

*Translation. The German version is legally binding.*

## **Invitation to the Annual Shareholders' Meeting**

**Monday, April 11, 2011, 10:30 a.m. CET, at Hilton Basel, Aeschengraben 31, 4051 Basel, Switzerland**

### **Agenda**

- 1. Approval of the Annual Report, the Annual Financial Statements, the Consolidated Financial Statements for 2010; Acknowledgment of the Reports of the Auditors**
- 2. Appropriation of the Results, Classification of Reserves**
- 3. Discharge of the Members of the Board of Directors and of the Executive Management from Liability**
- 4. Re-elections of Members of the Board of Directors**
- 5. Re-election of Auditors**

*A buffet lunch will be served after the meeting.*

## Agenda, Motions and Explanations

### 1. Approval of the Annual Report, the Annual Financial Statements, the Consolidated Financial Statements for 2010; Acknowledgment of the Reports of the Auditors

#### Motion

The Board of Directors (**Board**) proposes to approve the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements for 2010.

### 2. Appropriation of the Results, Classification of Reserves

#### Motions

- (a) The Board proposes to carry forward the entire loss for the year of CHF 2,262,463 to new account.
- (b) The Board proposes to classify from the free reserves an amount of CHF 163,155,457 as reserves from capital contributions.

#### Explanation

*For 2010, the Company's losses amounted to CHF 2,262,463. The Board proposes to carry forward the entire loss to new account.*

*As a result of the Swiss corporate tax reform II, effective as of January 1, 2011, by classifying certain free reserves as reserves from capital contributions, the Company could be in a position to make distributions of dividends without deduction of 35% Swiss withholding tax at a later point in time. No ruling has been obtained from the Swiss tax authorities.*

### 3. Discharge of the Members of the Board of Directors and of the Executive Management from Liability

#### Motion

The Board proposes to grant discharge to the members of the Board and to the members of the Executive Management for their activities in 2010.

### 4. Re-election of Members of the Board of Directors

#### Motions

The Board proposes to re-elect certain members of the Board as follows:

- (a) Jürg Ambühl for a period of 3 years until the Annual Shareholders' Meeting 2014
- (b) Klaus Schollmeier for a period of 1 year until the Annual Shareholders' Meeting 2012

#### Explanation

The terms of office of Messrs. Ambühl and Schollmeier expire on the occasion of this year's Annual Shareholders' Meeting. The gentlemen are both standing for re-election. **Jürg Ambühl** has become a member of the Board in 2009. He is a seasoned marketing specialist with a long track record in the pharmaceutical industry. **Klaus Schollmeier** has become member of the Board in 2007 and since inception he is Chief Executive Officer of Santhera.

*Additional biographical information is available in the 2010 Corporate Governance Report and at [www.santhera.com/board](http://www.santhera.com/board). The different terms of office are proposed so as to allow for a staggered Board. The re-elections will be held on an individual basis.*

### 5. Re-election of Auditors

#### Motion

The Board proposes to re-elect Ernst & Young AG, Basel, as Auditors for an additional period of one year until the Annual Shareholders' Meeting 2012.

#### Explanation

*Ernst & Young, Basel, assumed the existing auditing engagement for Santhera's predecessor company MyoContract in 2002. The auditor in charge is Jürg Zürcher. He assumed his responsibility in 2006.*

Liestal, March 18, 2011  
For the Board of Directors



Michael Lytton  
Chairman

## **Organizational Remarks**

### **Documents**

The Company's 2010 Annual Report is available at Hammerstrasse 49, CH-4410 Liestal, Switzerland. It can also be downloaded from the Santhera's Web site ([www.santhera.com/reports](http://www.santhera.com/reports)). Shareholders who wish to receive a printed copy of the Annual Report are kindly requested to tick the corresponding box on the reply form.

### **Admission cards/voting material**

Shareholders entered into the share register with the right to vote as of April 6, 2011, 5:00 p.m. CET, will receive invitation and – upon request – admission card and voting material. A shareholder selling her/his shares before the Annual Shareholders' Meeting is not entitled to participate in the Annual Shareholders' Meeting.

### **Book closure period**

The Company's share register will close on April 6, 2011, 5:00 p.m. CET, and will reopen on April 12, 2011, 7:00 a.m. CET.

### **Powers of attorney**

Shareholders may give proxy to (i) the independent proxy (*unabhängiger Stimmrechtsvertreter*), Dr Caspar Zellweger, attorney-at-law, Elisabethenstrasse 2, CH-4010 Basel, Switzerland, (ii) the Company representative (*Organvertreter*), (iii) a depositary (*Depotvertreter*) or (iv) another shareholder entitled to vote. Proxy may be given by completing and returning the registration form or by filling out the respective form on the admission card.

### **Location**

Hilton Basel is located three minutes from the railway station (Basel SBB) and about 20 minutes from Basel airport (EuroAirport). As parking space in the Hilton is limited, shareholders are encouraged to use public transport or the parking garages near the railway station.

### **Admission**

At the day of the meeting, the admission office will be open from 10:00 a.m. CET.

### **Language**

The language used at the meeting will predominantly be English and there will be a simultaneous German translation available. Shareholders can ask their questions in English or German.

### **Buffet lunch**

The Board is pleased to invite you to a buffet lunch after the Annual Shareholders' Meeting.