



**Santhera Pharmaceuticals Holding AG**

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## **Minutes of the 2009 Annual Shareholders' Meeting – April 27, 2009**

At 10.33 AM, Michael Lytton, Chairman of the Board of Directors (**Board**) opened the third Annual Shareholders' Meeting of Santhera Pharmaceuticals Holding AG (**Santhera**, or **Company**) as a listed company.

The meeting was held in English, with a simultaneous translation into German (and vice versa) also being made available.

Mr Lytton welcomed the other members of the **Board**, Martin **Gertsch**, Ruedi **Gygax**, Timothy **Rink**, Bernd **Seizinger**, Hans Peter **Hasler** (Vice Chairman) and Klaus **Schollmeier**, who is also Santhera's Chief Executive Officer.

Mr Lytton also welcomed the other members of the **Executive Management**, Barbara **Heller**, Chief Financial Officer, Helmut **Kessmann**, Chief Business Officer and Thomas **Meier**, Chief Scientific Officer.

In addition, Mr Lytton welcomed Jürg **Zürcher** of Ernst & Young, as representative of Santhera's Auditors, Caspar **Zellweger** as independent proxy, Stephan **Haefelfinger** as corporate proxy, and David **Oser** of Homburger, the Company's external legal adviser.

Carin **Mittermayer** and Geoff **Holder** acted as vote counters. When a vote was taken, they stood up and recorded the shareholders' votes. If a shareholder preferred, she or he was invited to notify them, indicate name, domicile and number of shares plus the votes for the record. This information would show up in the minutes of this meeting which would be put on Santhera's website in about two weeks' time.

Finally, Mr Lytton nominated Oliver **Strub**, Secretary to the Board, as taker of the minutes of this meeting.

This meeting was convened in accordance with the law and the Company's articles by publication of the meeting notice in the **Swiss Commercial Gazette**. In addition, the shareholders entered into the share register as of April 22, 2009 were **invited by letter** dated April 3, 2009. Mr Lytton then declared that there was a quorum for the meeting.

Mr Lytton indicated that the list of attendees was being compiled and that he would inform the shareholders about the attendance at a later point in time during the meeting.

The Company had not received any request that **additional items** be placed on the agenda.

Mr Lytton then made some **organizational remarks**:

- Some **guests** who were not shareholders had been invited. These guests were not entitled to vote.
- Shareholders entitled to vote who would like to ask questions, to comment or would like to make a motion were invited to come to the **microphone**. If so, they would be requested to indicate name and domicile for the record. He indicated to the shareholders that they were welcome to speak German – one of his colleagues would then translate for him.
- In the interest of an effective and efficient meeting, Mr Lytton requested shareholders to **limit their comments** and questions to the respective agenda item. If they would like to share information of a more general nature, he suggested doing so under agenda item number 1.
- Generally, votes and elections would be done by a **show of hands**. If a shareholder would like to have the shareholder's meeting cast its vote by a **ballot**, she or he was invited to propose to do so for an agenda item. In such a case, Mr Lytton would have all other shareholders vote on such proposal – by a show of hands.
- An **audio tape recording** of this meeting would be made.
- The results of the meeting would be published in a **news release** later on the day of the meeting.

#### **AGENDA ITEM 1**

*Approval of the Annual Report, the Annual Financial Statements, the Consolidated Financial Statements for 2008; Acknowledgement of the Reports of the Auditors and of the Independent Group Auditors.*

Two years ago, the Company had its first annual shareholder's meeting as a public company that only a few months earlier had been listed on the SIX Swiss Exchange.

Last year, Santhera could report on its exciting pipeline.

This year, Mr Lytton could report that 2008 had been a landmark year for Santhera as it had become a product company. The launch of Catena® in Canada marked the Company's transition from a development to an integrated specialty pharmaceutical firm. With a commercial product in hand, Santhera laid the foundation for creating a sustainable business that would deliver novel neuromuscular therapeutics to orphan patient populations.

Mr Lytton then gave the floor to Klaus Schollmeier who would give the shareholders an overview of the last business year and the excitements and challenges that laid ahead of Santhera:

Mr Schollmeier explained Santhera's business, strategy, pipeline, main indications, compounds, financial statements and analyzed the Company's share price development (Slides and speech of Klaus Schollmeier can be downloaded from [www.santhera.com/shareholders\\_meeting](http://www.santhera.com/shareholders_meeting))

In the meantime, the attendance list had been compiled:

Total share capital		3,513,899	
	<b>Number</b>	<b>Shares</b>	<b>As percentage of share capital</b>
Company representative	1	1,267,367	36.07%
Independent proxy	1	476,812	13.57%
Depositories	0	0	0.0%
Shareholders	42	52,662	1.50%
<b>Shareholders total</b>	<b>44</b>	<b>1,796,841</b>	<b>51.14%</b>
Absolute majority		898,421	

The Chairman noted that Santhera had mailed the annual report to all shareholders at their address as indicated in the share register. The report consisted of an overview of Santhera's business, pipeline, the financial statements for 2008 and the corporate governance report. The entire report was available as an interactive document on [www.santhera.com](http://www.santhera.com) could also be downloaded from Santhera's website ([www.santhera.com/reports](http://www.santhera.com/reports)).

Those shareholders who had indicated German as their preferred language had in addition received the German translation of the Management's Discussion & Analysis for their information.

Ernst & Young had audited both statutory and consolidated financial statements. Their reports could be found on pages 54, 55 and 67, 68 of the financial reports. The Chairman noted that the representatives of the Auditors had informed him that they had no further remarks.

The Board proposed approval of (i) annual report, (ii) statutory financial statements of Santhera Pharmaceuticals Holding AG and (iii) consolidated financial statements, all with regard to the financial year 2008.

The Chairman then opened the forum for discussion with regard to annual report, the financial statements and the additional explanations.

There were no additional questions, remarks or motions. The Chairman then proceeded to voting.

**As a result of the voting by a show of hands, the motion carried with a vast majority, some dissenting votes and no abstentions.**

## AGENDA ITEM 2

*The Board proposes to transfer the entire profit for the year of CHF 25,842 to the free reserves.*

For 2008, the Company's net profits amounted to CHF 25,842. The Board proposed to transfer the entire profits to the Company's free reserves which as at December 31, 2008, had amounted to CHF 148,392,555. As a consequence of the transfer of CHF 25,842, the free reserves would amount to CHF 148,418,397.

Mr Lytton then opened the forum for discussion. There were no questions, remarks or motions. The Chairman then proceeded to voting.

**As a result of the voting by a show of hands, the motion carried with a vast majority, some dissenting votes and some abstentions.**

### **AGENDA ITEM 3**

*The Board proposes to discharge Board and Executive Management from liability for their activities in 2008.*

The Chairman proposed that the shareholders vote on this motion for these two corporate bodies as a whole.

He then opened the forum for discussion. There were no questions, remarks or motions. Mr Lytton asked the Members of the Board and Executive Management to abstain from voting. The Chairman then proceeded to voting.

**As a result of the voting by a show of hands, the motion carried with a vast majority, some dissenting votes and some abstentions.**

### **AGENDA ITEM 4**

*The Board proposes to elect Jürg Ambühl as a new member of the Board of Directors for a period of two years until the Annual Shareholders' Meeting 2011.*

Before a vote with regard to Jürg Ambühl was taken, Mr Lytton extended the Board's and Executive Management's thanks to Rudolf Gygax who would not stand for re-election to the Board for personal reasons.

Ruedi was a long-term supporter of the Company and until last year had represented the Novartis Venture Fund, one of the first financial investors of Myocontract. As representative of Myocontract's lead investor, Ruedi had been a driving force behind the merger with Graffinity in 2004 that formed today's Santhera. He always added constructively to the discussions in the Board which would remember Ruedi as a loyal supporter of the Company, always down-to earth and always with a pragmatic approach to solutions.

He thanked Rudolf Gygax for his contributions and wished him all the best for the future.

Mr Lytton then went back to the election of Jürg Ambühl. Mr Ambühl was a Swiss citizen and born in 1949. He was a seasoned marketing specialist with a long track record in the pharmaceutical industry. From 2003 to 2007, he had worked in several senior management positions for the Serono group, lastly as senior executive vice president global marketing. In this capacity, he had been responsible for worldwide marketing strategies for all of Serono's products. Prior to that, he had served as chief executive officer of Metagen Pharmaceuticals, a Berlin-based oncology spin-off of Schering. From 2000 to 2001, Mr Ambühl had been president of the International ex U.S. business at Knoll/BASF Pharmaceuticals. From 1987 to 1999, he had held several senior management positions within MSD Sharp & Dohme in Germany, lately as general manager with business responsibility for the German market. From 1982 to 1987, Mr Ambühl had worked for McKinsey and prior to that, from 1978 to 1982 he had held several management positions within Eli Lilly's German subsidiary in sales and marketing. Mr Ambühl currently was partner of Ares Life Sciences. He held a PhD in chemistry from the Swiss Federal Institute of Technology, Zurich (ETH), and an MBA from the INSEAD, Fontainebleau, France.

The Board was glad that Jürg Ambühl was prepared to accept his election to the Board bringing with him significant international marketing, sales and business experience.

Mr Lytton then opened the floor for discussion. There were no questions, remarks or motions. The Chairman then proceeded to the election.

**As a result of the election by a show of hands, Jürg Ambühl was elected by a vast majority, some dissenting votes and some abstentions for a period of two years until the annual shareholders' meeting 2011.**

#### **AGENDA ITEM 5**

*The Board of Directors proposes to re-elect board members as follows:*

- Hans Peter Hasler for a period of 1 year until 2010
- Timothy Rink for a period of 3 years until 2012 and
- Michael Lytton for a period of 1 year until 2010

*all until the annual shareholders' meeting in the respective year.*

Mr Lytton stated that for his own re-election, he would afterwards hand over to Hans Peter Hasler, Vice Chairman of the Board. He also said that these re-elections would be held on an individual basis and in the order as written in the invitation to this meeting. Each member of the Board was prepared to accept his re-election.

Mr Lytton then opened the floor for discussion. There were no questions, remarks or motions. The Chairman then handed over to Hans Peter Hasler for his own re-election.

**As a result of the re-election by a show of hands, Michael Lytton was re-elected by a vast majority, some dissenting votes and some abstentions for a period of one year until the annual shareholders' meeting 2010.**

Mr Hasler then handed back to Mr Lytton who proceeded to the re-election of Hans Peter Hasler.

**As a result of the re-election by a show of hands, Hans Peter Hasler was re-elected by a vast majority, some dissenting votes and some abstentions for a period of one year until the annual shareholders' meeting 2010.**

Mr Lytton then proceeded to the re-election of Timothy Rink.

**As a result of the re-election by a show of hands, Timothy Rink was reelected by a vast majority, some dissenting votes and some abstentions for a period of three years until the annual shareholders' meeting 2012.**

#### **AGENDA ITEM 6**

*The Board proposes to re-elect Ernst & Young AG, Basel, as Auditors for a further period of one year until the 2010 Annual Shareholders' Meeting.*

Upon a proposal made by the Company's Audit Committee to the full Board, Ernst & Young had been proposed for re-election. Mr Lytton noted that Ernst & Young was prepared to accept such re-election.

There were no questions, remarks or motions. The Chairman then proceeded to the re-election.

**As a result of the re-election by a show of hands, Ernst & Young was re-elected by a vast majority, some dissenting votes and some abstentions as Auditors for a period of one year until the annual shareholders' meeting 2010.**

The meeting was adjourned at 11.35 AM.



Michael Lytton  
Chairman of the Board



Oliver Strub  
Secretary to the Board