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**Organizational Regulations**  
**of**  
**BB Biotech AG**

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Approved by the Board on  
15 October, 2019

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## 1. Basis

- (a) These organizational regulations (**Regulations**) are adopted by the board of directors (**Board**) of BB Biotech AG (**Company**) pursuant to article 716b para. 2 of the Swiss Code of Obligations (**CO**) and article 13 para. 2 of its articles of association (**Articles**).
- (b) The Company controls or is the ultimate parent company of subsidiaries (**Subsidiaries**), which together with the Company form the BB Biotech group (**Group**). In this function, the Company performs tasks of management, organization as well as financing for itself and for its Subsidiaries. To the extent permitted by applicable law, the corporate bodies of the Company may therefore also promulgate guidelines and directives for the Subsidiaries. Notwithstanding these endeavors, the legal independence of the Subsidiaries and the provisions of applicable laws, rules and regulations relating to them must be observed to the extent legally required.
- (c) These Regulations govern the internal organization and corporate governance of the Company, i.e., the appointment as well as the functions, powers and duties of the following persons and corporate bodies of the Company:
  - (i) the Board and the members of the Board (**Directors**);
  - (ii) the chair of the Board (**Chair**);
  - (iii) the vice-chair of the Board (**Vice-Chair**);
  - (iv) the secretary of the Board (**Secretary**) (if appointed); and
  - (v) the committees of the Board (**Board Committees**) established from time to time pursuant to the Articles and these Regulations.
- (d) The Company and its Subsidiaries have delegated and outsourced certain duties and responsibilities, including the operational and asset management and certain administrative support functions, to a third party, Bellevue Asset Management AG, Küssnacht, Switzerland, which is supported by one or more of its subsidiaries (together **BAM**). This delegation and outsourcing is governed by a framework agreement between the Company and its Subsidiaries on the one hand and BAM on the other hand (**Framework Agreement**), a service level agreement between the Company and Bellevue Asset Management AG (**Service Level Agreement**), and asset management agreements between each Subsidiary and Bellevue Asset Management AG (each an **Asset Management Agreement**, and together with the Framework Agreement, the Service Level Agreement and any other agreement, arrangement or understanding regarding the delegation or outsourcing of any operational or asset management function or administrative support function, the **Management Agreements**, and each a **Management Agreement**).

## 2. Board of Directors

### 2.1. Composition

The Board shall consist of not less than three and no more than seven Directors.

## 2.2. Election and Organization

- (a) The general meeting of shareholders of the Company (**General Meeting**) shall elect the Directors and the Chair individually and for a term of office extending until completion of the next ordinary General Meeting. Re-election is possible.
- (b) If the office of the Chair is vacant, the Board shall appoint a new Chair from among its members for a term of office extending until completion of the next ordinary General Meeting.
- (c) The Board shall appoint from among its members a Vice-Chair each year immediately following the ordinary General Meeting for a term of office extending until completion of the next ordinary General Meeting.
- (d) The Board may appoint the Secretary, who need not be a member of the Board. The Secretary shall be entitled to participate in the deliberations and discussions of the Board, but shall not vote, unless he or she is a member of the Board.

## 2.3. Powers and Duties

- (a) Subject to the legal and statutory powers and duties of the General Meeting and the statutory auditors, the Board shall be the ultimate executive body of the Company.
- (b) The Board shall have the authority to pass resolutions on all matters of the Company that are not reserved to the General Meeting or to another corporate body by law, the Articles or these Regulations. Subject to the limitations set out in these Regulations, the Board shall have the authority to perform all acts that the business objectives of the Company may entail.
- (c) The Board shall, in particular, have the following non-delegable and inalienable powers and duties (articles 716a and 716b CO and article 13 para. 3 of the Articles):
  - (i) the ultimate management of the Company and the Group, and the issuance of necessary instructions;
  - (ii) the determination of the business policy and strategic management of the Company and the Group;
  - (iii) the determination of the organization of the Company and the Group, including the adoption and revision of these Regulations;
  - (iv) the organization of the accounting system, the financial controls and the financial planning of the Company and the Group;
  - (v) the preparation of the business report and the compensation report;
  - (vi) the preparation of the General Meeting, including the presentation of the annual financial statements and the management report, and the implementation of its resolutions;
  - (vii) the appointment and dismissal of the persons entrusted with the management and representation of the Company, and issuance of rules on the signature authority;

- (viii) the ultimate supervision of the persons entrusted with the management of the Company, in particular with regard to compliance with the law, the Articles, these Regulations and any other regulations and directives adopted from time to time;
  - (ix) the adoption of resolutions regarding the subsequent payment of capital with respect to non-fully paid in shares and the amendments to the Articles entailed thereby;
  - (x) the adoption of resolutions on the increase of the share capital to the extent that such power is vested in the Board, the ascertainment of capital increases, the preparation of the report on the capital increase, and the respective amendments of the Articles (including deletions);
  - (xi) the non-transferable and inalienable duties and powers of the Board pursuant to the Swiss Merger Act;
  - (xii) the notification of the judge if liabilities exceed assets; and
  - (xiii) other powers and duties reserved to the Board by law or the Articles.
- (d) In addition, the Board shall have, without limitation, the following powers and duties:
- (i) regularly to review and to determine the Group's investment strategy;
  - (ii) regularly to review and to approve the Group's investment guidelines (**Investment Guidelines**), including any amendments thereto and exceptions therefrom;
  - (iii) to review the conformity of new investments of the Group with the Investment Guidelines;
  - (iv) to approve the entering into, or the amendment or termination of, the Management Agreements, and any amendments to the scope of services provided by BAM thereunder;
  - (v) following consultation with BAM and subject to approval of the respective individual or team members, to appoint an individual or a team of BAM responsible for the performance of the responsibilities and duties under the Management Agreements;
  - (vi) to approve, on an annual basis, BAM's proposed allocation of a portion of the fees, which are to be paid by the Company to BAM, to the portfolio managers of BAM who provide services to the Group;
  - (vii) to pre-approve any third party costs incurred by BAM in their performance of services for the Company, provided that such costs are in excess of the threshold set forth in the Management Agreements;
  - (viii) to determine the Company's dividend policy;
  - (ix) to establish and adopt or amend a directive or procedures on public disclosure, reporting and securities trading;
  - (x) to review and approve the Group's risk management program, including reviewing important processes and procedures for monitoring significant risks or exposures that the Company or Group may face;
  - (xi) to review and approve the recommendations or proposals of the Board Committees;
  - (xii) to determine the compensation of the Directors;

- (xiii) to appoint or propose for election the members of the board of directors of the Subsidiaries;
- (xiv) to resolve on the exercise of the voting rights in the Subsidiaries.

#### 2.4. Board Meetings and Agenda

- (a) Meetings of the Board (**Board Meetings**) shall take place as often as the business of the Company or the Group requires but in any event at least quarterly in each financial year.
- (b) Board 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 meeting to hear, and be heard by, all others participating and attending the meeting, or a combination thereof.
- (c) Board Meetings shall be called by the Chair or, should the Chair be unable to do so, by the Vice-Chair or any other Director, whenever necessary. Any Director may at any time request that the Chair do so, specifying the items to be included in the agenda, in which case the Chair shall give notice to each Director of such Board 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 Board Meeting to each Director.
- (e) If the Chair determines that urgent business has arisen, notice of the relevant Board Meeting may be reduced to two days. Irrespective of the circumstances, a Board Meeting may be held at shorter notice or without notice if the prior consent of all Directors has been received.
- (f) In the event that the Board is to resolve on a confirmation of the execution of a capital increase and the corresponding changes to the Articles (in particular pursuant to articles 651a, 652e, 652g and 653g CO), no notice must be given to the Directors.
- (g) The Chair, or the Secretary on behalf of the Chair if so requested by the Chair, shall circulate the agenda of the Board Meeting at least five days before the meeting, and the Board package containing reporting information by the management and the specific items to be resolved upon at the Board Meeting (**Board Pack**) reasonably in advance of the meeting.
- (h) Each Director 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 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 Directors before the beginning of the meeting, unless included in the agenda.
- (i) No resolution shall be taken on items that were not on the agenda of the Board Meeting unless all Directors are attending the Board Meeting and agree that such resolution be taken or in case of urgency. Urgent items which are brought up after the agenda of the Board Meeting has been distributed may be discussed and resolved at such Board Meeting if at least two days' notice is given to the Directors or if a majority of all Directors present agree.

- (j) Board Meetings shall be chaired by the Chair or, in his or her absence, by the Vice-Chair or another Director appointed by the Board.
- (k) Board Meetings shall be held in English and all written communications and minutes shall be in English, unless otherwise required by applicable law.
- (l) The Board may hold Board Meetings as determined by the Chair with or without the participation of other persons who are invited to attend.

## **2.5. Quorum**

- (a) A quorum shall exist if at least a majority of the Directors is present (including by video or telephone conference or by use of other means according to Section 2.4(b)).
- (b) No attendance quorum shall be required if the only agenda item of the Board Meeting consists in the confirmation of the execution of a capital increase and the corresponding change to the Articles (in particular pursuant to articles 651a, 652e, 652g and 653g CO).

## **2.6. Resolutions**

- (a) Each Director shall be entitled to cast one vote.
- (b) The Board shall pass resolutions and take other actions by an absolute majority of the votes of the Directors 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 Director requests oral deliberation within the period indicated in the corresponding motion. These circular resolutions shall be considered approved if all Directors have given their written consent.

## **2.7. Minutes**

- (a) The Board shall maintain written minutes of its Board 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 Board Meeting and at the latest in the Board Pack of the next Board Meeting.

## **2.8. Information and Reporting**

- (a) Each Director shall be entitled to request information concerning all affairs of the Company. In the Board Meetings, all Directors and all persons entrusted with the management of the Company's business who are present at the meeting shall provide the requested information.
- (b) Outside the Board Meetings, each Director may request information from the other Directors and the persons entrusted with the management of the Company's business concerning the course of business and the finances of the Company and, upon authorization by the Chair, concerning particular aspects thereof.

- (c) To the extent necessary to fulfil his or her duties, each Director may request that the Chair authorizes the inspection of the books and records of the Company. If the Chair rejects a request for information, hearing or inspection, the Board shall decide whether to grant such request.
- (d) Notwithstanding the foregoing, individual resolutions of the Board may confer upon the Directors' additional rights to request information, a hearing or an inspection.

### **2.9. Self-assessment**

- (a) At least annually, the Board shall review its own performance, as well as the performance of each of the Board Committees. Such a review seeks to determine whether the Board and the Board Committees function effectively and efficiently.
- (b) In light of the annual performance evaluation, the Board must consider whether any changes should be made to the membership of the Board or Board Committees.

### **3. Chair**

The Chair shall have the following powers and duties:

- (a) to chair the General Meetings of Shareholders and the Board Meetings;
- (b) to prepare the General Meetings of Shareholders and the Board Meetings in consultation with the Secretary;
- (c) to inform all Directors without delay of material extraordinary events;
- (d) to lead the Board, ensuring it is an effective working group at the head of the Company and promoting a culture of openness and debate;
- (e) to ensure that the Board Committees meet regularly, function efficiently and report adequately to the Board, and to coordinate, together with the Board Committees' chairpersons, the work of all Board Committees;
- (f) to supervise the persons entrusted with the management of the Company's business on behalf of the Board, and to establish and keep close working relationships with such persons between Board Meetings;
- (g) to issue or lead external communications on matters of general interest for the Company or the Group and outside the day-to-day operational management vis-à-vis shareholders, investors, the general public and the media; and
- (h) any other matters reserved or allocated to the Chair by law, the Articles and these Regulations.

### **4. Vice-Chair**

- (a) The Vice-Chair shall have the following powers and duties:
  - (i) to assume the responsibilities of the Chair to the extent the Chair is unable to do so or would have a conflict of interest in doing so; and

- (ii) to take such other actions as may be decided by the Board from time to time or as may be requested by the Chair.
- (b) If the Vice-Chair is unable to act as deputy, the longest serving Director shall take his or her office.

## 5. Secretary

- (a) At the Chair's request, the Secretary may act on behalf of the Chair to notify the Directors of the Board Meetings and to circulate the agenda and the Board Pack.
- (b) The Secretary shall draft and keep the minutes of the Board Meetings.
- (c) The Secretary shall also be responsible for the proper management of the share register, whereby the Secretary shall ensure that the registers may be accessed from within Switzerland at any time and that at least one person domiciled in Switzerland and entitled to represent the Company has access to the registers. The Secretary may delegate this task to a third party.

## 6. Board Committees

- (a) Subject to the powers of the General Meeting and these Regulations, the Board may appoint one or more Board Committees, each Board Committee to consist of one or more Directors, as appointed by the Board.
- (b) Together with the appointment of a Board Committee, the Board shall establish the appropriate rules with respect to the mission, the authority and the reporting of the Board Committees.
- (c) Notwithstanding the generality of the above, the Board shall have the following standing Board Committees:
  - (i) a remuneration and nomination committee (**Remuneration and Nomination Committee**); and
  - (ii) an audit committee (**Audit Committee**).
- (d) The General Meeting shall elect the members of the Remuneration and Nomination Committee individually for a term of office until the completion of the next ordinary General Meeting.
- (e) The members of the Audit Committee shall be appointed by the Board for a term of office until the completion of the next ordinary General Meeting.
- (f) Members of the Board Committees may be re-elected at any time. If there are vacancies on a Board Committee (including the Remuneration and Nomination Committee), the Board may appoint substitute members from among its members for a term of office until the completion of the next ordinary General Meeting.

## 7. Operational and Asset Management

- (a) The Company and its Subsidiaries have delegated and outsourced certain duties and responsibilities, including the operational and asset management and administrative support functions, to BAM.
- (b) Any delegation and outsourcing of operational or asset management functions or administrative support functions shall be governed by one or several Management Agreements.
- (c) BAM shall have the following responsibilities and duties, as set forth in more detail in the Management Agreements:
  - (i) To support the Board, including with respect to general corporate services and administration, the implementation of the Board's resolutions as well as financial, management and regulatory reporting and disclosure;
  - (ii) communications, media relations, and sales support;
  - (iii) investor relations;
  - (iv) finance, compliance and administration, including financial accounting and reporting, transaction settlement, filings with stock exchanges, legal, regulatory and tax management, anti-money laundering tasks, compliance, and keeping of books and records;
  - (v) general management and projects, including support in strategic planning and market development, and support in overall company management (HR, processes, infrastructure etc.);
  - (vi) portfolio management, including research and analysis and decisions with respect to new investments, the increase | decrease of investments or full divestitures (in each case in line with the Investment Guidelines); and
  - (vii) product & risk management, including monitoring of compliance with the Investment Guidelines.
- (d) The Management Agreements shall provide, among other things, that
  - (i) the powers and duties of the Board as set forth in Section 2.3 remain reserved at any time;
  - (ii) the Board may at any time give instructions to BAM, including instructions which override the Management Agreements or the Investment Guidelines;
  - (iii) BAM reports to the Board on a at least quarterly basis and whenever requested by the Board on the operational and asset management activities as well as, in a timely manner, on any violation of BAM's internal directives regarding employee transactions and portfolio manager transactions; and
  - (iv) BAM immediately notifies the Chair of any actual or potentially price sensitive information within the meaning of the applicable regulations of the SIX Swiss Exchange, any actual or potential material adverse changes or any other event actually or potentially having a significant impact on the business, operations or share price of the Company.

## **8. General Provisions**

### **8.1. Duty of Care and Loyalty**

Each Director shall be under a duty to carry out his or her responsibilities with due care and to safeguard and further the best interests of the Company.

### **8.2. Signatory Power**

- (a) The Board determines the signature authority and appoints the persons authorized to sign on behalf of the Company.
- (b) As a rule, the Chair, the Vice-Chair and at least one additional Director shall have joint signature authority by two.

### **8.3. Conflicts of Interest**

- (c) The Directors shall use their best efforts to avoid, as much as possible, a conflict of interest when managing their personal and business affairs.
- (d) Each Director shall disclose to the Chair any conflict of interest generally arising or relating to any matter to be discussed at a meeting, as soon as the Director becomes aware of its potential or actual existence.
- (e) The Chair shall decide upon appropriate measures to avoid any interference of such conflict of interests with the decision-making of the Company. In the event of doubt, the Chair shall request the Board to determine whether a conflict of interest exists and to decide upon appropriate measures.
- (f) As a rule, the Director shall not participate in discussions and decision-making involving the matter at stake, subject to exceptional circumstances in which the best interests of the Company dictate otherwise. The Director with a conflict shall have the right to, or may be required by the Chair, to provide a statement of his or her view of the matter before leaving the discussion.
- (g) The Chair may decide to limit the information flow to the relevant Director, or to keep the matter entirely secret with respect to the relevant Director. The Chair shall advise the Board of the conflict of interest.

### **8.4. Confidentiality**

- (a) The Directors shall keep confidential all information and documents obtained in connection with the exercise of their function for the Company or Subsidiaries. They shall be bound by the obligation of confidentiality even after the termination of their mandate.
- (b) Upon termination of their function they shall return to the Company or the relevant Subsidiary all records, documents or other data obtained in connection therewith as well as any hardware or other material provided by the Company or any Subsidiary, any shareholder or any shareholder's affiliates.

#### **8.5. Amendments**

These Regulations may be amended at any time by resolution of the Board.

#### **8.6. Effectiveness**

These Regulations were adopted by resolution of the Board of 15 October, 2019, and shall be effective as of 15 October, 2019.