
Audit and Risk Committee Charter

of

BB Biotech AG

Approved by the Board on
April 19, 2022

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1. Basis

- (a) This audit and risk committee charter (**ARC Charter**) is adopted by the board of directors (**Board**) of BB Biotech AG (**Company**) on the basis of the Swiss Code of Obligations (**CO**), the Company's articles of association (**Articles**) and the Company's organizational regulations (**Regulations**).
- (b) Except as expressly provided in this ARC Charter, the Regulations or the Articles, the audit and risk committee (**ARC**) shall determine its own rules of procedure.
- (c) The purpose of the ARC is to assist the Board in overseeing (1) the integrity of the financial statements of the Company and the consolidated financial statements of the Company and its direct or indirect subsidiaries, which form the BB Biotech group (**Group**), (2) the qualifications, independence and performance of the Company's auditors (**Auditors**), (3) the internal control processes of the Group, (4) the reports of the Auditors, as set out in further detail in this ARC Charter, and (5) the Company's and the Group's risk management and compliance processes as well as the risk exposure.

2. Composition, Election and Organization

- (a) The ARC shall consist of no less than one member of the Board. The member(s) of the ARC (**ARC Member(s)**) shall be non-executive and independent, as determined in accordance with Swiss law.
- (b) The Board shall appoint the members of the ARC individually for a term of office until the completion of the next ordinary general meeting of shareholders of the Company (**General Meeting**). Re-appointment is possible.
- (c) The Board shall have the power at any time to change the membership of the ARC, with or without cause.
- (d) If there are vacancies on the ARC, the Board may appoint substitute members from among its members for a term of office until the completion of the next ordinary General Meeting.
- (e) The ARC shall appoint a chair of the ARC (**Chair**) for a term of office until the completion of the next ordinary General Meeting. Re-appointment is possible.
- (f) The ARC shall appoint a secretary (**Secretary**), who does not need to be an ARC Member or member of the Board and who will maintain the minutes. The Secretary shall be entitled to participate in the deliberations and discussions of the ARC, but shall not vote, unless he or she is an ARC Member.

3. Powers and Duties

3.1 In General

In general, the ARC shall have the powers and duties as set out hereinafter. In addition, the ARC shall have all powers and duties delegated to it by the Board.

3.2 Specific Powers and Duties

The ARC shall:

Financial Statements:

- (i) review the annual financial statements of the Company and the consolidated annual and quarterly interim financial statements and the annual report of the Group as well as the Auditors' report and the management letters with the Auditors, in order to recommend the approval of the financial statements and the annual report (including any adjustments the ARC considers appropriate) to the Board;
- (ii) review and discuss with the Auditors the quality and acceptability of the Company's and the Group's accounting principles;
- (iii) review the Company's and the Group's accounting principles and policies and their implementation;
- (iv) review and discuss with the Auditors any significant issues relating to the integrity of the financial statements raised by the Auditors;
- (v) form an opinion of the adequacy, organization, efficiency and completeness of the Group's internal control system and procedures as they relate to the integrity of the financial statements;
- (vi) review legal and regulatory matters that may have a material impact on the financial statements or internal controls over financial reporting, related compliance policies and programs;

External Audit:

- (vii) at least annually assess the qualifications, expertise, effectiveness, independence and performance of the Auditors and their lead audit partner in order to support the Board in reaching a decision in relation to the re-election or dismissal of the Auditors and the rotation of the lead audit partner;
- (viii) approve the engagement letter of the Auditors, including the scope of the audit and the fees and terms for the planned audit work;
- (ix) monitor and discuss with the Auditors the relationship between the Auditors on the one hand and the Group on the other hand in order to assess the overall effectiveness of the relationship and independence of the Auditors;
- (x) oversee all audit and permitted non-audit services provided by the Auditors and establish such policies as the ARC deems appropriate;

Risk Management:

- (xi) review periodically and, if required, make recommendations to the Board regarding the Company's and the Group's risk management systems, practices and procedures ensuring effective risk identification, risk management and risk mitigation;
- (xii) assess and monitor the Company's and the Group's procedures to ensure compliance with relevant laws and regulatory requirements;

- (xiii) assess and monitor the Company's and the Group's potential or apparent exposure to environmental, social and governance (ESG) risks (such term as defined in more detail in the sustainability and governance committee charter) and, if required, make recommendations to the Board to implement or amend the investment strategy, the management systems, the practices and the procedures to manage such risks;
- (xiv) support and monitor, together with the sustainability and governance committee, the annual materiality analysis of the potential or apparent exposure to ESG risks by the Group's portfolio companies or the Group's investment manager and administrator, Bellevue Asset Management AG, and report the results of such analysis to the Board together with recommendations, if required, to amend the investment strategy and/or to divest one or more portfolio companies.

3.3 Information Rights

The ARC is empowered by the Board to collect all information and assistance from within the Group that is needed to perform the specific tasks and duties imposed upon it by this ARC Charter.

4. Rules of Procedure

4.1 ARC Meetings and Agenda

- (a) Meetings of the ARC (**ARC Meetings**) shall take place as often as necessary but in any event at least quarterly in each financial year.
- (b) ARC Meetings may be held in person or by means of a telephone or video conference or any other means, which allow the persons participating and attending such ARC Meeting to hear, and be heard by, all others participating and attending the ARC Meeting, or a combination thereof.
- (c) ARC Meetings shall be called by the Chair or, should the Chair be unable to do so, by another ARC Member, whenever necessary. Any ARC Member may at any time request that the Chair do so, specifying the items to be included in the agenda, in which case the Chair, or the Secretary on behalf of the Chair if so requested by the Chair, shall give notice to each ARC Member of such ARC Meeting within maximum 10 days following receipt of such request.
- (d) The Chair, or the Secretary on behalf of the Chair if so requested by the Chair, shall give at least 10 days' notice of any ARC Meeting to each ARC Member.
- (e) If the Chair determines that urgent business has arisen, notice of the relevant ARC Meeting may be reduced to two days. Irrespective of the circumstances, an ARC Meeting may be held at shorter notice or without notice if the prior consent of all ARC Members has been received.
- (f) The Chair, or the Secretary on behalf of the Chair if so requested by the Chair, shall circulate the agenda of the ARC Meeting and the package containing the information

and documentation relevant for the items to be discussed or resolved upon at the ARC Meeting (**ARC Pack**) reasonably in advance of the meeting.

- (g) Each ARC Member may request that items be placed on the agenda. Such a request shall, if reasonably possible, be sent to the Chair at least seven days prior to the relevant ARC Meeting. In such event, the Chair, or the Secretary on behalf of the Chair if so requested by the Chair, shall immediately communicate the additional items on the agenda to the other ARC Members before the beginning of the ARC Meeting, unless included in the ARC Pack.
- (h) ARC Meetings shall be chaired by the Chair or, in his or her absence, by another ARC Member appointed by the ARC.
- (i) ARC Meetings shall be held in English and all written communications and minutes shall be in English, unless otherwise required by applicable law.
- (j) The ARC may hold ARC Meetings as determined by the Chair with or without the participation of other persons who are invited to attend.

4.2 Quorum

A quorum shall exist if at least a majority of the ARC Members is present (including by video or telephone conference or by use of means according to Section 4.1(b)).

4.3 Resolutions

- (a) Each ARC Member shall be entitled to cast one vote.
- (b) The ARC shall pass resolutions and take other actions by an absolute majority of the votes of the ARC Members who are present. The Chair shall have the casting vote in case of a tied vote.
- (c) Resolutions may be passed by way of circulation in writing (including by PDF scans sent by e-mail), provided that no ARC Member requests oral deliberation within the period indicated in the corresponding motion. These circular resolutions shall be considered approved if all ARC Members have given their written consent.

4.4 Board Approval

To the extent the ARC does not have decision making authority, it shall submit its proposals and recommendations to the Board for approval.

4.5 Minutes

- (a) The ARC shall maintain written minutes of its ARC Meetings and properly record all its resolutions.
- (b) The minutes shall be signed by the acting chair and the acting secretary.

- (c) The minutes shall be distributed following the ARC Meeting to the ARC Members and at the latest be included in the board pack of the next Board meeting, and shall be approved at the next ARC Meeting.

4.6 Reporting

The Chair shall report to the Board at the next Board meeting. In case of any extraordinary business developments and matters of urgent nature, the Chair shall immediately report to the chair of the Board.

4.7 Retention of Consultants and Advisers

The ARC shall have the authority to select, retain, obtain the advice of and terminate any consultant, accounting expert, independent legal counsel or other adviser (each, a **Consultant**) (including the authority to approve the Consultant's fees and other retention items) it deems necessary for the fulfillment of its responsibilities. The ARC shall be directly responsible for the appointment, compensation and oversight of the work of any such Consultant retained by the ARC. The Company shall provide for appropriate funding, as determined by the ARC, for payment of reasonable compensation to any such Consultant retained by the ARC.

5. Miscellaneous

5.1 Duty of Care and Loyalty; Conflicts of Interest; Confidentiality

Sections 8.1, 8.3 and 8.4 of the Organizational Regulations shall apply *mutatis mutandis*.

5.2 Amendments to the ARC Charter

This ARC Charter may be amended at any time by resolution of the Board.

5.3 Effectiveness

This revised ARC Charter shall replace the AC Charter of 15 October 2019 and was adopted by resolution of the Board of April 19, 2022, and shall be effective as of April 19, 2022.