



CORPORATE POLICY

Document Name:	Investment Policy
Revision:	01
Reason for Revision:	New policy for SEC compliance
Author:	Homburger AG Guy Deillon, MLaw, LL.M. Cooley LLC Josh Kaufman Esq
Adopted:	28 th Jan 2020

Approved by:

Vincent Lawton
Chairman of the Board

Tim Dyer
Secretary to the Board

TABLE OF CONTENTS

1.	General	3
2.	Investment Objectives	3
3.	Investment Responsibility	3
4.	Amendment	3
5.	Investment Parameters	3
5.1	Safekeeping of Securities	3
5.2	Eligible Investments	3
5.3	Investment Constraints	4
5.4	Liquidity and Duration	5
5.5	Prohibition Against Speculative Investments.....	5
5.6	Investment Performance	5
5.7	Credit Quality	6
5.8	Marketability	6
5.9	Trading Guidelines.....	6

1 General

Addex Therapeutics Ltd, a company incorporated in Plan-les-Ouates/Geneva, Switzerland, and listed on the SIX Swiss Exchange (**SIX**) (**Addex**), and all the companies included in its consolidated financial statements (**Addex Group**) have to comply with all applicable laws of Switzerland, as well as the federal securities laws of the United States of America and the rules of the Nasdaq Stock Market LLC.

This investment policy (**Policy**) is intended to govern the investment of Addex funds, whether managed internally or externally.

2 Investment Objectives

The objectives of this Policy are to:

- a. Preserve principal;
- b. Achieve liquidity requirements; and
- c. Safeguard funds.

Accordingly, this Policy is designed to permit Addex to earn an attractive rate of return on its investments while limiting exposure to risk and avoiding inappropriate concentration of investments.

3 Investment Responsibility

The Chief Financial Officer of Addex (the **CFO**) or, in the CFO's absence, the Chief Executive Officer of Addex (the **CEO**), is responsible for overseeing the management of Addex investment portfolio, including: (1) monitoring the investment portfolio for suitability and compliance with this Policy; (2) proposing alterations to this Policy; and (3) carrying out this Policy and designating individuals who may carry out this Policy on behalf of Addex.

4 Amendment

This Policy is subject to amendment from time to time with the approval of Addex Board of Directors (the **Board**).

5 Investment Parameters

All investments shall be denominated in Swiss franc, U.S. dollars, British pound or Euro, meet the minimum credit ratings listed below and have a liquid secondary market. Investments may be made directly by instrument or investments may be purchased through mutual fund or money market share purchases or through a managed account. Interest rates may be fixed, or variable, per instrument. Further, all investments shall be made in accordance with the following guidelines:

5.1 Safekeeping of Securities

All securities will be kept in Addex name and will be held in trust at the institution where purchased or its safekeeping representative.

5.2 Eligible Investments

- a. Swiss or U.S. treasury bills, notes, and bonds including putable, callable, and floating-rate obligations.

- b. Swiss or U.S. government agency debt obligations and obligations issued by government-sponsored enterprises including putable, callable, and floating-rate obligations.
- c. Corporate debt obligations including commercial paper, variable-rate demand notes, putable, callable, and floating-rate obligations and Eurodollar and Yankee obligations.
- d. Bank debt obligations including negotiable Swiss or Euro CDs, time deposits and banker's acceptances, variable-rate demand notes, putable, callable, and floating-rate obligations and Eurodollar and Yankee obligations.
- e. Taxable, tax-exempt, and tax-advantaged municipal debt obligations including variable-rate demand notes and putable, callable, and floating-rate obligations. Tax-exempt and tax-advantaged municipal debt obligations are eligible only when the Company is a full tax-paying entity.
- f. Asset-backed commercial paper.
- g. SEC-registered or other similar money market funds which maintain a net asset value of USD 1.00/share and which consist of a minimum of USD 1 billion in assets.
- h. Repurchase agreements collateralized at a minimum of 102% with Swiss or U.S. treasury bills, notes, or bonds or U.S. agency debt obligations. The collateral may not have maturities in excess of 24 months and must be delivered to Addex custodial bank.

5.3 Investment Constraints

- a. Borrowing for investment purposes is prohibited.
- b. Investment in securities with underlying leverage risk or esoteric structures is prohibited.
- c. Investments in equity securities are prohibited (other than any such investments made by Addex as part of a business transaction approved by the Board). Investments in derivative securities are also prohibited, with the exception of floating-rate notes and asset-backed securities.
- d. Credit ratings must meet or exceed the following (as rated by Moody's Investors Service and Standard & Poor's):
 - i. Long-term debt ratings (direct purchased): Aa3 by Moody's and AA- by Standard & Poor's
 - ii. Managed fund credit ratings (fund purchased): Aa
 - iii. Managed fund market risk ratings (fund purchased): MR2
 - iv. Short-term debt ratings (all issuers, direct purchased): Prime 1 by Moody's and A1 by Standard & Poor's
 - v. Municipal debt ratings: i) A by Moody's and Standard & Poor's, or ii) MIG1 or VMIG1 by Moody's and SP1 by Standard & Poor's, or iii) P1 by Moody's

and A1 by Standard & Poor's

- vi. ABS ratings: i) Aaa by Moody's or AAA by Standard & Poor's, or ii) Prime 1 by Moody's or A1 by Standard & Poor's
- e. At any time, up to 100% of the portfolio may be invested in Swiss or U.S. treasury debt obligations, Swiss or U.S. agency debt obligations and obligations of government-sponsored enterprises, money market funds which comply with the minimum ratings listed under 5.3d above, certificates of deposit fully insured by the U.S. Federal Deposit Insurance Corporation (**FDIC**) or the U.S. Federal Savings and Loan Insurance Corporation (**FSLIC**), or other, non-insured, non-guaranteed securities meeting the above criterion.
- f. With the above exception of 5.3e. for Swiss or U.S. treasury debt obligations, Swiss or U.S. agency debt obligations and obligations of government-sponsored enterprises, money market funds, or certificates of deposit fully insured by the FDIC or FSLIC, once Addex has achieved an excess cash balance of at least USD 10.0M or currency equivalent, the amount available for investment with any one issuer shall not exceed 10% of the book value of the portfolio at the time of purchase.

5.4 Liquidity and Duration

- a. A minimum of 1-½ times the amount of expected monthly cash outflow must be liquid each business day. Liquidity may be reduced below the amount of 1-½ times expected monthly cash outflow upon written notice by the Audit Committee of the Board or the Board.
- b. The maximum weighted average portfolio duration shall not exceed 12 months at any time.
- c. The maximum maturity of any single instrument in the portfolio shall not exceed 36 months.
- d. For securities that have put, reset, or expected average maturity dates, the put, reset, or expected average maturity dates will be used, instead of the final maturity dates, for maturity limit purposes.

5.5 Prohibition Against Speculative Investments

Addex is prohibited from engaging in any non-business related investment activity that would be considered speculative according to the principles of conservative investment management, whether or not that activity is specifically prohibited elsewhere in this Policy.

5.6 Investment Performance

- a. Any individual in the Addex Group or third-party investment management firm designated by the CFO or, in the CFO's absence, the CEO, pursuant to this Policy who carries out this Policy on behalf of Addex (the **Investment Advisor**) will issue a quarterly investment performance analysis using time-weighted measures.
- b. A quarterly meeting will be held with the Investment Advisor and the individual in the Addex Group with investment responsibility under this Policy to review performance figures and any updated liquidity needs.

5.7 Credit Quality

- a. Trends for a given company or industry must be reviewed periodically by the Investment Advisor and adjustments in percentage positions made accordingly.
- b. Should any investment held in Addex portfolio fall short of prescribed guidelines, immediate notification must be made by the Investment Advisor to the individual in the Addex Group with investment responsibility under this Policy.

5.8 Marketability

- a. All securities must be purchased through investment banking and brokerage firms of high quality and reputation, with a history of making markets for the securities in which Addex invests.
- b. In the unlikely event that securities must be sold before their maturity, the securities must be easily remarketed. To accomplish this, the securities must be conventional products with strong name recognition.

5.9 Trading Guidelines

- a. Normal investing practice is to reinvest the funds on the day a security matures, to minimize lost interest.
- b. A daily transaction log is to be maintained and available for review at any time.
- c. All trading firms must generate a hard copy document for each transaction that is mailed to the Investment Advisor, if any, or, in the alternative, to Addex. These documents are then matched to the transaction log by the Investment Advisor, if any, or, in the alternative, Addex.