
Audit Committee Charter

of

BB Biotech AG

Approved by the Board on
15 October, 2019

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1. Basis

- (a) This audit committee charter (**AC 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 AC Charter, the Regulations or the Articles, the audit committee (**AC**) shall determine its own rules of procedure.
- (c) The purpose of the AC 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 and risk management processes of the Group, and (4) the reports of the Auditors, as set out in further detail in this AC Charter.

2. Composition, Election and Organization

- (a) The AC shall consist of no less than one member of the Board. The member(s) of the AC (**AC Member(s)**) shall be non-executive and independent, as determined in accordance with Swiss law.
- (b) The Board shall appoint the members of the AC 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 AC, with or without cause.
- (d) If there are vacancies on the AC, 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 AC shall appoint a chair of the AC (**Chair**) for a term of office until the completion of the next ordinary General Meeting. Re-appointment is possible.
- (f) The AC shall appoint a secretary (**Secretary**), who does not need to be an AC 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 AC, but shall not vote, unless he or she is an AC Member.

3. Powers and Duties

3.1 In General

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

3.2 Specific Powers and Duties

The AC 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 AC 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 AC deems appropriate.

3.3 Information Rights

The AC 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 AC Charter.

4. Rules of Procedure

4.1 AC Meetings and Agenda

- (a) Meetings of the AC (**AC Meetings**) shall take place as often as necessary but in any event at least quarterly in each financial year.
- (b) AC 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 AC Meeting to hear, and be heard by, all others participating and attending the AC Meeting, or a combination thereof.
- (c) AC Meetings shall be called by the Chair or, should the Chair be unable to do so, by another AC Member, whenever necessary. Any AC 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 AC Member of such AC 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 AC Meeting to each AC Member.
- (e) If the Chair determines that urgent business has arisen, notice of the relevant AC Meeting may be reduced to two days. Irrespective of the circumstances, an AC Meeting may be held at shorter notice or without notice if the prior consent of all AC 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 AC Meeting and the package containing the information and documentation relevant for the items to be discussed or resolved upon at the AC Meeting (**AC Pack**) reasonably in advance of the meeting.
- (g) Each AC 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 AC 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 AC Members before the beginning of the AC Meeting, unless included in the AC Pack.
- (h) AC Meetings shall be chaired by the Chair or, in his or her absence, by another AC Member appointed by the AC.
- (i) AC Meetings shall be held in English and all written communications and minutes shall be in English, unless otherwise required by applicable law.
- (j) The AC may hold AC 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 AC 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 AC Member shall be entitled to cast one vote.
- (b) The AC shall pass resolutions and take other actions by an absolute majority of the votes of the AC 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 AC Member requests oral deliberation within the period indicated in the corresponding motion. These circular resolutions shall be considered approved if all AC Members have given their written consent.

4.4 Board Approval

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

4.5 Minutes

- (a) The AC shall maintain written minutes of its AC 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 AC Meeting to the AC Members and at the latest be included in the board pack of the next Board meeting, and shall be approved at the next AC 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 AC 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 AC shall be directly responsible for the appointment, compensation and oversight of the work of any such Consultant retained by the AC. The Company shall provide for appropriate funding, as determined by the AC, for payment of reasonable compensation to any such Consultant retained by the AC.

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 AC Charter

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

5.3 Effectiveness

This AC Charter was adopted by resolution of the Board of 15 October, 2019, and shall be effective as of 15 October, 2019.