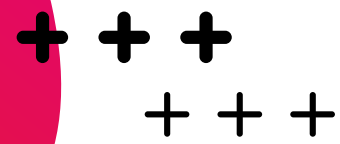


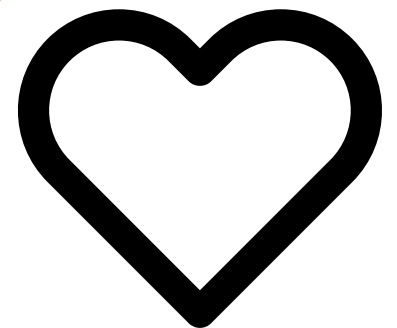
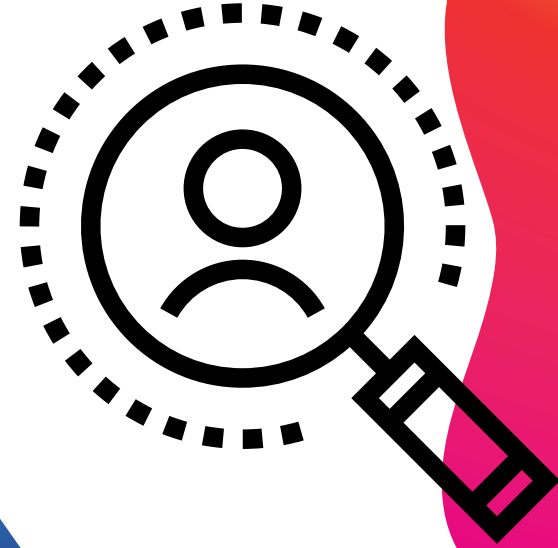
To the Shareholders of Idorsia Ltd

Notice of the Annual General Meeting 2021



Date

Wednesday, May 12, 2021



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“Our workforce’s resilience and determination contributed to an incredibly successful year.”

Mathieu Simon

Chairman of the Board of Directors



Dear Shareholders

Once again, the details of this year’s Annual General Meeting of Idorsia’s shareholders comes to you amid the continued COVID-19 pandemic. In this context we will be holding the event in accordance with the requirements of the COVID-19 Ordinance 3, issued by the Swiss Federal Council. This means that attendance in person is not possible and voting will take place by independent proxy. Again, we must prioritize the health of our shareholders and the Idorsia team.

Let me therefore take this opportunity to provide you with some context and background information on the Board’s proposals, which you are invited to vote on either by postal vote or via the electronic voting platform.

To begin with, you will find a full description of last year’s activities in our Annual Report 2020 at: **www.idorsia.com/annual-report**.

In the report you will read about the excellent progress the company has made, despite the upheaval that the global pandemic has caused. The workforce was able to hunker down and deliver the read out of vital results from the global Phase 3 program with daridorexant, our investigational therapy for insomnia and the Japanese study of clazosentan for cerebral vasospasm as a consequence of an aneurysmal hemorrhage. Both these positive programs have been analyzed and are already filed with health authorities for review. In order to not miss a beat, the company also made great progress



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with establishing our global commercial capabilities, building out our infrastructure, support network and most importantly a stellar team.

Obviously, these huge achievements take the limelight, but the company also advanced other projects in the drug discovery and clinical development pipeline. The lab-based colleagues continued to show-up and make a difference, while the clinical development team took steps to ensure patients could safely participate in the ongoing studies. An outstanding effort all round.

During 2020, we went to the capital market to access funding which will take us a long way towards our goal to become a sustainable, leading biopharmaceutical company. With our first stream of revenue on the horizon from the revenue sharing agreement for ponesimod, and our own potential product launches getting closer with each day, we are assessing all options to bring the company to break even. However, we must maintain financial and strategic flexibility. To this end, we are asking you to approve an increase to authorized capital until the AGM in 2023.

In addition, we are asking you to approve an increase in the budget for the aggregate maximum amount of compensation for the Idorsia Executive Committee. This would give the Board more flexibility to increase the potential variable pay, should we consider this appropriate to incentivize and reward the successful launch of the company's first products and other milestones planned for 2022, all of which are key to Idorsia's future success and sustainability.

Continuing our efforts to ensure the Board benefits from fresh perspectives, we are proposing two new candidates to the Board. Srishti Gupta and Peter Kellogg both bring rich experiences to the company as we embark upon our first product launches. You can read more about our proposed candidates in their biographies in the Appendix to this invitation. At the same time Viviane Monges and Michel de Rosen have decided not to stand for re-election this year. We thank both Viviane and Michel for their contribution to the Board during these critical years of Idorsia's foundation.

The other items on the agenda are relatively straightforward, and explanations are given

with the proposal or in the Appendix. I am very disappointed to not be able to meet with you in person at my first AGM as Chairman but I am sure that the excellent response from the pharmaceutical industry that has resulted in vaccines will mean we can return to some semblance of normality during this year.

I send you my best wishes for health in 2021, and I hope that you will exercise your voting rights through the proxy vote.

Best regards,



Mathieu Simon
Chairman of the Board of Directors

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1. **Annual Report 2020, Consolidated Financial Statements 2020, Statutory Financial Statements 2020 and Compensation Report 2020**
 - 1.1 **Approval of Annual Report 2020, Consolidated Financial Statements 2020 and Statutory Financial Statements 2020**
 - 1.2 **Consultative vote on the Compensation Report 2020**
2. **Appropriation of available earnings**
3. **Discharge of the Board of Directors and of the Executive Committee**
4. **Increase and extension of existing authorized share capital**
5. **Board elections**
 - 5.1 **Re-election of members of the Board of Directors**
 - 5.2 **Election of new Directors**
 - 5.3 **Election of the Chair of the Board of Directors**
 - 5.4 **Election of the Compensation Committee**
6. **Approval of Board compensation and Executive Committee compensation**
 - 6.1 **Approval of Board compensation (Non-Executive Directors) for the 2021–2022 term of office**
 - 6.2 **Approval of Executive Committee compensation 2022**
7. **Election of the Independent Proxy**
8. **Election of the statutory auditors**

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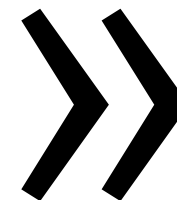
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1. Annual Report 2020, Consolidated Financial Statements 2020, Statutory Financial Statements 2020 and Compensation Report 2020

1.1 Approval of Annual Report 2020, Consolidated Financial Statements 2020 and Statutory Financial Statements 2020

Proposal of the Board of Directors:

The Board of Directors proposes that the Annual Report 2020, the Consolidated Financial Statements 2020 and the Statutory Financial Statements 2020 be approved.

1.2 Consultative vote on the Compensation Report 2020

Proposal of the Board of Directors:

The Board of Directors proposes that the Compensation Report 2020 be endorsed (non-binding consultative vote).

Explanation by the Board of Directors:

The Compensation Report has been made available to shareholders and can be downloaded from the company's website: www.idorsia.com/annual-report. It explains the governance framework and the principles underlying the compensation structure at Idorsia. In addition, the Compensation Report sets out the remuneration of the Board of Directors and the Idorsia Executive Committee for 2020, as required under the Ordinance against Excessive Remuneration at Listed Companies.

2. Appropriation of available earnings

Proposal of the Board of Directors:

The Board of Directors proposes the following appropriation:

(in CHF thousands)	
Accumulated profit (loss) at January 1, 2020	(23,476)
Net profit (loss) for the year 2020	(1,382)
Balance to be carried forward	(24,858)

Explanation by the Board of Directors:

The net loss for the year 2020 is carried forward.

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3. Discharge of the Board of Directors and of the Executive Committee

Proposal of the Board of Directors:

The Board of Directors proposes that all members of the Board of Directors and of the Executive Committee be granted discharge for the financial year 2020.

4. Increase and extension of authorized share capital

Proposal of the Board of Directors:

The Board of Directors proposes that the existing authorized share capital in the amount of CHF 1,510,000.00 be increased by an amount of CHF 1,690,000.00 to CHF 3,200,000.00, that the exercise period of the authorized share capital be extended until May 12, 2023, and that the first paragraph of Article 3b of the company's Articles of Association be amended as follows (changes underlined):

The Board of Directors is authorized to increase the Share Capital of the Company at any time until May 12, 2023, by an amount not exceeding CHF 3,200,000.00 through the issuance of up to 64,000,000 fully paid-in registered Shares with a nominal value of CHF 0.05 each. [...] [Rest of this paragraph and the remainder of Article 3b remain unchanged]

Explanation by the Board of Directors:

In order to support the company's growth plan, to prepare and execute the launch the company's first products, and to be able to fund the company's research and clinical development programs as well as other strategic projects, the company requires the flexibility provided by further authorized capital.

5. Board elections

5.1 Re-election of members of the Board of Directors

Proposal of the Board of Directors:

The Board of Directors proposes that each of the following persons be re-elected as directors for a term of office until the conclusion of the Annual General Meeting 2022:

- Mathieu Simon
- Joern Aldag
- Jean-Paul Clozel
- Felix R. Ehrat
- Sandy Mahatme

Explanation by the Board of Directors:

The elections will be conducted on an individual basis. For further information on the proposed candidates, please refer to the Corporate Governance Report 2020, which can be downloaded from the company's website.

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5.2 Election of new Directors

Proposal of the Board of Directors:

The Board of Directors proposes that each of the following persons be elected as independent directors for a term of office until the conclusion of the Annual General Meeting 2022:

- Peter Kellogg
- Srishti Gupta

Explanation by the Board of Directors:

The elections will be conducted on an individual basis. For further information on the proposed candidates, please refer to the Appendix to this Notice.

5.3 Election of the Chair of the Board of Directors

Proposal of the Board of Directors:

The Board of Directors proposes that Mr Mathieu Simon be re-elected as Chairman of the Board of Directors for a term of office until the conclusion of the Annual General Meeting 2022.

5.4 Election of the Compensation Committee

Proposal of the Board of Directors:

The Board of Directors proposes that Mr Mathieu Simon, Mr Joern Aldag, Dr Felix R. Ehrat, and Ms Srishti Gupta be elected as members of the Compensation Committee for a term of office until the conclusion of the Annual General Meeting 2022.

Explanation by the Board of Directors:

The elections will be conducted on an individual basis. Each individual proposal is subject to the condition that the person has been elected subject to items 5.1 or 5.2 respectively to the Board of Directors.

6. Approval of Board compensation and Executive Committee compensation

6.1 Approval of Board compensation (Non-Executive Directors) for the 2021–2022 term of office

Proposal of the Board of Directors:

The Board of Directors proposes the approval of the aggregate maximum amount of compensation for the Board of Directors (Non-Executive Directors) of CHF 1.3 million (excluding employer social security contributions) for the term of office until the Annual General Meeting 2022.

Explanation by the Board of Directors:

Each year, in accordance with Article 7 Section 1 (a) of the Articles of Association, the Board of Directors submits to the Annual General Meeting for approval the aggregate maximum amount of compensation for the Board of Directors for the period until the next Annual General Meeting. The Board decides upon the allocation of compensation to individual members. In addition, the company pays compulsory social security contributions as required by law.

More detailed information on the proposal can be found in the Appendix.

The actual compensation paid to each member of the Board of Directors (Non-Executive Directors) will be disclosed per calendar year in the Compensation Report. As required by the company's Articles of Association, the Compensation Report will also be submitted to the Annual General Meeting for a non-binding consultative vote.

6.2 Approval of Executive Committee compensation 2022

Proposal of the Board of Directors:

The Board of Directors proposes the approval of the aggregate maximum amount of compensation for the Idorsia Executive Committee (IEC) of CHF 15 million for the financial year 2022 (excluding employer social security contributions).

Explanation by the Board of Directors:

Each year, in accordance with Article 7 Section 1 (b) of the Articles of Association, the Board of Directors submits to the Annual General Meeting for approval the aggregate maximum amount of compensation for the IEC for the next financial year. This amount includes the base salary, benefits and allowances payable in 2022, the variable short-term compensation payable in respect of 2022, as well as the variable long-term compensation to be awarded in 2022.

The aggregate maximum compensation amount represents a budget and is based on the assumption that each member of the IEC will have received the maximum amount payable in accordance with the company's Articles of Association under the company's variable short-term compensation (bonus) plan for potentially demonstrating their outstanding performance against annual goals; and that the size of the variable long-term incentive awards under the company's allocation grid is increased by 25% and these awards are made at the maximum grant

level permitted under the company's Articles of Association for exceeding expectations on the business deliverables. It should not be regarded as the compensation amount that will actually be paid or awarded. The actual compensation will depend on the company's performance and individual achievements.

In addition, the company pays compulsory social security contributions as required by law.

More detailed information on the proposal can be found in the Appendix.

The aggregate compensation paid to the IEC in 2021, as well as the compensation of its highest paid member, will be disclosed in the Compensation Report 2021 and submitted to the Annual General Meeting 2022 for a non-binding consultative vote.

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7. Election of the Independent Proxy

Proposal of the Board of Directors:

The Board of Directors proposes that BachmannPartner Sachwalter und Treuhand AG, be elected as Independent Proxy for a term of office until the conclusion of the Annual General Meeting 2022.

8. Election of the statutory auditors

Proposal of the Board of Directors:

The Board of Directors proposes that Ernst & Young AG, Basel, be re-elected as statutory auditors for the financial year 2021.

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Agenda item requests

On February 5, 2021, following an announcement in the media on February 4, 2021, Idorsia Ltd published a notice in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt), inviting qualifying shareholders to submit their requests for the inclusion of individual items on the agenda by March 23, 2021. No such requests have been received.

Annual Report and Compensation Report

The Annual Report with Consolidated and Statutory Financial Statements, the Auditors' Reports for 2020 and the Compensation Report 2020 can be consulted by the Shareholders at the premises of Idorsia Ltd, Hegenheimermattweg 91, CH-4123 Allschwil. Registered Shareholders may request a copy of these documents.

All documents are also available online at **www.idorsia.com/annual-report**.

Exercise of voting rights and representation

Shares only qualify for voting if entered in the Share Register with voting rights on May 3, 2021.

The attached form may be used to appoint the Independent Proxy, BachmannPartner Sachwalter und Treuhand AG, Seidenhofstrasse 2, 6003 Luzern using the enclosed envelope. Forms must be received by May 7, 2021, please allow appropriate time for delivery given the strain on public resources.

Electronic authorizations and instructions to the Independent Proxy

Shareholders may issue electronic authorizations and instructions to the Independent Proxy at **www.netvote.ch/idorsia**. The requisite login data is enclosed in the meeting materials supplied to shareholders. Shareholders may change any instructions they may have communicated electronically up to, but no later than, 12:00 on May 11, 2021.

Shareholder statements/questions

Since shareholders are not permitted to attend the AGM in person, shareholders who would like to make a statement or who have questions are requested to send their communication by e-mail to: **investor.relations@idorsia.com**.

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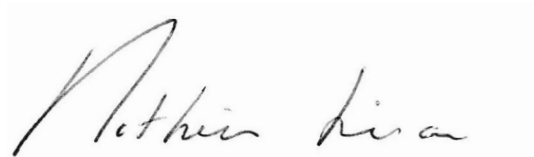
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Shareholder motions

Motions from shareholders with regard to agenda items are only permissible if they are submitted before the Annual General Meeting by the respective shareholders or by an individual proxy acting on their behalf. The Independent Proxy will not act as an individual proxy for this purpose.

Allschwil, April 1, 2021



For the Board of Directors:
Mathieu Simon
Chairman of the Board

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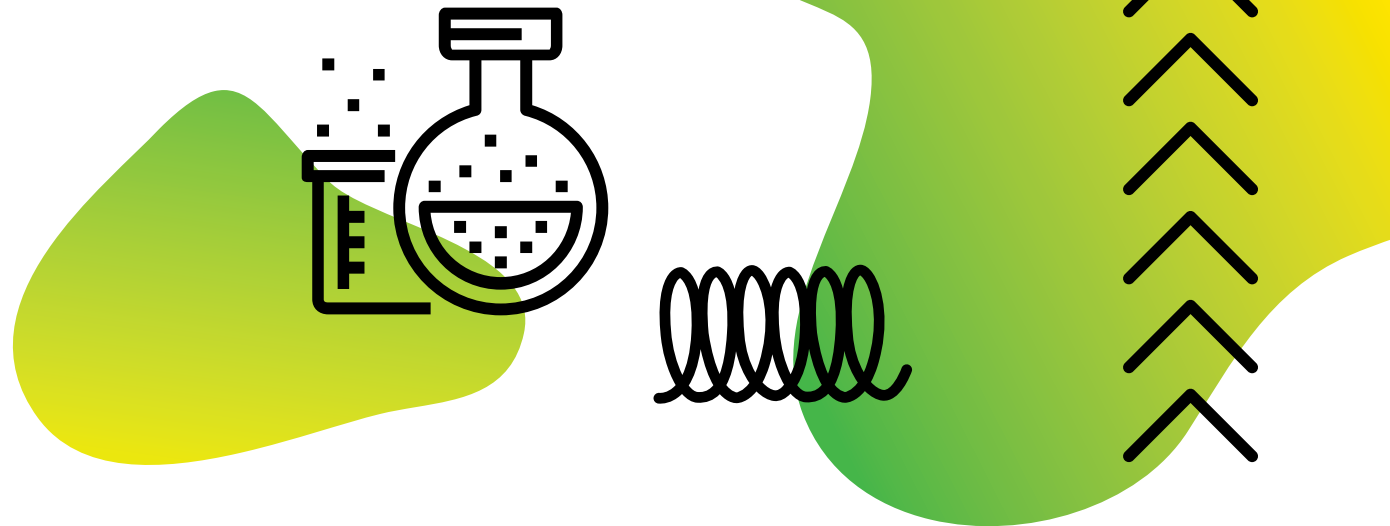
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Presentation of the proposed new Directors



Peter Kellogg

Mr. Kellogg retired in 2019 as Executive Vice President, Chief Strategy Officer (2018-2019) of Celgene Corporation where he also served as Chief Financial Officer (2014-2018).

Previously, he was Executive Vice President, Chief Financial Officer of Merck & Co. Inc. (2007-2014).

From 2000 to 2007, Mr. Kellogg served as Chief Financial Officer and Executive Vice President of Finance (since 2003) at Biogen Idec Inc. and the former Biogen, Inc. Before that, he served as Senior Vice President, PepsiCo E-Commerce at PepsiCo Inc. (2000) and as Senior Vice President and Chief Financial Officer, Frito-Lay International, (1998-2000).

From 1987 to 1998, he served in a variety of senior financial, international and general management positions at PepsiCo and

the Pepsi-Cola International, Pepsi-Cola North America, and Frito-Lay International divisions. Prior to joining PepsiCo, Mr. Kellogg was a senior consultant with Booz Allen & Hamilton and Arthur Andersen & Co.

From 2007-2020, Mr. Kellogg has been a Director of Metabolix, Inc., then Yield10, Inc. a public bioscience and engineering company focused originally on providing sustainable solutions to the plastics and chemicals industries, and subsequently leveraging advances in Crispr technology to develop improved commercial crops that improve yield and are more tolerant of soil, drought, and weather conditions through enhanced metabolic system design.

He received a BSE from Princeton University in 1978 and an MBA from The Wharton School in 1982.

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Srishti Gupta

Dr. Srishti Gupta is a physician leader whose career has spanned geographies as well as the private, public and non-profit sectors. Her deep understanding of science through her medical and scientific training and broad set of experiences in business and public health enable her to bring solution-focused, structured and analytical rigor to organizations engaged in solving society’s most complex problems.

In her 17 years at McKinsey, Dr. Gupta has held a variety of roles. She is currently the Global Leader for McKinsey Alumni, where she manages engagement with an alumni network of over 40,000 leaders and professionals. Previously she was the Director of Global Programs, creating programs to develop internal talent and support a strong culture of curiosity. As the lead for Diversity and Inclusion for Europe, Middle East, and Africa, she developed market specific strategies for attracting and retaining diverse talent in over 20 countries.

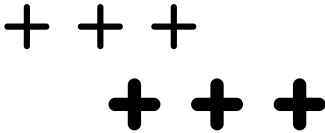
She spent over 10 years as a Senior Expert for the McKinsey Global Health Practice bringing rigorous analytics and

structured problem-solving to foundations, governments and the private sector on global health topics. Working as a physician and public health consultant in many country contexts including the United States, Peru, Tanzania, India, Botswana, and Indonesia, she deepened her appreciation of the medical and social determinants of health and disease. In 2014, she shared her experiences in global health delivery as an Instructor at MIT/Sloan School of Business.

Dr Gupta joined McKinsey shortly after completing her M.D. at Harvard Medical School and M.P.P focusing on international development at Harvard Kennedy School of Government. In addition, she holds master’s degrees from the Department of Pathology at University of Cambridge and the Department of Molecular and Cellular Biology at the Harvard Graduate School of Arts and Sciences as well as a bachelor’s degree from Harvard College. She is currently a member of the Harvard University Global Advisory Council and serves as Vice-Chair on the Board of the International School of Basel.

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Additional information for the vote on Board compensation and Executive Committee compensation

1. Introduction

Following approval of an initiative by Swiss voters on March 3, 2013, the Ordinance against Excessive Remuneration at Listed Companies (“Ordinance”) came into effect on January 1, 2014.

Under the Ordinance, the compensation of the Board of Directors and the Executive Management (Idorsia Executive Committee or IEC) has to be submitted to a binding shareholder vote for approval at the AGM.

The shareholders’ approval of the aggregate maximum amount of compensation for the Board of Directors (Non-Executive Directors) relates to the one-year period from the AGM 2021 to the AGM 2022. The shareholders’ approval of the aggregate maximum amount of compensation for the IEC relates to the financial year 2022.

Important information with regard to these votes can be found on the following pages.

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2. Approval of Board compensation (Non-Executive Directors or NEDs)

a) NED compensation structure for the AGM 2021–AGM 2022 term of office

The proposed NED compensation structure for the period from the AGM 2021 to the AGM 2022 remains unchanged compared to the previous term of office with the exception of an increased fee for Committee Chairs from CHF 15,000 in the previous term of office to CHF 20,000 for the AGM 2021–AGM 2022 term of office and is set out in the following table:

NEDs' compensation per term of office*

	CHF
Board Chair	350,000
Board member	150,000
Additional fee for Committee Chairs	20,000

* In connection with the payment of Board fees, Idorsia Ltd is responsible for paying the company-related portion of contributions to social security systems in line with applicable law. Any such contributions are not part of the aggregate maximum amount of compensation proposed for approval.

Of the total compensation, 25% is paid in cash and 75% in shares blocked for one year. In exceptional cases where the cash portion of the total compensation is expected not to be sufficient to cover tax withholding and social security obligations, Idorsia is allowed to increase the cash portion accordingly, so as to meet the above-mentioned obligations. The share portion will then be correspondingly decreased for the NED concerned.

No additional fees are payable for membership of a Committee of the Board.

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b) Explanation of the calculation of NED compensation for the AGM 2021–AGM 2022 term of office

The aggregate maximum amount of compensation for NEDs for the AGM 2021–AGM 2022 term of office proposed for approval at the AGM 2021 is CHF 1.3 million, which is the same amount as was approved by shareholders for the AGM 2020–AGM 2021 term of office. These figures exclude compensation for the CEO and employer social security contributions.

The aggregate maximum amount of CHF 1.3 million is based on the expected fees payable to the proposed six NEDs and includes an allowance for the possibility of an additional Board member if required.

For information, the actual aggregate compensation for the six current NEDs for the AGM 2020–AGM 2021 term of office was CHF 1.12 million, or 86% of the approved maximum (assuming no changes to Board membership prior to the AGM 2021).

3. Approval of IEC compensation for 2022

a) Overview of standard compensation elements for IEC members

1. Base salary, benefits and allowances

- Based on scope and level of responsibility of the position, and the knowledge and experience required to fulfill the role.
- Statutory benefits such as pension plan and insurance and other allowances (e.g. car, relocation).

2. Short-Term Incentive Plan (STIP)

- This plan incentivizes the achievement of annual Idorsia company goals.
- The target award is a percentage of base salary.
- The payout is in the form of a bonus payable in shares (65%; subject to a two-year blocking period) and in cash (35%) during the year following the performance year. Under the

company’s Articles of Association, it can range between 0% and 200%, but the current maximum set by the Nominating, Governance & Compensation Committee (NGCC) is 150% of the target level, based on actual achievement of goals versus predetermined targets.

3. Long-Term Incentive Plan (LTIP)

- This aligns IEC compensation with shareholder returns.
- Annual grant currently consists of stock options which vest after three years, subject to continued employment.
- A grid of target award size is set annually. Under the company’s Articles of Association, actual awards can be up to 200% of the target level but the current maximum set by the NGCC is 150%.

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b) Explanation of the calculation of IEC compensation for 2022

The aggregate maximum amount of IEC compensation for 2022 proposed for approval at the AGM 2021 is CHF 15 million, as compared to CHF 12 million approved for 2021. The difference is driven largely by the change in assumptions of possible maximum payout under the STIP and maximum award under the LTIP with the increased target levels of the award as described below.

This figure assumes no change in IEC headcount between 2021 and 2022. The IEC currently consists of five members, including the CEO.

The 2022 budget is calculated on the following basis:

- 1. Base salary, benefits and allowances:** This comprises the aggregate salaries of the IEC in 2022 – increased by 3% – benefits and allowances, and employer pension contributions, calculated in accordance with Idorsia’s compensation policies and Pension Plan provisions (7.5% contribution on base salary and 5% on the STIP).

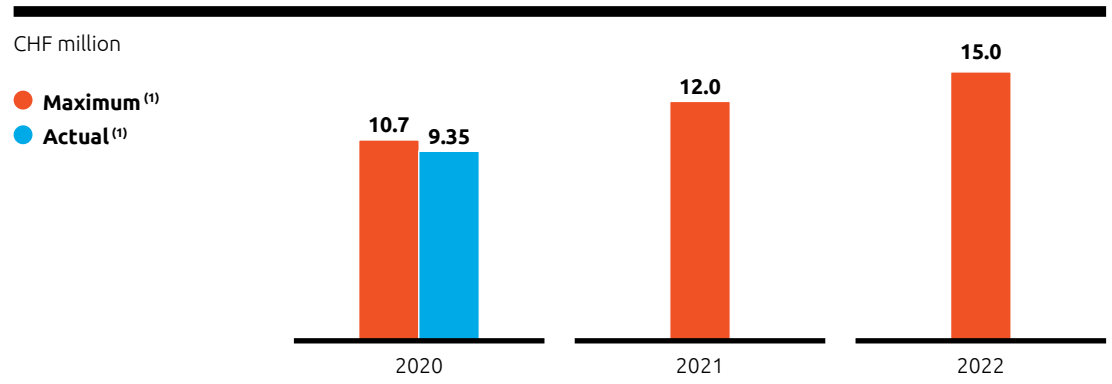
- 2. Short-Term Incentive Plan (STIP):** This represents 200% of the aggregate IEC bonus targets for 2021. This assumption is made in accordance with the company’s remuneration regulations, so as to accommodate any possible level of performance in 2022, and to enable the company to fulfill its legal obligations. In 2022 we plan to launch our first products and intend to set very ambitious performance targets for that year, which led us to allow for the possibility of the maximum of 200% of target payout under the STIP permitted under the company’s Article of Association for the purpose of determining the aggregate maximum amount of IEC compensation for 2022. However, it should be noted that the NGCC has not at this time considered whether or not it will be appropriate to increase for 2022 the maximum potential payout from the current maximum determined by the Committee at 150% of target.

- 3. Long-Term Incentive Plan (LTIP):** In setting the maximum budget for the LTIP awards it has been assumed that:
 - The target award levels set by the Board are increased from the levels set as of 2019 by 25%.
 - The fair value of awards is increased from 150% to 200% of the aggregate IEC target levels for 2022 as is permitted under the company’s Articles of Association.

These assumptions are made in anticipation of Idorsia’s first product launches, so as to accommodate any possible level of performance in 2022. They will ensure that the Board can appropriately incentivize and reward the IEC for the successful launch of the company’s first products and other milestones, all of which are key to the company’s future success and sustainability. However, it should be noted that the NGCC has not at this time considered whether or not it will be appropriate to increase for 2022 the target levels in the grid and/or the maximum potential award payout from the current maximum determined by the NGCC at 150% of target.

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The following chart shows the progression in the aggregate maximum amount of IEC compensation from 2020 to 2022, and compares the actual amount for 2020 to the maximum previously approved by the shareholders of Idorsia:



⁽¹⁾ In connection with IEC compensation, Idorsia Ltd pays the company-related portion of social security contributions in line with applicable law. These contributions are not included in the aggregate maximum total amount or in the Actual values in the chart. Likewise, the social security contributions for LTIP awards are not included, as they are only due at exercise of the stock options; they are expected to trigger employer social security costs up to 7% of the gain at exercise.

The following table shows the breakdown of the aggregate maximum IEC compensation for 2022. The breakdown is indicative and subject to change; however, the total for 2022 will not exceed CHF 15 million (excluding employer social security contributions, and assuming no increase in the number of IEC members).

Compensation elements

Maximum amount in CHF million	
Base salary, benefits, and allowances	3.4
Short-Term Incentive Plan (STIP)	3.7
Long-Term Incentive Plan (LTIP)	7.9
Total 2022	15.0



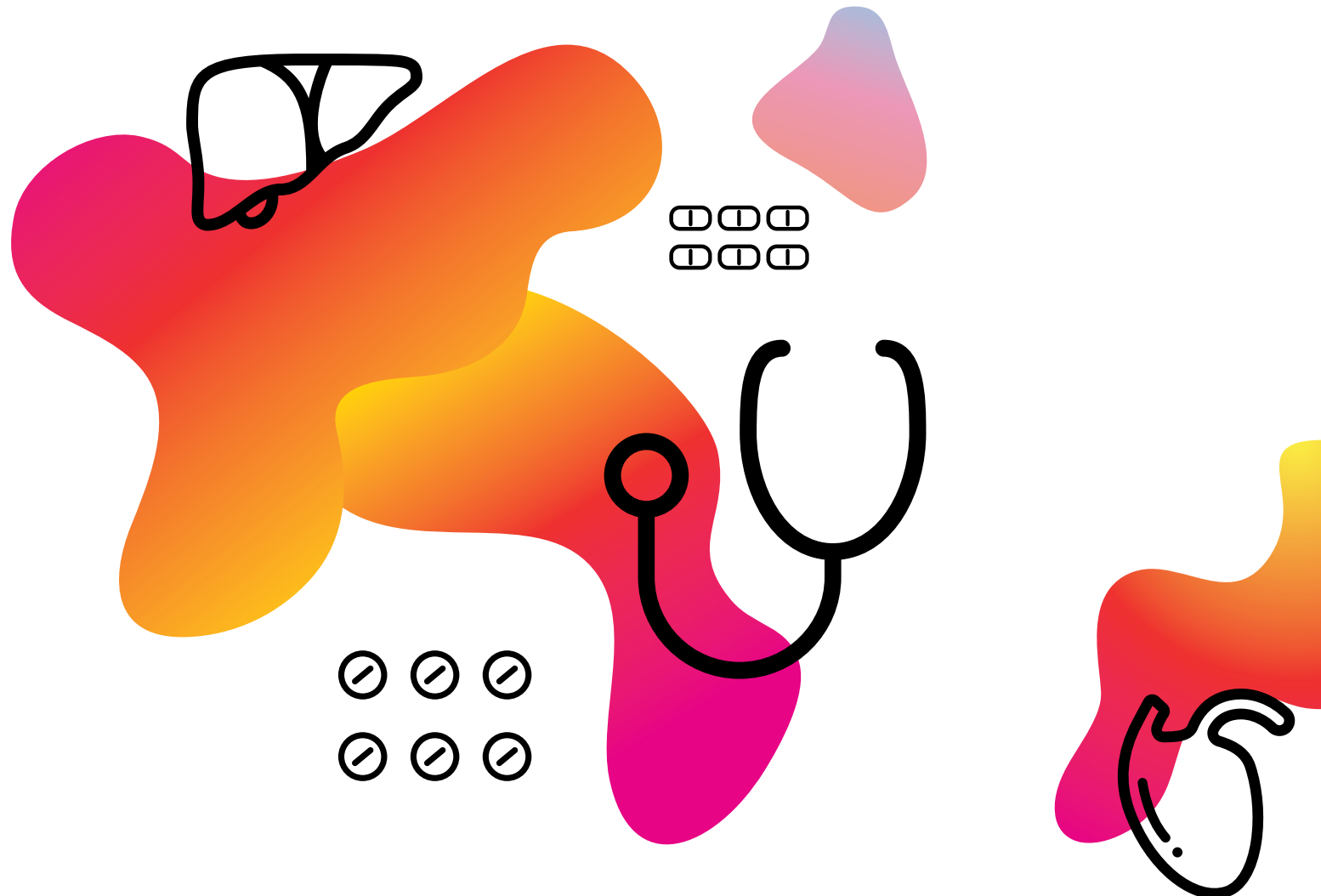


**Idorsia Annual Report 2020,
available on the Idorsia website:
www.idorsia.com**



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Curious to learn more?
Reach out to us.



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