

Report of the Board of Directors on the amendments to the Articles of Association

(The original German text is binding)

1. Introduction

In March 2013 the Swiss sovereign approved the "Minder-Initiative", which introduces several changes to the governance of listed companies. For their implementation, the Swiss Federal Council issued the Ordinance against Excessive Compensation in Listed Companies (the "Ordinance"), which entered into force on January 1st, 2014 subject to certain temporary provisions.

The Ordinance among other introduces an annual binding vote of the shareholders on the compensation of the members of the Board of Directors and of the Executive Committee. The Articles of Association furthermore have to include provisions regarding (i) the duties and competences of the compensation committee, (ii) the general principles regarding the remuneration of the members of the Board of Directors and the Executive Committee, (iii) the maximum number of permitted external mandates of the members of the Board of Directors and the Executive Committee, (iv) limitations to any permitted loans to the members of the Board of Directors and the Executive Management, and (v) the duration and notice periods of their employment or similar agreements.

The Board of Directors proposes to the Annual General Meeting to amend certain provisions of the Articles of Association, in line with the requirements of the Ordinance.

This overview summarizes the most important proposed changes. Thereafter, each proposed amendment is presented, together with a comparison of the current provisions. The references in this overview relate to the numbering of the new Articles of Association, as proposed by the Board of Directors.

2. Voting rights, Representation (art. 13)

Pursuant to the Ordinance, shareholder representation by depositaries and/or corporate proxy is forbidden. Shareholders can be represented by their legal representative, another shareholder (through written power of attorney) or by an independent proxy (through written or electronic power of attorney) only. Paragraphs 2 and 3 of art. 13, as proposed, allow the Board of Directors to implement the aforementioned requirements. Furthermore, the proposed paragraph 4 reflects the Ordinance's requirement that the Independent Proxy shall be appointed annually by the shareholders.

3. Elections of the members of the Board of Directors, of the Chairman of the Board of Directors, of the members of the Compensation Committee and of the Independent Proxy (art. 13, 16 and 19)

Since the Annual General Meeting 2014, pursuant to the Ordinance, annual individual election by the shareholders meeting of the members and the chairman of the Board of Directors, the members of the Compensation Committee (in the case of THERAMetrics called the "Nomination and Compensation Committee") and the Independent Proxy is required. In case of vacancy for the position of chairman, the Board of Directors shall nominates a substitute until the end of the next Annual General Meeting (art. 16 para. 3). Similar provisions are further in place for the case of a vacancy in the Nomination and Compensation Committee (art. 19 para. 3) as well as in case of vacancy of the Independent Proxy (art. 13 para. 5).

4. The Nomination and Compensation Committee (art. 19 and 20)

The proposed art. 19 states, beyond the annual election of its members, the number of members as well as the composition and organization of the Nomination and Compensation Committee. Pursuant to the Ordinance, the Articles of Association further have to set out the main tasks and competences of the Nomination and Compensation Committee. The Board of Directors therefore proposes in art. 20 that the Nomination and Compensation Committee shall support the Board of Directors in establishing and reviewing the compensation strategy and guidelines and the performance objective as well as in preparing the proposals to the General Meeting on the compensation of the Board of Directors and of the Executive Committee, which are submitted to the Annual General Meeting. The Board of Directors can delegate further tasks to the Nomination and Compensation Committee.

5. Remuneration principles and approval of the remuneration of the Board of Directors and Executive Committee by the Annual General Meeting (art. 22, 23 and 24)

The Ordinance requires the Annual General Meeting to approve, every year, the total (i.e. aggregate) maximum amounts of the remuneration of the Board of Directors and, in a separate vote, of the Executive Committee.

The proposed Art. 22 states that the maximum remuneration amount for the Board of Directors shall be approved, prospectively, for the following term of office. This is to make sure that the remuneration period and the term of office for which the Board of Directors has been elected are concurring.

The maximum remuneration for the Executive Committee shall also be approved prospectively, for the following financial year. This approach secures for THERAMetrics and its Executive Management the required ability to plan ahead (since, otherwise, in case of a negative vote the Company would not be able to pay its executive management anymore). Art. 22 also indicates the procedure that would apply in case the shareholders were not to approve a remuneration proposal by the Board of Directors. In such event, the Board of Directors may submit new proposals to the shareholders, either immediately to the same General Meeting, or at a newly convened General Meeting. In order to avoid a situation of inability to pay or grant compensation, the Company shall be temporarily authorized to do so, subject to subsequent shareholder approval, or, if such approval is not granted, claw-back.

As indicated above, the approval of the maximum remuneration for the Executive Committee shall take place at every Annual General Meeting. Since such approval is to take place prospectively, situations in which a person enters the Executive Committee or is promoted within Executive Committee after approval of the upcoming financial year's remuneration must be provided for. Accordingly, the proposed Art. 23 empowers the Company to pay additional amounts to such new or promoted members of the Executive Committee. Such additional amounts shall, however, be limited to up to 40% of the maximum aggregate amount last approved for the Executive Committee. It may also be used for replacement awards.

In general, the maximum remuneration amount that will be submitted to the prospective approval of shareholders will be higher than the remuneration which will actually be paid out, since such total maximum amount needs to cover the event that maximum targets of all compensation and incentive plans are met. When determining the actual remuneration payout the Board of Directors and the Nomination and Compensation Committee are bound by the general remuneration principles set out in the Articles of Association. In particular, the proposed Art. 24 of the Articles of Association sets out the allowed types of benefits, and the principles that shall apply to any variable compensation. In particular, Art. 24 para. 2 sets out that variable compensation shall depend on the achievement of certain performance criteria. The proposed Art. 24 para. 3 sets out the general principles and conditions that shall apply to the grant of awards, conversion or option rights or comparable instruments.

The remuneration actually paid – respectively, as applicable, granted or promised – within the maximum remuneration amount prospectively approved by the General Meeting must be disclosed by the Board of Directors in a Compensation Report that complies with the Ordinance and, additionally, is audited by the Company's statutory auditors.

Furthermore, Art. 22 para. 5 provides that the Board of Directors shall submit the annual Compensation paid to a retrospective advisory vote of the General Meeting.

6. Contracts with Members of the Board of Directors and Executive Committee (art. 25)

The Ordinance requires the Articles of Association to include provisions on the maximum duration of contracts which are the basis for the remuneration of the members of the Board of Directors and of the Executive Committee, and, respectively, the maximum notice period for terminating indefinite contracts.

For members of the Board of Directors duration and notice period may, pursuant to the Ordinance, not exceed one year. For members of the Executive Committee the Board of Directors proposes a maximum term of one year (for fixed-term contracts) or, respectively, a maximum notice period of 12 months (for indefinite contracts). This guarantees THERAMetrics to be protected from unwanted and abrupt changes within Management due to short-term resignations. Furthermore, the proposed provision enables the Company to stipulate after-contractual prohibitions of competition with members of Management, as far as it is deemed necessary. The duration of such a prohibition must not exceed a year and a yearly remuneration of 100% of the total yearly remuneration paid last to that member of Management.

7. Number of Mandates outside of the THERAMetrics group (art. 26)

The Ordinance requires the Articles of Association to include a provision which limits the number of mandates a member of the Board of Directors or of the Executive Committee may hold outside of the THERAMetrics group.

THERAMetrics encourages the members of its Board of Directors and of the Executive Committee to be engaged in other activities and also needs Directors and Managers that have experience and know-how. Also, the Company may have an interest that such persons join the boards of companies which are not controlled by THERAMetrics.

Accordingly, the Board of Directors proposes that the members of the Board of Directors and, respectively, of the Executive Committee may not assume more than twenty (20) additional mandates in other companies, of which no more than six (6) additional mandates in listed companies.

Mandates in group companies are not limited by law, but the Board of Directors proposes to limit them to forty (40). Also, it is proposed to limit the number of mandates held at the request of the Company or group company and in associations, charitable organizations etc. to twenty (20).

8. Loans and Credits (art. 27)

The Ordinance requires the Articles of Association to state the amount of loans, if any, that may be granted by the Company to the members of the Board of Directors and Executive Committee. The Board of Directors proposes that it shall be empowered to grant loans and credits to members of the Board of Directors and of the Executive Committee, always provided they are at market conditions, for a maximum total amount that may not exceed 100% of the previous year's remuneration of the respective person.

**The Amendments to the Articles of Association
 of
 THERAMetrics holding AG (Ltd./SA)
 in Detail**

<u>Current Version</u>		<u>Proposed Changes to the Articles of Association</u>	
<u>I. Company, Location, Duration, Purpose</u>		<u>I. Company, Location, Duration, Purpose</u>	
Article 1	Company, Location, Duration	Article 1	Company, Location, Duration

<p>Under the name</p> <p style="text-align: center;">THERAMetrics holding AG (THERAMetrics holding Ltd.) (THERAMetrics holding SA)</p> <p>a limited liability company is created under Art. 620 and ss. of the Swiss Code of Obligations (OR), with headquarters in Stans. Its duration is unlimited.</p>	<p>[Article unchanged]</p>
<p>Article 2 Purpose</p> <p>1 The purpose of the Company is the acquisition, the holding, the management, the sale and the financing of direct and indirect participations in enterprises of all kind in Switzerland or abroad, in particular in the field of rendering pre-clinical, clinical and regulatory services and in the economic and scientific development of new therapeutic concepts and solutions for the treatment of diseases, medical indications and therapeutic treatments.</p> <p>2 In addition, the Company may engage in any other commercial, financial or other activities, which are directly or indirectly related to the purpose of the Company. Particularly, the Company may grant loans, guarantees and other kinds of financing an securing for companies of the group.</p> <p>3 It may open branch offices and subsidiaries, acquire, manage, exploit and sell real estate and intellectual property rights in Switzerland or abroad.</p>	<p>Article 2 Purpose</p> <p>[Article unchanged]</p>
<p><u>II. Share Capital, shares and share register</u></p>	<p><u>II. Share Capital, shares and share register</u></p>
<p>Article 3 Share Capital</p> <p>1 The share capital of the Company amounts to CHF 6'545'436.52, divided into 654'643'652 registered shares with a par value of CHF 0.01 each. The shares are fully paid up.</p> <p>2 By an amendment to the articles of association, the Company may at any time convert registered shares into bearer shares or bearer</p>	<p>Article 3 Share Capital</p> <p>[Article unchanged]</p>

shares into registered shares.	
<p>Article 3a Authorized share capital</p> <p>Deleted due to time lapse.</p>	<p>Article 3a Authorized share capital</p> <p>[Article unchanged]</p>
<p>Article 3b Conditional share capital</p> <p>1 The share capital of the Company may be increased by the issuance of up to 9'359'491 registered shares to be fully paid up, each with a par value of CHF 0.01, up to the nominal value of CHF 93'594.91 through the exercising of options granted to employees, members of the Board of Directors and consultants of the Company or its subsidiaries. Rights of pre-emption and advance subscription rights of shareholders are ruled out. Option rights for employees, members of the board of directors and consultants are issued by the Company. The option terms, such as the issue price of the shares, date of dividend entitlement and the Board in the context of regulations will set out type of investment. The acquisition of registered shares through the exercising of option rights and the subsequent transfer of registered shares will be subject to the registration restrictions of Article 5 of the Articles of Association.</p> <p>2 The Company's share capital may be increased by the issuance of up to 14'694'130 registered shares to be fully paid up, each with a par value of CHF 0.01, up to a nominal value of CHF 146'941.30 by the exercising of conversion or option rights granted to entitled parties in association with bonds and similar financial instruments of the company or its subsidiaries, or option rights granted to existing and/or new shareholders in connection with capital increases. Pre-emptive rights of shareholders are ruled out. The Board of Directors shall determine the conversion and option terms, the issue price and the date of dividend entitlement. The Board of Directors is authorized to limit or cancel the advance subscription rights of existing shareholders in the event of: (1) The financing or refinancing of the acquisition of businesses,</p>	<p>Article 3b Conditional share capital</p> <p>[Article unchanged]</p>

<p>company divisions or holdings or new investment projects of the Company, (2) the financing or refinancing of the Company or its subsidiaries, (3) the issuance of convertibles and/or option bonds for the purpose of placement on national or international capital markets for the strategic diversification of the investor base including placement with one or more strategic partners or (4) for purposes of the underwriting of such bonds and other financial instruments by one or more banks with subsequent public offer. If the advance subscription rights are ruled out and not even granted indirectly, (i) Convertibles or option bonds are to be distributed on market terms and (ii) the time limit for the exercising of conversion and/or option rights shall be set at a maximum of 10 years from the date of the relevant issue. Option rights granted to existing and/or new shareholders in connection with capital increases have a time limit for exercising of up to 5 years. The acquisition of registered shares by the exercising of conversion or option rights and the subsequent transfer of registered shares are subject to the registration restrictions of article 5 of the Articles of Association.</p>	
<p>Article 3c Authorized share capital II</p> <p>1 The Board of Directors is authorized, at any time until 18 June 2016, to increase the share capital by a maximum amount of CHF 1'980'000 by issuing up to 198'000'000 registered shares to be fully paid up with a par value of CHF 0.01 each. An increase in partial amounts is permitted. Furthermore, within the limits of Article 659 and ss. of the Swiss Code of Obligations, an increase by original subscription of shares by the Company for the purpose of subsequent offers to shareholders or third parties or distribution among them is permitted. The new registered shares, after their acquisition, will be subject to restrictions on entry into the share register as set out in Article 5 of the articles of association. The Board of Directors will determine the appropriate issue price, the date of dividend entitlement and the type of investment. The Board of</p>	<p>Article 3c Authorized share capital II</p> <p>[Article unchanged]</p>

Directors may issue new shares by means of underwriting or in any other manner by one or more banks and subsequent offer to shareholders or third parties. The Board may forfeit unexercised pre-emptive rights, or it can distribute these and shares for which pre-emptive rights have been granted but not exercised under market conditions or otherwise use them for the benefit of the company.

2 The Board of Directors is entitled to restrict or cancel the pre-emptive rights of shareholders and third parties, or the Company, in the event of the use of shares: (1) for the acquisition of businesses or company divisions or holdings or for new investment projects or in the event of share placement for the financing or refinancing of such transactions, (2) for the purpose of expanding the shareholder base by individuals or legal entities having a direct or indirect association with the diseases (especially as patients or as relatives and friends of patients) or who are professionally involved either directly or indirectly with the disease (in particular producers of drugs, scientists, research institutions, universities, patient and donation organizations or hospitals), for which the Company or any of its subsidiaries invents, researches, develops, offers or sells new approaches or treatment solutions; (3) for purposes of the participation of strategic partners, or for purposes of expanding the shareholder base in certain investor markets or in the context of the listing, trade licensing or registration of the shares on domestic or foreign stock exchanges, (4) for the participation of employees, members of the Board of Directors and consultants of the Company or its subsidiaries in accordance with one or more regulations adopted by the Board, (5) in connection with an offering of securities in order to cover the green shoe option (surplus allocation option) granted to one or more banks, (6) for raising capital in a fast and flexible manner, which would hardly be achieved without the exclusion of the statutory pre-emptive rights of the existing shareholders,

<p>or (7) for other valid grounds in the sense of Article 652b para. 2 Swiss Code of Obligations.</p>	
<p>Article 3d Conditional share capital II</p> <p>The share capital of the Company may be increased by the issuance of up to 25'000'000 registered shares to be fully paid up, each with a par value of CHF 0.01 to the nominal value of CHF 250'000 through the exercising of options granted to members of the Board of Directors and the Executive Committee of the Company and its subsidiaries and/or Group companies. Pre-emptive and advance subscription rights of shareholders are ruled out. Option rights for members of the Board of Directors and the Executive Committee are issued by the Company. The Company shall issue the option rights to the Board of Directors and the Executive Committee. The terms and conditions of the options, such as the issue price of the shares, date of dividend entitlement and type of contribution shall be set out the regulations and or stock option plans. The acquisition of registered shares through the exercising of option rights and the subsequent transfer of registered shares will be subject to the registration restrictions of Article 5 of the Articles of Association.</p>	<p>Article 3d Conditional share capital II</p> <p>[Article unchanged]</p>
<p>Article 4 Form of shares</p> <p>1 The Company's registered shares will be issued and managed subject to paragraphs 3 and 5 as as book-entry securities.</p> <p>2 Regulations on book-entry securities, including the provision of collateral are subject to the law on book entry securities. If book-entry securities are transferred by assignment, this is subject to notification of the Company in order to be valid.</p> <p>3 The Company may withdraw shares managed as book-entry securities from the custody system.</p> <p>4 The shareholder may, if he is registered in the stock book, at any time request the Company to</p>	<p>Article 4 Form of shares</p> <p>[Article unchanged]</p>

<p>issue a certificate of his registered shares.</p> <p>5 The shareholder has no right to print and deliver certificates or conversions of registered shares issued in a specific form in another form. The Company may however at any time issue certificates (individual documents and certificates or global certificates) or convert book-entry securities or certificates into a different form and cancel issued certificates delivered to it.</p>	
<p>Article 5 Share register, Registration Restrictions, Nominees</p> <p>1 For the registered shares a share register is kept, in which the surname and first name of holders and beneficiaries are entered (for legal entities, the company name), together with address and nationality (for legal entities the registered office). Should a person entered in the share register change their address, they must inform the Company. Where this has not been done, all written communications are valid if made to the address entered in the share register. In relation to the Company, only the person or entity entered in the share register is recognized as a shareholder or beneficiary.</p> <p>2 Purchasers of registered shares will be entered into the share register with voting rights if they explicitly declare that they have acquired these registered shares in their own name and on their own account. If the purchaser is not willing to make such a declaration, the Board of Directors may refuse registration with voting rights.</p> <p>3 The registration restriction set out in paragraph 2 shall also apply to shares subscribed or acquired through the exercising of a derivative subscription, option or conversion right.</p> <p>4 The Board of Directors may, after hearing the registered shareholder or nominee, where appropriate, remove entries from the share register with retroactive effect to the date of registration if the registration was made on the basis of false information or in the event of a breach of the</p>	<p>Article 5 Share register, Registration Restrictions, Nominees</p> <p>[Article unchanged]</p>

<p>agreement between the company and the nominee. The party concerned must be informed immediately of the cancellation.</p> <p>5 The Board of Directors establishes the principles relating to registration of nominees and adopts the provisions necessary for compliance with the above regulations. Nominees in the sense of this provision are considered to be persons who do not expressly declare in the application for registration that they have acquired the shares for their own account, and with whom the Company has concluded a corresponding agreement.</p> <p>6 The Board of Directors announces in the invitation to the General Meeting the closing date for entry in the share register for participation and voting rights.</p>	
<p>Article 6 Public takeover bid</p> <p>A purchaser of shares in the Company is not obliged to make a public purchase offer in accordance with the provisions of Article 32 of the Federal Act on Stock Exchanges and Securities Trading (Stock Exchange Act).</p>	<p>Article 6 Public takeover bid</p> <p>[Article unchanged]</p>
<p><u>III. Company organization</u></p>	<p><u>III. Company organization</u></p>
<p>Article 7 Organs</p> <p>The organs of the company are as follows:</p> <p>A. Annual General Meeting</p> <p>B. Board of Directors</p> <p>C. Auditors</p>	<p>Article 7 Organs</p> <p>[Article unchanged]</p>
<p><u>A. General Meeting</u></p>	<p><u>A. General Meeting</u></p>
<p>Article 8 Powers</p> <p>The supreme organ of the company is the General Meeting. It shall have the inalienable powers decreed by law.</p>	<p>Article 8 Powers</p> <p>[Article unchanged]</p>
<p>Article 9 Ordinary and Extraordinary General Meetings</p> <p>1 The Annual General Meeting takes place</p>	<p>Article 9 Ordinary and Extraordinary General Meetings</p>

<p>within six months after the close of the financial year.</p> <p>2 Extraordinary General Meetings take place when the Board of Directors or the Auditors deem this to be appropriate, or as decided by a general meeting. In addition, shareholders representing at least 10 percent of the share capital, may jointly request the calling of an extraordinary general meeting, in writing specifying the items to be discussed, and the proposal, and in the case of elections, the name of the proposed candidate.</p>	<p>[Article unchanged]</p>
<p>Article 10 Convocation</p> <p>1 The General Meeting is convened by the Board of Directors or by the organs and people designated by law.</p> <p>2 The meeting is called by a single announcement in the Swiss Commercial Gazette. Registered shareholders may in addition be informed in writing. In the convocation, the agenda as well as the proposals of the Board of Directors and the shareholders who requested a General Meeting or the listing of an item on the agenda are to be announced.</p> <p>3 At least twenty days before the Annual General Meeting, the Annual Report and the Audit Report are to be presented at the Company's head office for inspection by the shareholders. This must be mentioned in the convocation.</p> <p>4 The owners or representatives of all shares may, if no objection is raised, hold a general meeting without compliance with the prescribed formalities for convening (Universal Shareholders' Meeting). This meeting can validly discuss and decide upon any matters within the remit of the General Meeting provided that the holders or representatives of all the shares are present.</p>	<p>Article 10 Convocation</p> <p>[Article unchanged]</p>
<p>Article 11 Agenda</p> <p>1 Shareholders representing either alone or together shares with a nominal value of at least CHF 1,000,000 or at least 10 percent of the</p>	<p>Article 11 Agenda</p> <p>[Article unchanged]</p>

<p>share capital may request the inclusion of an agenda item. The inclusion of the agenda item must be applied for in writing to the Board of Directors at least 45 days before the meeting and shall specify the agenda item and the shareholders' proposals.</p> <p>2 The General Meeting cannot take any decisions regarding applications for items not duly announced; exceptions to this are applications for the convening of an extraordinary general meeting or the conducting of a special audit.</p> <p>3 Requests for items to be included on the agenda and for discussion without the taking of a decision do not require prior notice.</p>	
<p>Article 12 Chair of the General Assembly, Representatives, Vote Counters, Minutes</p> <p>1 The Chairman of the Board of Directors shall preside at the General Meeting, and in his absence the Vice-Chairman of the Board of Directors. If he too is absent, the Chairman is elected by the General Meeting.</p> <p>2 The chairman has all the powers and authority necessary for the proper conducting of the General Meeting.</p> <p>3 The Chairman appoints a recording secretary and scrutinizer, who need not be shareholders.</p> <p>4 The Board of Directors is responsible for the keeping of the minutes, which are to be signed by the chairman and the secretary. The minutes shall give information about decisions and elections and to declarations made on record by the shareholders.</p>	<p>Article 12 Chair of the General Assembly, Representatives, Vote Counters, Minutes</p> <p>[Article unchanged]</p>
<p>Article 13 Voting rights, Representation</p> <p>1 Each share registered as a share with voting rights in the share register gives entitlement to one vote.</p> <p>2 A shareholder may only be represented at the General Meeting by his legal representative, who does not have to be a shareholder, another shareholder with voting rights, the corporate</p>	<p>Article 13 Voting rights, Representation</p> <p>1 [Paragraph unchanged]</p> <p>2 A shareholder may only be represented at the General Meeting by his legal representative, who does not have to be a shareholder, another</p>

<p>proxy or a portfolio representative. All shares held by a shareholder shall be represented by only one person.</p> <p>3 The Board of Directors issues the required rules for the ascertainment of the voting rights. The Chairman decides on the admission to the General Meeting and the recognition of proxies.</p>	<p>shareholder with voting rights or the Independent Proxy. All shares held by a shareholder shall be represented by only one person.</p> <p>3 The Board of Directors may issue procedural rules regarding admission to the General Meeting, representation and recognition of proxies as well as the issuance of electronic proxies and instructions.</p> <p>4 The General Meeting elects the Independent Proxy annually. The term of office ends with the conclusion of the next ordinary General Meeting. Re-election is possible.</p> <p>5 If the Company does not have an Independent Proxy, the Board of Directors shall appoint the Independent Proxy for the next Shareholders' Meeting.</p>
<p>Article 14 Decisions, Elections</p> <p>1 The General Meeting forms a quorum regardless of the number of shareholders present or the shares represented.</p> <p>2 The General Meeting shall pass its resolutions and carry out its elections with an absolute majority of the votes cast, excluding abstentions, blank and invalid votes, provided that the law or the articles of association contain no provisions to the contrary. In case of elections, if an election is not made in the first-round of voting and if more than one candidate is available, a relative majority is sufficient in the second round.</p> <p>3 The chairman has no casting vote.</p> <p>4 Decisions are taken by open vote in the General Meeting, unless the General Meeting approves a written vote or the Chairman orders such. Voting can also be carried out electronically on the orders of the Chairman. The Chairman may have an open vote repeated at any time by a written or electronic ballot, where, in his opinion, there are doubts about the vote. In this case, the previous vote is considered not to have occurred.</p>	<p>Article 14 Decisions, Elections</p> <p>[Article unchanged]</p>
<p>Article 15 Important decisions</p>	<p>Article 15 Important decisions</p>

<p>1 A decision by the General Meeting consolidating at least two thirds of the votes represented and an absolute majority of the share par values represented is required for:</p> <ol style="list-style-type: none"> 1. A change in the corporate purpose; 2. The introduction and abolition of voting shares; 3. Restrictions on the transferability of registered shares; 4. Authorized or conditional capital increase; 5. Capital increase from equity for investment in kind or for the purpose of acquisition of assets and the granting of special privileges; 6. The restriction or abolition of pre-emptive rights; 7. The transfer of the headquarters of the company; 8. Facilitating or waiver of restrictions on transferability of registered shares; 9. The dissolution of the Company. <p>2 Decisions on mergers, divisions and transformations shall be governed by the provisions of merger law.</p> <p>3 Provisions of the articles of association that specify a majority greater than that decreed by law for the taking of certain decisions shall only be introduced or modified with the specified majority.</p>	<p>[Article unchanged]</p>
<p><u>B. The Board of Directors</u></p>	<p><u>B. The Board of Directors</u></p>
<p>Article 16 Election, Term of Office, Constitution</p> <p>1 The Board of Directors consists of at least three members. The members of the Board of Directors are individually elected each for a period of one year. Re-election is permitted. A year of office is considered to be the period between one ordinary General Meeting and the end of the next Annual General Meeting. The right to premature resignation or removal shall be retained.</p> <p>2 The Board of Directors constitutes itself. It</p>	<p>Article 16 Election, Term of Office, Constitution</p> <p>1 The Board of Directors consists of at least three members.</p> <p>2 The members of the Board of Directors and the Chairman of the Board of Directors are elected annually and individually by the General Meeting for a term of office extending until completion of the next Annual General Meeting. Re-election is possible.</p> <p>3 If the office of the Chairman is vacant, the</p>

<p>chooses a Chairman and one or more Vice Presidents from among its members. It appoints a secretary who need not be a member of the Board of Directors.</p> <p>3 The Board of Directors arranges moreover, subject to law and the articles of association, its own organization and decision-making by means of regulations.</p>	<p>Board of Directors shall appoint a new Chairman from among its members for the remaining term of office.</p> <p>4 Except for the election of the Chairman and the members of the Nomination and Compensation Committee by the General Meeting, the Board of Directors shall constitute itself. The Board of Directors shall elect one Vice Chairman. The Board of Directors shall appoint its secretary, who does not need to be a member of the Board of Directors.</p> <p>5 The Board of Directors arranges moreover, subject to law and the articles of association, its own organization and decision-making by means of regulations.</p>
<p>Article 17 Functions and powers</p> <p>1 The Board of Directors is responsible for the leadership of the Company and the monitoring of its management.</p> <p>2 The Board of Directors may take decisions on all matters that are not delegated by law or the articles of association to the General Assembly. It shall lead all operations of the Company, where it has not delegated its management. It represents the company externally and attends to all matters that are not under the law, articles of association or regulations of the Company delegated to another body.</p> <p>3 The Board of Directors may, in accordance with organizational rules, assign the management or individual parts thereof to one or more persons, members of the Board of Directors or third parties, who need not be shareholders. The organizational rules regulate the management, the posts required for it, defines their tasks and in particular regulates reporting.</p>	<p>Article 17 Functions and powers</p> <p>[Article unchanged]</p>
<p>Article 18 Decisions, Minutes</p> <p>1 The Board of Directors forms a quorum if a majority of its members are present. Decisions via telephone, video conferencing or electronic media are permitted, provided that no member</p>	<p>Article 18 Decisions, Minutes</p> <p>[Article unchanged]</p>

<p>requests that a session be held. The presence of one member is sufficient in case a decision limited to an increase of capital and to the related changes to the articles of association has to be made.</p> <p>2 Subject to the provisions of the organizational rules, the Board of Directors meets as often as business requires and as often as is requested by a member. Subject to the provisions of the organizational rules, decisions are made by majority vote of members present. In the event of a tie, the Chairman has the casting vote.</p> <p>3 If a written application is duly filed, the decision may be made by means of a circular letter, facsimile or electronic transmission provided no member requests verbal deliberation. A resolution by circular requires the consent of all members, in which signing can take place on different copies of the decision.</p> <p>4 Advises and decisions are recorded in a protocol, signed by the Chairman and the Secretary.</p>	
<p>[No corresponding current Section]</p>	<p><u>C. Nomination and Compensation Committee of the Board of Directors</u></p>
<p>[No corresponding current provision]</p>	<p>Article 19 Election, Term of Office, Constitution</p> <p>1 The Nomination and Compensation Committee shall be composed of in minimum two members of the Board of Directors.</p> <p>2 The members of the Nomination and Compensation Committee are elected annually and individually by the General Meeting for a term of office extending until completion of the next ordinary Shareholders Meeting. Re-election is possible.</p> <p>3 If the Nomination and Compensation Committee is not complete, the Board of Directors shall fill the open positions for the remaining term of office.</p> <p>4 The Nomination and Compensation Commit-</p>

	tee is self-constituting. It determines its chairman. The Board of Directors may determine the duties and organization in a separate Charter for the Nomination and Compensation Committee.
[No corresponding current provision]	<p>Article 20 Functions and powers</p> <p>1 The Nomination and Compensation Committee shall support the Board of Directors in the successors planning of the members of the Board of Directors and of the Executive Committee.</p> <p>2 The Nominations and Compensation Committee shall support the Board of Directors in establishing and reviewing the compensation strategy and guidelines and the performance objectives as well as in preparing the proposals to the General Meeting regarding the compensation of the Board of Directors and of the Executive Committee, and may submit proposals to the Board of Directors in other compensation-related issues.</p> <p>3 The Board of Directors may delegate further tasks to the Nominations and Compensation Committee that shall be determined in regulations.</p>
<u>D. External Auditor</u>	<u>D. External Auditor</u>
<p>Article 20</p> <p>1 The General Meeting shall elect as auditor for one year in each case, a state-supervised audit company for the purposes of the Audit Supervision Act (ASA). The auditors exercise the powers conferred upon them by law and regulations.</p>	<p>Article 21</p> <p>1 The General Meeting shall elect an external auditor under state supervision in accordance with the Federal Law on the Accreditation and Supervision of Auditors (RAG) for a term in office, which shall expire upon conclusion of the next ordinary General Meeting. The external auditor shall comply with auditing and reporting duties in accordance with the relevant statutory provisions.</p>
[No corresponding current Section]	<u>IV. Remuneration of the members of the Board of Directors and the Executive Committee</u>

<p>Article 19 Expenses, fees and shares in the profits</p> <p>1 The members of the Board of Directors are entitled to reimbursement of expenses incurred in the interest of company as well as remuneration for their work (fee), the amounts of which shall be determined by the Board itself.</p> <p>2 The fixing of profit shares for the members of the Board of Directors shall be responsibility of the General Meeting, within the limits set by law.</p>	<p>Article 22 Approval of Remuneration</p> <p>1 The General Meeting shall annually, separately and bindingly approve the proposals of the board of directors concerning the maximum overall amounts:</p> <ul style="list-style-type: none"> - of the maximum remuneration of the Board of Directors for the time-period until the next Annual General Meeting; and - of the maximum remuneration of the Executive Committee for the following financial year. <p>2 The Board of Directors may present deviating or additional proposals for approval by the General Meeting than determined in para 1 above, or may divide its respective proposals into other compensation elements and/or submit them for approval by the General Meeting with respect to different periods.</p> <p>3 If the General Meeting withholds its approval, the Board of Directors may submit new proposals for approval to the same General Meeting. If the Board of Directors makes no new proposals or if the General Meeting likewise declines the new proposals, the Board of Directors may convene a new General Meeting and submit new proposals.</p> <p>4 The Company or companies controlled by it may pay or grant compensation prior to approval by the General Meeting, subject to subsequent approval and respective claw-back provisions.</p> <p>5 The Board of Directors shall submit the annual Compensation Report to an advisory vote of the General Meeting.</p>
<p>[No corresponding current provision]</p>	<p>Article 23 Additional Amount</p> <p>1 The Company or the companies controlled by it shall be empowered to pay an additional amount for the duration of the remuneration periods already approved to any member who joins the Executive Committee or is promoted within the Executive Committee after remuneration has been approved by the general meeting.</p>

	<p>Such additional amount shall not exceed, per each compensation period in the aggregate 40% of the last approved overall amount of compensation for the Executive Committee. Such additional amount may also be used to compensate disadvantages and/or replace forfeited awards of a new member of the Executive Committee due to the change of employment (replacement awards).</p>
<p>Article 19 Principles of Grant of Option Rights</p> <p>1 The Board of Directors or the Compensation Committee may in principle decide at its own discretion to grant option rights to individual or all members of the Board of Directors and of the Executive Committee of the Company and of its subsidiaries/group companies. For such purpose, the Board of Directors issues a corresponding regulations, respectively award plan pursuant to the rules of Section 2 of this Article.</p> <p>2 The grant of option rights by the Board of Directors or the Compensation Committee shall be made within the following principles: (1) grants are awarded only to members of the Board of Directors and of the Executive Committee whose term has not expired or, respectively, are in a non-terminated employment agreement with the Company; (2) the award shall be made individually on the basis of a decision of the Board of Directors or the Compensation Committee; (3) the Board of Directors or the Compensation Committee shall determine the option price, but may also award option rights for free; (4) the Board of Directors or the Compensation Committee shall determine the exercise price in the regulations, respectively award plan, whereby the same shall at least correspond to the nominal value of the awarded shares; (5) the regulations, respectively award plan, shall set out the vesting period, which shall be at least of six months; (6) vested option rights shall be exercisable, respectively convertible into shares,</p>	<p>Article 24 Principles of Remuneration to the members of the Board of Directors and the Executive Committee</p> <p>1 Compensation may be paid or granted in the form of cash, shares, other securities, options, comparable instruments or units, as well as contribution in kind, or in the form of other types of benefits.</p> <p>2 In addition to a fixed compensation, members of the Board of Directors and of the Executive Committee may be paid a variable compensation, depending on the achievement of certain performance criteria. The performance criteria may include individual targets, targets of the company or parts thereof and targets in relation to the market, indexes, other companies or comparable benchmarks, taking into account position and level of responsibility of the recipient of the variable compensation. The Board of Directors, or where delegated to it, the Nomination and Compensation Committee, shall determine the relative weight of the performance criteria and the respective target values and shall assess the goals at the end of a business year.</p> <p>3 In case of granting of awards, conversion or option rights or comparable instruments or units, compensation shall be valued in accordance with generally recognized valuation methods as per the grant date of the respective compensation element. The Board of Directors, based on a proposal of the Nomination and Compensation Committee, shall determine grant, vesting, blocking, exercise or forfeiture conditions. In the event of pre-determined</p>

<p>within up to 3 years as from grant. Unexercised option rights shall lapse without compensation; (7) the Board of Directors, respectively the Compensation Committee shall determine terms and requirements, including any acceleration, curtailment or waiving of the vesting period in specific circumstances such as a change of control, as well as any claw-back provisions.</p>	<p>events such as a change-of-control or termination of an employment or mandate agreement, the Board of Directors may provide, among other things, for continuation, acceleration or removal of vesting, blocking or exercise conditions, for payment or grant of compensation based upon assumed target achievement, or for part or full forfeiture. The details shall be determined in one or more separate plan rules. The Company may procure the required shares through purchases in the market or by using conditional share capital.</p> <p>4 The members of the Board of Directors providing services to the Company or other group companies in a function other than as members of the Board of Directors may be compensated according to standard market rates. Such compensation is part of the total compensation according to Article 22.</p> <p>5 Compensation may be paid or granted by the Company or companies controlled by it.</p> <p>6 The allocation of equity securities, conversion rights, option rights or other rights with equity securities as underlying that members of the Board of Directors and members of the Executive Committee receive in their function as shareholders of the Company (e.g. subscription right within a capital increase or option rights within a capital reduction) shall not be regarded compensation and are not subject to this provision.</p>
<p>[No corresponding current Section]</p>	<p><u>V. Contracts with members of the Board of Directors and of the Executive Committee</u></p>
<p>[No corresponding current provision]</p>	<p>Article 25 Contracts</p> <p>1 The Company or companies controlled by it may enter into agreements for a fixed term or for an indefinite term with members of the Board of Directors relating to their compensation. Duration and termination shall comply with the term of office and the law.</p> <p>2 The Company or companies controlled by it may enter into definite or indefinite employment</p>

	<p>contracts with members of the Executive Committee. The duration of definite employment contracts shall not exceed one year; renewal is possible. The termination notice period of indefinite employment contracts may not exceed 12 months.</p> <p>3 The Company or companies controlled by it may enter into non-compete agreements with each member of the Executive Committee for the time after termination of the employment agreement for a duration of up to one year. The annual consideration for such agreements shall not exceed the total annual compensation of such member of the Executive Committee during his last year of employment.</p>
[No corresponding current Section]	<u>VI. External Mandates, Loans and Credits</u>
[No corresponding current provision]	<p>Article 26 External Mandates</p> <p>1 No member of the Board of Directors may hold more than twenty (20) additional mandates of which no more than six (6) mandates in listed companies.</p> <p>2 No member of the Executive Committee may hold more than twenty (20) additional mandates of which no more than six (6) mandates in listed companies.</p> <p>3 The following mandates are not subject to these limitations: (a) mandates in companies which are controlled by the Company or which control the Company; (b) mandates held at the request of the Company or companies controlled by it; as well as (c) mandates in associations, charitable organizations, foundations, trusts, employee pension foundations. No member of the Board of Directors or of the Executive Committee shall hold more than forty (40) of such mandates as mentioned under (a) above respectively twenty (20) of such mandates as mentioned under (b) and (c) above.</p> <p>4 Mandates shall mean mandates in the supreme governing body of a legal entity, which is required to be registered in the commercial register or a comparable foreign register. Mandates</p>

	in different legal entities that are under joint control are deemed one mandate.
[No comparable present provision]	<p>Article 27 Loans and Credits</p> <p>1 Upon approval by the Board of Directors and subject to applicable laws, the Company may grant credits and loans to members of the Board of Directors or Executive Committee at market conditions. The total amount of such credits and loans shall not exceed 100% of the last annual remuneration per member of the Executive Committee.</p>
<u>IV. Financial year, financial issues</u>	<u>VII. Financial year, financial issues</u>
<p>Article 21 Financial year</p> <p>The financial year is determined by the Board of Directors.</p>	<p>Article 28 Financial year</p> <p>[Article unchanged]</p>
<p>Article 22 Use of retained earnings, reserves, dividends</p> <p>1 The General Meeting shall decide upon the use of the balance-sheet profit, taking into account the provisions of the law.</p> <p>2 In addition to the statutory reserve the General Meeting may establish additional reserves.</p> <p>3 Dividends that have not been drawn for 5 years from their due date shall pass to the Company and will be allocated to the general reserve.</p>	<p>Article 29 Use of retained earnings, reserves, dividends</p> <p>[Article unchanged]</p>
<u>V. Dissolution and liquidation</u>	<u>VIII. Dissolution and liquidation</u>
<p>Article 23</p> <p>1 The General Assembly may at any time decide the dissolution and liquidation of the Company in accordance with the legal and statutory provisions.</p> <p>2 Liquidation is carried out by the Board of Directors, unless the General Meeting appoints other liquidators. The liquidation of the Company shall be in accordance with the law. The</p>	<p>Article 30</p> <p>[Article unchanged]</p>

<p>liquidators may sell assets (including immovable property) at its discretion.</p> <p>3 After the clearance of debts, the assets will be distributed among the shareholders in proportion to their respective shares, determined according to par value.</p>	
<p><u>VI. Notices, announcements and convening of meetings</u></p>	<p><u>IX. Notices, announcements and convening of meetings</u></p>
<p>Article 24</p> <p>1 The Company's organ of publication is the Swiss Commercial Gazette. The Board is authorized to designate other publications.</p> <p>2 Communications of the Company to shareholders shall be by ordinary mail to the last address entered in the shareholder register or by publication in the Swiss Commercial Gazette.</p>	<p>Article 31</p> <p>[Article unchanged]</p>
<p><u>VII. Investments in kind</u></p>	<p><u>X. Contribution in kind</u></p>
<p>Article 25</p> <p>1 The Company takes over, with the foundation of BIOPHARMAinvest AG under the investment in kind agreement of 28 February 2007, 19,211,838 registered shares of mondoBIOTECH AG, Basel, with a total nominal value of CHF 192,118.38 at the price of CHF 170,204.00, for which 3,404,080 fully paid-up bearer shares of the Company with a par value of CHF 0.05 each will be issued to BIOPHARMAinvest AG. The company accepts in accordance with the investment in kind agreement of 28 February 2007 also from BIOPHARMAinvest AG 9,999,995 registered shares of mondoGEN AG of Zug, Switzerland, with a total par value of CHF 99,999.95 and a price of CHF 119,979.15, for which 2,399,583 fully paid up bearer shares of the Company with a par value of CHF 0.05 each are issued to BIOPHARMAinvest AG. The Company takes over, on the foundation of CTB Holding AG, in accordance with the investment in kind agreement of 28 February 2007,</p>	<p>Article 32</p> <p>[Article unchanged]</p>

<p>7,885,438 registered shares of mondoBIOTECH AG in Basel, with a total par value of CHF 78,854.38, at the price of CHF 69,859.95, for which 1,397,199 fully paid up bearer shares in the Company with a par value of 0.05 each will be issued to CTB Holding AG.</p> <p>2 The company accepts, in accordance with the investment in kind agreement of 17.9./20.11.2007, 16.9./20.11.2007, 12.9./20.11.2007, 20.11.2007, 20.11.2007, 18.9./20.11.2007, 13.9./20.11.2007, 14.9./20.11.2007, 12.9./20.11.2007, 12.9./20.11.2007, 13.9./20.11.2007, 10.9./20.11.2007, 10.9./20.11.2007, 2.10./20.11.2007, 13.9./20.11.2007, 24.9./20.11.2007, 24.9./20.11.2007, 13.9./20.11.2007, 14.9./20.11.2007, 10.9./20.11.2007, 14.9./20.11.2007, 14.9./20.11.2007, 14.9./20.11.2007, 12.9./20.11.2007, 14.9./20.11.2007, 12.9./20.11.2007, 12.9./20.11.2007, 11:10./20.11.2007, 4:10./20.11.2007, 7.9./20.11.2007, 14.9./20.11.2007, 21.9./20.11.2007, 10.9./20.11.2007, 13.9./20.11.2007, 14.9./20.11.2007, 15:10./20.11.2007, 14.9./11/20/2007 from the following investors in kind 6,739,133 registered shares of mondoBIOTECH AG in Basel, with a par value of CHF 67,391.33 to a value of CHF 42,666.25 for which 853,325 fully paid up bearer shares in the company with a par value of CHF 0.05 each will be issued at par.</p>	
<p>Article 26 Contribution in Kind</p> <p>1 According to the ordinary share capital increase of 13 September 2013 and the contribution in kind agreement of 13 September 2013 the Company takes over from Pierrel S.p.A., having its registered office in Milan, Italy, 742'574 registered shares with a nominal value of CHF 1 each in PRINT at a price and value of each EUR 26.68 (rounded), in total EURO</p>	<p>Article 33</p> <p>[Article unchanged]</p>

19'808'805.11, at least however, when converted, CHF 0.01 for each share, for which Pierrel S.p.A., as consideration, receives 232'045'803 fully paid-in registered shares of the Company, with nominal value of CHF 0.01.

2 According to the ordinary share capital increase of 13 September 2013 and the contribution in kind agreement of 13 September 2013 the Company takes over from Fin Posillipo S.p.A., having its registered office in Milan, Italy, 231'549 registered shares with a nominal value of CHF 1 each in PRINT at a price and value of each EUR 26.68 (rounded), in total EUR 6'176'770.28, at least however, when converted, CHF 0.01 for each share, for which Fin Posillipo S.p.A., as consideration, receives 72'356'405 fully paid-in registered shares of the Company, with nominal value of CHF 0.01.