part of a consultative vote.

The Galenica Group once again posted a very pleasing performance in 2019 in a challenging market environment, and exceeded the forecast targets. The 2019 Remuneration Report should enable you, as a shareholder, to compare the proposed maximum remuneration for financial year 2021 with performance and the remuneration paid in 2019.

You can find the relevant background information for the three remuneration-related votes in the following explanations. Galenica Ltd. has been listed on the SIX Swiss Exchange since 2017. The remuneration principles and systems are unchanged from 2018.

We will continue to assess and review our remuneration regularly in the future to ensure an appropriate, sustainable remuneration policy.

Further details on the remuneration systems for the Board of Directors and the Corporate Executive Committee can be found in the Remuneration Report in the 2019 Annual Report of the Galenica Group (www.galenica.com, under the heading Publications).

Yours sincerely,

On behalf of the Board of Directors,



Daniela Bosshardt
Chairwoman of the
Board of Directors



Fritz Hirsbrunner
Chairman of the
Remuneration Committee



Agenda

1. Management Report and Annual Financial Statements 2019 of Galenica Ltd. and consolidated Financial Statements of the Galenica Group for 2019; acknowledgement of the Auditors' Reports

The Board of Directors proposes to approve the Management Report and the Annual Financial Statements 2019 of Galenica Ltd. as well as the consolidated Financial Statements of the Galenica Group for 2019.

2. Discharge of the Board of Directors and the Corporate Executive Committee

The Board of Directors proposes to discharge the members of the Board and the Corporate Executive Committee from liability for their activities in 2019.

3. Resolution on the appropriation of the 2019 available earnings and on the appropriation of reserves from capital contributions

The Board of Directors proposes distribution of a dividend of CHF 1.80 per registered share for financial year 2019, comprising CHF 0.90 from available earnings and CHF 0.90 from reserves from capital contributions.

3.1. Appropriation of the 2019 available earnings

Balance brought forward	CHF	337,297
Profit for the year	CHF	61,176,684
Available earnings at the disposal of the Annual General Meeting	CHF	61,513,981

Proposal

Dividend per share CHF 0.90	CHF	45,000,000 ¹⁾
Allocation to free reserves	CHF	16,000,000
Balance to be carried forward	CHF	513,981

¹⁾ The proposed dividend distribution covers all issued shares. However, no dividend will be paid on treasury shares held at the time of payment of the dividends. Based on the number of treasury shares held by Galenica Ltd. as at 31 December 2019, the total dividend would amount to CHF 44.4 million

Assuming that this proposal for appropriation is approved, the dividend will be paid from 26 May 2020.

3.2. Appropriation of reserves from capital contributions

Reserves from capital contributions	CHF	396,093,751
Dividend from reserves from capital contributions of CHF 0.90 per share	CHF	45,000,000 ²⁾
Balance to be carried forward	CHF	351,093,751

²⁾ The proposed dividend distribution from reserves from capital contributions covers all issued shares. However, no dividend will be paid on treasury shares held at the time of payment of the dividends. Based on the number of treasury shares held by Galenica Ltd. as at 31 December 2019, the total dividend would amount to CHF 44.4 million

If the proposal for appropriation is approved, the dividend will be paid from 26 May 2020 without deduction of Swiss withholding tax.

4. Remuneration Report 2019

The Board of Directors proposes the approval of the Remuneration Report in a consultative vote. Relevant information can be found in the Annual Report 2019 on pages 75 to 89 in the Remuneration Report section.

5. Total amounts of remuneration for financial year 2021

5.1. Total amount of remuneration of the Board of Directors

The Board of Directors proposes the approval of a maximum total amount for remuneration of the members of the Board of Directors in financial year 2021 of CHF 1,900,000.

5.2. Total amount of remuneration of the Corporate Executive Committee

The Board of Directors proposes the approval of a maximum total amount for remuneration of the members of the Corporate Executive Committee in financial year 2021 of CHF 6,300,000.

6. Elections

Fritz Hirsbrunner will step down from his position as a member of the Board of Directors at the 2020 Annual General Meeting. Pascale Bruderer is proposed for election to the Board of Directors. All proposed members are independent in accordance with the Swiss Code of Best Practice for Corporate Governance.

6.1. Re-elections and election of the Board of Directors and the Chairwoman

The Board of Directors proposes the re-election of Daniela Bosshardt as Chairwoman of the Board of Directors. It also proposes the re-election of Bertrand Jungo, Prof. Dr. Michel Burnier, Dr. Markus R. Neuhaus, Dr. Philippe Nussbaumer and Dr. Andreas Walde as well as the election of Pascale Bruderer as members of the Board of Directors for a term of office until the end of the next Annual General Meeting. For further details on the careers of the existing members of the Board of Directors, please refer to the Corporate Governance section of the Annual Report 2019 (pages 62 to 63).

a. Re-election of Daniela Bosshardt as member and Chairwoman of the Board of Directors



Daniela Bosshardt, born 1972, is a Swiss citizen and a qualified pharmacist. She previously worked as a financial analyst, has been a member of various Boards of Directors and is a management consultant in the healthcare industry.

b. Re-election of Bertrand Jungo as member of the Board of Directors



Bertrand Jungo, born 1965, is a Swiss citizen. He joined Admeira AG in 2017, serving as CEO until February 2020. Since then, he has been a member of the Board of Directors. He previously worked for Manor, where he served as CEO from 2006 to early 2017.

c. Re-election of Prof. Dr. Michel Burnier as member of the Board of Directors



Prof. Dr. Michel Burnier, born 1953, is a Swiss citizen, a certified specialist (FMH) in internal medicine and nephrology and an honorary professor at the University of Lausanne.

d. Re-election of Dr. Markus Neuhaus as member of the Board of Directors



Dr. Markus Neuhaus, born 1958, is a Swiss citizen. He was CEO of PricewaterhouseCoopers AG (PwC) from 2003 to 2012 and Chairman of the Board of Directors and a member of the Supervisory Board of PwC Europe SE from 2012 to 2019. He is a member of various Boards of Directors.

e. Re-election of Dr. Philippe Nussbaumer as member of the Board of Directors



Dr. Philippe Nussbaumer, born 1969, is a Swiss citizen and a practising pharmacist in the canton of Neuchâtel. He operates several pharmacies and a medical centre in La Chaux-de-Fonds.

f. Re-election of Dr. Andreas Walde as member of the Board of Directors



Dr. Andreas Walde, born 1962, is a Swiss citizen and a lawyer. He has been General Secretary of Vifor Pharma Ltd. since 2013. He previously held management roles and worked as an in-house counsel in various companies.

g. Election of Pascale Bruderer as member of the Board of Directors



Pascale Bruderer, born 1977, is a Swiss citizen and has a master's degree in political science. She was a member of the National Council from 2002 to 2011 and a member of the Council of States from 2011 to 2019 for the Social Democratic Party of Switzerland (SP).

As a longstanding member of the Social Security and Health Committees, she brings valuable experience and a comprehensive understanding of the various aspects of Swiss health policy.

Through her past roles as President of the umbrella organisation for disabled people Inclusion Handicap, former Managing Director of Krebsliga Aargau and through her involvement in the digital village square Crossiety AG, she has relevant knowledge of issues that are important for Galenica. Pascale Bruderer is a member of the Board of Directors of Bernexpo AG and the TX Group.

6.2. Re-election and elections to the Remuneration Committee

The Board of Directors proposes the re-election of Dr. Andreas Walde and the election of Dr. Markus R. Neuhaus and Pascale Bruderer as members of the Remuneration Committee for a term of office until the end of the next Annual General Meeting. In the event that Dr. Andreas Walde is re-elected as member of the Remuneration Committee, the Board of Directors intends to nominate him as Chairman of the Committee. Due to his management roles in various listed companies, Dr. Andreas Walde has considerable extensive experience in the area of remuneration and incentive schemes.

a. Re-election of Dr. Andreas Walde as member of the Remuneration Committee

b. Election of Dr. Markus R. Neuhaus as member of the Remuneration Committee

c. Election of Pascale Bruderer as member of the Remuneration Committee

6.3. Re-election of the independent proxy holder

The Board of Directors proposes the re-election of Walder Wyss Ltd., Dr. iur. Thomas Nagel, Attorney at Law, for a term of office until the end of the next Annual General Meeting.

6.4. Re-election of the auditors

The Board of Directors proposes the re-election of Ernst & Young Ltd. for a term of office until the end of the next Annual General Meeting.

Information on remuneration-related votes



Item 4: 2019 Remuneration Report – consultative vote

The Remuneration Report contains detailed information on the remuneration of the Board of Directors and Corporate Executive Committee. In addition, the Remuneration Report ensures transparency with regard to the connection between business performance compared to Group targets and the remuneration actually paid or awarded to the Corporate Executive Committee.

We request that shareholders approve the remuneration system, remuneration practices and the payments for the previous financial year in a consultative vote on the 2019 Remuneration Report. The Remuneration Report is available on our website at: www.galenica.com, under the heading Publications.

Remuneration Report 2019

The Board of Directors proposes the approval of the Remuneration Report in a consultative vote.

Preliminary remark regarding the maximum remuneration for the Board of Directors and the Corporate Executive Committee for financial year 2021

The following changes to the Board of Directors took place in 2019: Jörg Kneubühler, former Chairman of the Board of Directors, stepped down from the Board of Directors at the Annual General Meeting on 2 May 2019. The Annual General Meeting elected Daniela Bosshardt as the new Chairwoman of the Board of Directors to replace him. Markus R. Neuhaus was newly elected to the Board of Directors. As in 2018, the Board of Directors comprised seven members in 2019. The previously ad-hoc Governance and Nomination Committee has been a standing committee of the Board of Directors since the 2019 Annual General Meeting. The Board of Directors has four committees: the Audit & Risk Committee, the Remuneration Committee, the Strategy Committee and the Governance and Nomination Committee.

As in 2018, the Corporate Executive Committee comprised five members. Thomas Szuran took over as Head Products & Brands Business sector in January 2019 and was made a new member of the Corporate Executive Committee.

The maximum total amounts for the Board of Directors and the Corporate Executive Committee for 2019 were set at the Annual General Meeting held on 9 May 2018 (see the table on pages 83 and 85 of the Annual Report). The Annual General Meeting of 2 May 2019 set the maximum remuneration for 2020 at CHF 1,900,000 for the Board of Directors and CHF 6,000,000 for the Corporate Executive Committee. According to the proposal of the Board of Directors, the maximum remuneration for the Board of Directors should remain unchanged and that of the Corporate Executive Committee for financial year 2021 should be set at CHF 6,300,000.

Item 5.1: Maximum total remuneration of the Board of Directors for financial year 2021

a) Remuneration of members of the Board of Directors in general

The proposed maximum total remuneration of the members of the Board of Directors for financial year 2021 of CHF 1,900,000 is intended to remunerate seven non-executive members of the Board (incl. the Chairwoman). Fritz Hirsbrunner will step down from the Board of Directors at the Annual General Meeting on 19 May 2020 after many years of commendable service to Galenica. Pascale Bruderer will be proposed to the 2020 Annual General Meeting for election to the Board of Directors.

The remuneration of the members of the Board of Directors reflects the management structure and responsibilities of the Board of Directors in the sense of the applicable legal regulations, the Articles of Association and the remuneration regulations. The members of the Galenica Board of Directors receive only a fixed salary. They are not paid any variable or performance-related remuneration, share options or additional remuneration for attending meetings. The members of the Board of Directors do not receive any occupational pension or insur-

ance benefits. The annual remuneration of the members of the Board of Directors is paid at least 50% (and, on request of individual members of the Board of Directors, 100%) in Galenica shares which are blocked for five years.

b) Proposed total remuneration of the members of the Board of Directors for financial year 2021

The table below shows the maximum total amount (in thousand CHF) of remuneration to be paid to the members of the Galenica Board of Directors, subject to approval by the Annual General Meeting. The total remuneration is intended to remunerate seven members for financial year 2021. This is based on the assumption that all the proposed members of the Board of Directors and the members of the Remuneration Committee are elected at the Annual General Meeting, and that the Annual General Meeting elects Pascale Bruderer to the Board.

The Board of Directors proposes a maximum total amount for the remuneration of the members of Board of Directors for 2021 of CHF 1,900,000, which is unchanged on the previous year (2020). This sum includes an estimated mandatory contribution of

CHF 70,000, to be paid by Galenica to the state social security system. These estimates do not take into account any potential changes to state social security contributions or the amounts on which they are based. The total amount includes any additional payments for other activities on the Board of Directors or for Group companies.

The remuneration actually paid will be disclosed in the Remuneration Report for financial year 2021 and be subject to a consultative vote at the Annual General Meeting in 2022.

Further information on the remuneration of the Board of Directors can be found on pages 82 to 84 of the 2019 Remuneration Report (www.galenica.com, under the heading Publications).

Total remuneration of the Board of Directors for financial year 2021

The Board of Directors proposes the approval of a maximum total amount of CHF 1,900,000 for the remuneration of the members of the Board of Directors for financial year 2021.

c) Change in maximum total remuneration of the Board of Directors, financial year 2019 to 2021

in thousand CHF (12 months)	2019 (approved by AGM)	2020 (approved by AGM)	2021 (proposed)
Number of members	7	7	7
Maximum total remuneration of the Board of Directors	1,900	1,900	1,900
Of which social security contributions (estimated)	75	70	70

Item 5.2: Maximum total remuneration of the members of the Corporate Executive Committee for financial year 2021

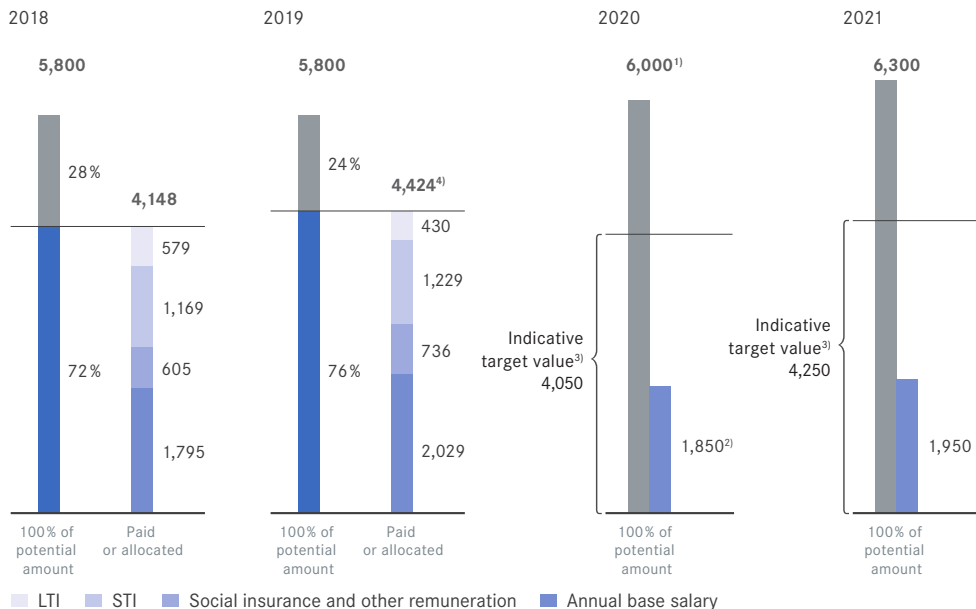
The proposed maximum total remuneration is intended to remunerate five members of the Corporate Executive Committee. This includes the Chief Executive Officer (CEO). The proposed maximum remuneration for financial year 2021 is CHF 6,300,000. This amount includes a fixed sum of approximately CHF 1,950,000 as well as variable remuneration and social security costs (including other compensation) to a maximum of CHF 4,350,000. The Board of Directors wishes to

ensure a certain degree of flexibility by slightly increasing the total amount.

In order to recruit and retain talented employees for key positions, Galenica offers competitive remuneration. In line with Galenica's performance-focused remuneration philosophy, members of the Corporate Executive Committee who achieve their performance targets generally receive target remuneration equivalent to the average level of remuneration for comparable positions in other companies of a similar size (market capitalisation, sales, number of employees). If the performance targets are missed or exceeded, the remuneration ultimately granted may fall short of, or exceed, this average level.

Remuneration of all members of the Corporate Executive Committee

in thousand CHF



¹⁾ Contribution approved by the Annual General Meeting on 2 May 2019

²⁾ Base salary target value

³⁾ With 100% achievement of objectives

⁴⁾ Incl. remuneration of Torvald de Coverly Veale, member of the Corporate Executive Committee and Head Products & Brands Business sector until 13th January 2019

Further information on the remuneration of the Corporate Executive Committee can be found on pages 84 to 87 of the 2019 Remuneration Report (www.galenica.com, under the heading Publications).

Maximum total remuneration of the Corporate Executive Committee for financial year 2021

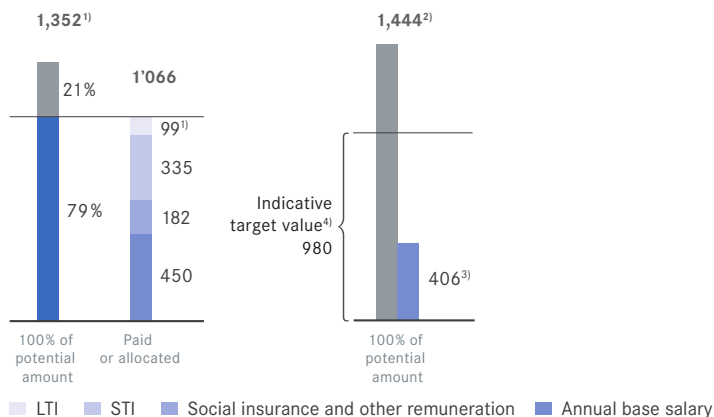
The Board of Directors proposes the approval of a maximum total amount of CHF 6,300,000 for the remuneration of the members of the Corporate Executive Committee for financial year 2021.

Remuneration of the highest paid member of the Corporate Executive Committee Galenica Group CEO

in thousand CHF

2019

2020



¹⁾ LTI reduced pro rata following departure of former CEO in July 2020

²⁾ Arrival of new CEO in March 2020

³⁾ Base salary target value

⁴⁾ With 100% achievement of objectives

Remarks

The background features a dynamic composition of curved, overlapping lines. A large, bright white circle is positioned on the right side, partially overlapping a blue curved band. The lower-left corner is dominated by a series of concentric, dark purple lines that create a sense of depth and movement. The overall color palette is a mix of vibrant blues, purples, and a clean white.

Shareholders' register

Voting rights may only be exercised by shareholders of Galenica Ltd. listed with voting rights in the shareholders' register on 11 May 2020.

No trading restriction on Galenica shares

The registration of shareholders for voting purposes does not affect the trading of shares before, during or after the Annual General Meeting.

Annual Report

The Annual Report 2019, including the Management Report and the Annual Financial Statements of Galenica Ltd. and the Galenica Group and the corresponding Auditors' Reports, are available for review at company headquarters in Bern.

No physical attendance

The current situation due to the coronavirus and the measures ordered by the authorities have prompted the Board of Directors to change the format of the Annual General Meeting on 19 May 2020.

Physical attendance at the Annual General Meeting **will not be possible** for health and safety reasons. The Annual General Meeting will have a reduced programme. Only the part required by law and the Articles of Association will be held.

Galenica Ltd.

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