
Organizational Regulations

of

Galderma Group AG

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1. Legal and Statutory Basis

- (a) Based on art. 716b of the Swiss Code of Obligations (**CO**) and Articles 17 and 20 of the Company's articles of association (the **Articles of Association**), the Board adopts these Organizational Regulations (the **Regulations**).
- (b) The Regulations define the organization, operation and powers and responsibilities of the corporate bodies of Galderma Group AG (the **Company**), as well as the principles for the governance of the Group. In its capacity as the ultimate parent company of the Group, the Company performs tasks of management, organization and financing for the entire Group. To the extent permitted by applicable law, the corporate bodies of the Company may implement guidelines and directives for the entire Group and ensure that the Subsidiaries adhere to them.
- (c) For the purposes of these Regulations, the **Group** shall mean the Company and its Subsidiaries, where **Subsidiaries** means all such companies and a Subsidiary shall mean any such company in which the Company holds directly or indirectly a majority of the voting rights or has the right to appoint a majority of the members of the board of directors.

2. Corporate Bodies of the Company

The corporate bodies of the Company are:

- (a) the Board of Directors (the **Board**);
- (b) the Chairperson of the Board (the **Chairperson**) and one or several Vice-Chairpersons of the Board (the **Vice-Chairpersons**);
- (c) the Finance and Audit Committee;
- (d) the Compensation Committee;
- (e) the Strategy, ESG and Nomination Committee (together with the Finance and Audit Committee and the Compensation Committee, the **Board Committees**);
- (f) the Chief Executive Officer (the **CEO**), supported by the other members of the Executive Committee (the **ExCo**).

3. The Board

3.1 Composition and Constitution

- (a) The Board consists of no less than three and no more than ten members.
- (b) The general meeting of shareholders of the Company (the **Shareholders' Meeting**) elects each member of the Board and the Chairperson individually for a term of office until the completion of the next annual general meeting of shareholders (the **AGM**).

- (c) If the office of the Chairperson is vacant, the Board shall appoint a new Chairperson from among its members for a term of office extending until the completion of the next AGM.
- (d) The Board may appoint one or several Vice-Chairpersons from among its members for a term of office until the completion of the next AGM.
- (e) Each year at its first meeting after the AGM, the Board appoints:
 - (i) the chairperson and members of the Finance and Audit Committee;
 - (ii) the chairperson of the Compensation Committee; and
 - (iii) the chairperson and members of the Strategy, ESG and Nomination Committee.
- (f) The Board further appoints a secretary who does not need to be a member of the Board. The secretary acts as secretary to the Board Committees as well, unless the Board has appointed another secretary.

3.2 Powers and Duties

The Board shall have the following powers and duties:

- (a) the overall responsibility for overseeing, directing and supervising the management of the Company and the Group and to issue any necessary directives;
- (b) to determine the organizational setup and the legal structure of the Company and the Group as well as to enact, amend and implement these Regulations and annexes;
- (c) to adopt the fundamental business policy of the Group and resolutions concerning strategic issues and matters, especially with regard to:
 - (i) the strategy and the business plan of the Group;
 - (ii) joint ventures, mergers and acquisitions and other corporate transactions with a value above the threshold set forth in Annex 1 (Material Transactions); and
 - (iii) the dividend policy and any share buyback programs of the Company;
- (d) to structure the accounting system, the financial controls and the financial planning, to determine general policies regarding accounting, financial controlling, financial planning, reporting and internal controls, as well as to approve the annual budget and the annual and interim financial statements of the Company and the Group;
- (e) to adopt resolutions on the subsequent contributions to shares of the Company not fully paid in and the corresponding amendments of the Articles of Association (art. 634a CO);
- (f) to appoint and remove persons entrusted with the management (*i.e.*, the CEO and, upon recommendation of the CEO, to ratify the appointment and removal of the other members of the ExCo) and the representation of the Company;

- (g) to provide overall supervision of the persons entrusted with the management of the Company, especially with regard to compliance with the laws, the Articles of Association, these Regulations and the directives of the Company and the Group;
- (h) to determine and grant signatory power on behalf of the Company;
- (i) to prepare the annual report, the compensation report and any other reports as required by law, to prepare the Shareholders' Meeting and to execute its resolutions;
- (j) to adopt the resolutions on the change of the share capital, to the extent that such power is vested in the Board, to ascertain capital changes, to prepare the capital increase report, and to resolve on the respective amendments to the Articles of Association (including deletions);
- (k) the non-transferable and inalienable duties and powers of the Board pursuant to the Swiss Merger Act;
- (l) the powers and duties of the Board pursuant to the Swiss takeover rules and regulations, in particular the preparation of a Board report in response to a public tender offer;
- (m) the submission of a petition for debt-restructuring moratorium and the notification of the court in case of over-indebtedness;
- (n) to maintain the share register of the Company;
- (o) to adopt or amend the remuneration and benefits strategy of the Company and the Group as well as the compensation principles applicable to the members of the Board and the ExCo;
- (p) to adopt or amend the short- and long-term incentive plans for the senior management and any other participation or incentive plan of the Company or the Group, to oversee the implementation of such plans, and to approve the aggregate number of shares granted under such plans;
- (q) to approve the compensation of the members of the Board, subject to the maximum aggregate amount of compensation approved by the Shareholders' Meeting;
- (r) to determine the remuneration and bonus of the CEO and, upon recommendation of the CEO, to ratify the remuneration and bonus of the other members of the ExCo and to establish the objectives determining the bonus of the CEO and, upon recommendation of the CEO, to ratify such objectives for the other members of the ExCo, in each case subject to the terms and conditions of the relevant employment contract and consistent with any legal and statutory requirements, as well as subject to the maximum aggregate amount of compensation approved by the Shareholders' Meeting;
- (s) to authorize the CEO and the other members of the ExCo to exercise a public office or to assume an external mandate outside of the Group pursuant to Article 30 of the Articles of Association;
- (t) to establish standing or *ad hoc* committees for dealing with specific matters;

- (u) to approve any matter, which has to be submitted to the Board according to these Regulations;
- (v) other powers and duties reserved for the Board by law, the Articles of Association or these Regulations.

3.3 Powers and Duties of the Chairperson

The Chairperson, or in his/her absence a Vice-Chairperson, has the following powers and duties:

- (a) to prepare, organize and chair the Shareholders' Meeting and the meetings of the Board;
- (b) to cast the decisive vote in case of a tie in a meeting of the Board;
- (c) to inform the other members of the Board of material extraordinary events involving the Company or the Group; and
- (d) 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. The Chairperson may attend any meeting of the Board Committees.

3.4 Delegation of Powers

- (a) The Board delegates to the CEO responsibility for the overall management of the Company and the Group pursuant and subject to these Regulations, with the exception of the specific duties that are explicitly stipulated as a Board responsibility by law, the Articles of Association or these Regulations (see in particular sections 3.2, 4.2, 5.2 and 6.2).
- (b) Furthermore, the Board hereby delegates powers and responsibilities to:
 - (i) the Finance and Audit Committee according to section 4 of these Regulations;
 - (ii) the Compensation Committee according to section 5 of these Regulations;
 - (iii) the Strategy, ESG and Nomination Committee according to section 6 of these Regulations;
 - (iv) the CEO according to section 7 of these Regulations; and
 - (v) the ExCo according to section 8 of these Regulations.
- (c) The three above mentioned Board Committees shall only be empowered to make recommendations to the Board and they shall not be vested with their own decision-making authority, except as otherwise provided in the Articles of Association or these Regulations.
- (d) The Board may, upon giving appropriate notice to the corporate body to which it has delegated any of its powers and duties, re-assume responsibility for such powers and duties.

Similarly, the Board may, upon giving appropriate notice, delegate such powers and duties to any other corporate body or persons as it may from time to time deem appropriate.

3.5 Meetings and Minutes

- (a) The Board meets as often as required, but at least four times each year.
- (b) The Chairperson or, on his/her behalf, the secretary convenes the meeting. Each member of the Board may, by stating the reasons and the items to be placed on the agenda, request the Chairperson in writing to convene a meeting. The Chairperson shall convene the meeting within 14 days after receipt of such request.
- (c) Notice of meetings shall be given at least 10 days in advance in writing by any suitable means (e.g., by email or facsimile). In urgent cases, meetings may also be convened upon shorter notice.
- (d) The Chairperson or, if he/she is not in a position to do so, a Vice-Chairperson or another member of the Board shall preside the meeting. The Chairperson or acting chairperson shall decide when closed sessions without the presence of the CEO are held. Each member of the Board may, by stating the items to be placed on the agenda, request the Chairperson to hold a closed session without the presence of the CEO.
- (e) Unless the discussion pertains to them, the CEO (if not a member of the Board) and the Chief Financial Officer (**CFO**) will attend the meetings without voting rights. Further persons may be invited by the Chairperson or acting chairperson and attend without voting rights.
- (f) Meetings of the Board may be held by telephone or video conference or other electronic means of direct communication; the members participating in such manner shall qualify as present.
- (g) Minutes shall be kept of all meetings of the Board. The minutes shall contain a summary of the deliberations and the resolutions with the result of the vote.
- (h) The minutes are signed by the Chairperson or acting chairperson and the minute keeper. They shall be approved by the Board at the next meeting.

3.6 Agenda

- (a) The items on the agenda of the meetings of the Board shall be determined by the Chairperson in accordance with consultation and recommendations provided by the CEO.
- (b) The agenda of the meetings shall be communicated to the Board members when the meeting is convened and the materials related to the items on the agenda shall be provided in advance of the meetings.
- (c) Each Board member is entitled to request that further items be put on the agenda provided that such items are submitted to the Chairperson no later than five days before the meeting.

In such event, the Chairperson shall communicate the additional items on the agenda to the other Board members before the beginning of the meeting.

- (d) No resolution shall be taken on items, which were not on the agenda of the meeting, unless a majority of all Board members consents to holding the meeting on such items which were not on the agenda.

3.7 Quorum of Attendance

- (a) The Board may pass resolutions when the majority of the members of the Board are present. Absent members cannot be represented.
- (b) No quorum of the Board is required if the meeting is called to:
 - (i) certify or report on an increase or decrease of capital that has already been resolved, and to effect the amendment of the Articles of Association (including deletions) related thereto pursuant to art. 652e, 652g, 653g 653u para 4 CO;
 - (ii) approve the execution of a merger agreement in case of a simplified merger pursuant to art. 23 of the Swiss Merger Act;
 - (iii) approve the execution of a transfer agreement pursuant to art. 70 of the Swiss Merger Act in the event that the transferred assets do not exceed 10% of the total assets of the Company.

3.8 Vote, Majority Required

Resolutions of the Board and the Committees shall be adopted by a majority of the votes cast. In case of a tie, the Chairperson or acting chairperson has the casting vote.

3.9 Written Resolutions

- (a) Resolutions of the Board may also be passed by written consent to a proposal (including by way of return e-mail, PDF scans sent by e-mail, other means of electronic communication or facsimile), provided (i) the text of the resolution is provided to all members of the Board or the Board Committee and (ii) the majority of the members cast a vote and approve the matter. In the event of resolutions being passed by electronic means, no signature shall be required, subject to any regulation to the contrary by the Board.
- (b) Any member shall have the right to request – within the period stipulated by the Chairperson or the minute keeper for a vote – that the matter is discussed in a meeting.
- (c) Written resolutions shall be annexed to the minutes of the next meeting.

3.10 Right of Information

- (a) During Board meetings, each member of the Board may request information on all affairs of the Company and the Group from the other members of the Board as well as from the members of the management present.
- (b) Outside of Board meetings, each member of the Board may request from the CEO information concerning the course of business of the Company and the Group after having informed the Chairperson. To the extent necessary for the fulfilment of his/her duties, each member of the Board may also request the Chairperson to be granted access to the relevant Company records.
- (c) If the Chairperson rejects a request for information on specific matters or for access to records, *e.g.*, because the request would lead to a conflict of interest or is not in the best interest of the Company, the Board shall decide at its next meeting.

3.11 Urgent Procedure for Board Decisions

In urgent cases, the Chairperson and, in case he/she is a member of the Board, the CEO, otherwise the Chairperson and an alternative non-executive director (who for the sake of good governance is not the chairperson of the Finance and Audit Committee) together shall take all necessary decisions on behalf of the Board if: such resolution cannot be delayed, any prior deliberation and resolution is not possible, and the matter may not be addressed by a pre-arranged decision of the Board. The Chairperson shall notify the Board immediately of such decisions. Such decisions shall be ratified by the Board at its subsequent meeting or by written resolution.

3.12 Compensation

- (a) The Board determines the amount of the compensation of its members consistent with any legal and statutory requirements, taking into account their respective responsibilities, experience and the time which they invest in their activity as members of the Board.
- (b) In addition, the Board members shall be reimbursed for all reasonable cash expenses properly incurred by them in the discharge of their duties, including their reasonable expenses of traveling to and from the meetings of the Board or the Board Committees or the Shareholders' Meeting.
- (c) Subject to any legal and statutory requirements, special services rendered by individual members of the Board may be rewarded by the Board in an appropriate manner.

4. The Finance and Audit Committee

4.1 Composition and Organization

- (a) The Finance and Audit Committee consists of a minimum of three non-executive members of the Board. The majority of the members of the Finance and Audit Committee shall be independent as this term is understood by the Swiss Code of Best Practice for Corporate

Governance (the **Swiss Code**). The majority of the members of the Finance and Audit Committee, including its chair, shall be experienced in financial and accounting matters.

- (b) The Finance and Audit Committee meets as often as required, but at least three times each year.
- (c) Unless specifically stated otherwise, the organizational rules applicable to Board meetings, resolutions and information rights set forth in section 3.5 to section 3.10 of these Regulations apply *mutatis mutandis* to the Finance and Audit Committee, including the casting vote of the chairperson of the Finance and Audit Committee in case of a tie.

4.2 Duties

The Finance and Audit Committee has the following duties:

- (a) to assist the Board in overseeing the accounting and financial reporting processes as well as the risk management and compliance processes of the Company and the Group;
- (b) with respect to the statutory auditors of the Company and the Group (the **Auditors**):
 - (i) to review and assess the qualification, effectiveness and performance of the Auditors, in particular their independence from the Company and the Group. In connection therewith, it reviews in particular additional assignments given to the Auditors. The Finance and Audit Committee may suggest to the Board the adoption of binding regulations or directives in connection with such additional assignments;
 - (ii) to review and assess the scope and plan of the audit, the examination process and the results of the audit and to examine whether the recommendations issued by the Auditors have been implemented by management;
 - (iii) to review the Auditors' reports and the management letters prepared by the Auditors and to discuss their contents with the Auditors and with the management;
 - (iv) to review and assess the appointment, reappointment, or termination, and remuneration of the Auditors, and to support the Board in preparing the proposal to the Shareholders' Meeting with respect to the election or removal of the Auditors;
- (c) with respect to the internal audit and risk management:
 - (i) to review in cooperation with the Auditors, the CEO and the CFO the effectiveness of the internal audit function, its professional qualifications, resources and its cooperation with the Auditors;
 - (ii) to recommend the approval of the annual internal audit concept and the annual internal audit report, including the responses of the management thereto;
 - (iii) to review and assess the quality of the internal control system, and the efficiency and state of compliance and monitoring with applicable norms within the Company and the

Group. The Finance and Audit Committee shall ensure that an effective system of internal controls is in place that is reasonably designed to (i) safeguard the financial position and results of operations of the Company and the Group, (ii) assure the integrity of the Company's and the Group's financial statements and (iii) maintain compliance with the Company's and the Group's ethical standards, policies, plans and procedures and applicable laws and regulations;

- (iv) to oversee, review and assess the Group's risk enterprise management (ERM) system and processes established by the management, management's assessment of the Group's major risks and the proposed measures to reduce risks;
 - (v) to discuss with the management any legal or risk matters (including the status of pending or threatened litigation) that may have a material impact on the Company's or the Group's financial statements and any material reports or inquiries from regulatory or governmental agencies which could materially impact the Company's or the Group's contingent liabilities and risks;
 - (vi) to assess the Company's and the Group's efforts of compliance with relevant laws and regulations;
- (d) with respect to the accounting principles and control mechanism:
- (i) to review in cooperation with the Auditors, the CEO and the CFO whether the accounting principles and the financial control mechanism of the Company and its Subsidiaries are appropriate in view of the size and complexity of the Group;
 - (ii) to ensure appropriate reporting by the Auditors to the Finance and Audit Committee and to take note of all comments from the Auditors on accounting procedures and systems of control. The Auditors shall provide timely reports to the Finance and Audit Committee on critical accounting policies and practices used, on alternative treatments of financial information discussed with the management and on other material written communication between the Auditors and the management;
- (e) with respect to the financial statements:
- (i) to review the annual and interim statutory and consolidated financial statements intended for publication. It should discuss these with the CFO and, separately, with the head of Auditors;
 - (ii) to make a proposal to the Board with respect to these annual and interim statutory and consolidated financial statements; the responsibility for approving the annual financial statements remains with the Board.

The Board may entrust the Finance and Audit Committee with additional duties in financial matters, e.g., the analysis of the financial consequences of specific transactions or specific events.

4.3 Access and Reporting

- (a) In discharging its responsibilities, the Finance and Audit Committee shall have unrestricted access to the Company's and the Group's management, books and records and is authorized to obtain subject-specific professional consultancy services from third parties at the expense of the Company.
- (b) The Finance and Audit Committee shall regularly report to the Board on its proposals, assessments and findings and it shall propose appropriate actions enabling the Board to make relevant decisions. Important findings from the Finance and Audit Committee's activities that are urgent and should be known by the Chairperson shall be reported to him/her immediately by the chairperson of the Finance and Audit Committee.

5. The Compensation Committee

5.1 Composition and Organization

- (a) The Compensation Committee consists of a minimum of three non-executive members of the Board. The majority of its members shall be independent as this term is understood by the Swiss Code.
- (b) The Compensation Committee meets as often as required, but at least two times each year.
- (c) Unless specifically stated otherwise, the organizational rules applicable to Board meetings, resolutions and information rights set forth in section 3.5 to section 3.10 of these Regulations apply *mutatis mutandis* to the Compensation Committee, including the casting vote of the chairperson of the Compensation Committee in case of a tie.

5.2 Duties

The Compensation Committee has the following duties:

- (a) the duties pursuant to Article 24 of the Articles of Association;
- (b) to design, review and assess on a regular basis the remuneration and benefits strategy of the Company and the Group, the compensation principles applicable to the members of the Board and the ExCo and the remuneration system of the Company and the Group (including the management incentive plans) and to make proposals in connection thereto to the Board;
- (c) to make recommendations to the Board regarding the proposals of the Board for the maximum aggregate amount of compensation of the Board and the ExCo to be submitted to the Shareholders' Meeting for approval;
- (d) to make recommendations to the Board regarding the compensation of the members of the Board;
- (e) to review and assess, and monitor the implementation of, the short- and long-term incentive plans for the senior management and any other participation or incentive plan of the

Company or the Group (the **Plans**) and to make proposals to the Board regarding the adoption, amendment or termination thereof;

- (f) to make proposals to the Board on any grants under any Plans to members of the ExCo, and to make, or delegate the authority to make, such grants under any Plans to beneficiaries other than members of the ExCo;
- (g) to make proposals to the Board regarding the remuneration package, including the bonus, and the terms of employment of the CEO and, upon recommendation of the CEO, the ratification of such remuneration package, etc. of the other members of the ExCo;
- (h) to make a proposal to the Board with respect to the compensation report; the responsibility for approving the compensation report remains with the Board.

The Board may entrust the Compensation Committee with additional duties in compensation matters.

5.3 Access and Reporting

- (a) In discharging its responsibilities, the Compensation Committee shall have unrestricted access to the Company's and the Group's management, books and records, including mandate and employment agreements, and is authorized to obtain subject-specific professional consultancy services from third parties at the expense of the Company.
- (b) The Compensation Committee shall regularly report to the Board on its proposals, assessments and findings and it shall propose appropriate actions enabling the Board to make relevant decisions. Important findings from the Compensation Committee's activities that are urgent and should be known by the Chairperson shall be reported to him/her immediately by the chairperson of the Compensation Committee.

6. The Strategy, ESG and Nomination Committee

6.1 Composition and Organization

- (a) The Strategy, ESG and Nomination Committee consists of a minimum of three members of the Board. At least 50% of its members shall be independent as this term is understood by the Swiss Code.
- (b) The Strategy, ESG and Nomination Committee may establish a sub-committee for environmental, social and governance (**ESG**) matters and appoint a chairperson of such sub-committee.
- (c) The Strategy, ESG and Nomination Committee meets as often as required, but at least four times each year with two meetings being dedicated to ESG matters.
- (d) Unless specifically stated otherwise, the organizational rules applicable to Board meetings, resolutions and information rights set forth in section 3.5 to section 3.10 of these Regulations apply *mutatis mutandis* to the Strategy, ESG and Nomination Committee, including the

casting vote of the chairperson of the Strategy, ESG and Nomination Committee in case of a tie.

6.2 Duties

The Strategy, ESG and Nomination Committee has the following duties:

- (a) with respect to strategy matters:
 - (i) to review and assess on a regular basis the strategy and business plan of the Group, and monitor their implementation by the CEO;
 - (ii) to review and assess strategic market trends, market opportunities, risks and potential competitors;
 - (iii) to review and make recommendations to the Board regarding Material Transactions;
 - (iv) to review the dividend policy of the Company on a regular basis and to make recommendations to the Board regarding such policy;
 - (v) to make recommendations to the Board regarding any share buyback programs of the Company; and
 - (vi) to review important industry and company developments as presented by the CEO;
- (b) with respect to nomination and succession planning matters:
 - (i) to assure a long-term planning of appropriate appointments to the Board and the position of CEO and the other members of the ExCo;
 - (ii) to review the composition, membership qualifications and size of the Board to ensure appropriate expertise, diversity and independence of the Board, and make recommendations for any change in the composition and size of the Board;
 - (iii) to establish criteria for the selection of new members to serve on the Board;
 - (iv) identify, screen and propose to the Board the candidates to be proposed by the Board for (re-)election as Board members of the Company, as Chairperson or as members of the Compensation Committee at each AGM, based on an assessment of each candidate's particular experience, qualifications, attributes or skills and potential to contribute to diversity as well as their independence;
 - (v) propose to the Board the individuals to be (re-)appointed as Vice-Chairperson or as members of the Board Committees (other than the Compensation Committee) or chairperson of the Board Committees, or to fill vacancies on the Board Committees or in the office of the Chairperson;

- (vi) assess, in accordance with applicable laws and regulations and the Swiss Code, the independence and any potential conflicts of interest of the members of the Board for a recommendation to the Board;
 - (vii) to establish criteria for the selection and succession planning for the CEO and, upon recommendation of the CEO, to ratify such criteria for the other members of the ExCo, and supervise the searches for qualified individuals and the succession planning; and
 - (viii) to assess, and propose to the Board for appointment, candidates for the position of the CEO and, upon recommendation of the CEO, to ratify such candidates for the other positions on the ExCo;
- (c) with respect to ESG matters:
- (i) to review on a regular basis and oversee the Group's global strategy and reputation regarding ESG matters and make recommendations to the Board on measures to ensure the long-term sustainability of the Group;
 - (ii) to monitor and assess current and emerging trends in ESG matters that may affect the business, operations, performance or reputation of the Group;
 - (iii) to monitor the Group's performance regarding ESG matters based on metrics, systems and procedures, as deemed necessary and appropriate;
 - (iv) to review the sustainability report intended for publication and make a proposal to the Board with respect to the approval of such report;
 - (v) to oversee the Group's communication and engagement on ESG matters with employees, shareholders, investors, customers, the media and the general public;
 - (vi) to address all relevant corporate governance issues affecting the Company and the Group;
 - (vii) to monitor and assess the developments in corporate governance-related laws, regulations, standards and best practices, and analyze the external perception of the corporate governance of the Company and the Group;
 - (viii) in view of such developments or perception, regularly to review, and propose to the Board any amendments to, the Articles of Association, these Regulations, the code of conduct and ethics and any other governance-related policies and directives approved by the Board;
 - (ix) to advise and make recommendations to the Board concerning further corporate governance matters and practice;
 - (x) to advise the Board with respect to the approval of an external mandate outside of the Group of the CEO and the other members of the ExCo pursuant to Article 30 of the Articles of Association;

- (xi) to review, and advise the Board on, any governance-related information to be disclosed in the annual report or otherwise; and
- (xii) annually conduct and supervise the self-assessment of the Board and the Board Committees, and the assessment of the CEO and the other members of the ExCo.

The Board may entrust the Strategy, ESG and Nomination Committee with additional duties in strategy, ESG and nomination matters.

6.3 Access and Reporting

- (a) In discharging its responsibilities, the Strategy, ESG and Nomination Committee shall have unrestricted access to the Company's and the Group's management, books and records and is authorized to obtain subject-specific professional consultancy services from third parties at the expense of the Company.
- (b) The Strategy, ESG and Nomination Committee shall regularly report to the Board on its proposals, assessments and findings and it shall propose appropriate actions enabling the Board to make relevant decisions. Important findings from the Strategy, ESG and Nomination Committee's activities that are urgent and should be known by the Chairperson shall be reported to him/her immediately by the chairperson of the Strategy, ESG and Nomination Committee.

7. The Chief Executive Officer

7.1 Appointment and Responsibility

The CEO shall be appointed by the Board and shall have the responsibility for the management of the Company and the Group.

7.2 Powers and Duties

- (a) The Board hereby delegates to the CEO responsibility for the overall management of the Company and the Group pursuant and subject to these Regulations, with the exception of the specific duties that are explicitly stipulated as a Board responsibility by law, the Articles of Association or these Regulations (see in particular sections 3.2, 4.2, 5.2 and 6.2).
- (b) In particular, the CEO shall have the following powers and duties:
 - (i) to prepare and submit to the Board for approval the following matters:
 - (A) the Company's and the Group's strategy; and
 - (B) the Company's and the Group's business plan and annual budget.
 - (ii) to provide all information and documents necessary to the Board;
 - (iii) to implement the strategy of the Company and the Group and the resolutions passed by the Board;

- (iv) to monitor and assess progress against the Company's and the Group's targets and budget;
 - (v) to organize, manage and supervise the day-to-day business of the Company and the Group;
 - (vi) to recommend candidates for the nomination as members of the ExCo (other than the CEO);
 - (vii) to approve any engagement of employees reporting directly to the CEO or the ExCo;
 - (viii) to recommend to the Board the removal of members of the ExCo;
 - (ix) to recommend to the Board the approval of transactions to be resolved by the Board;
 - (x) to determine the communication policy of the Company and the Group, to represent the Company and the Group towards its shareholders, investors, the media and the general public, and to manage, coordinate and supervise investor relations; and
 - (xi) to organize the ExCo and prepare, call and chair the meetings of the ExCo.
- (c) The CEO shall be entitled to delegate some of his/her duties to other members of the ExCo or senior management.

7.3 Duty to Report

- (a) The CEO and the CFO shall at each meeting of the Board report to the Board on the course of business of the Company and the Group in a manner agreed upon from time to time between the Chairperson and the CEO.
- (b) Apart from the meetings, the CEO shall report any material extraordinary events or developments within the Company and within the Group to the Chairperson in a timely manner.

8. The Executive Committee

8.1 Composition and Organization

- (a) The ExCo consists of the CEO, the CFO and at a minimum one additional person proposed by the CEO to the Board. In the event of departure of an ExCo member, the CEO shall within a reasonable period of time which shall not exceed six months, recommend a successor to the Board for nomination and ratification.
- (b) The CEO shall have the casting vote for decision-making within the ExCo. All members of the ExCo shall report to him/her.
- (c) The CEO shall organize the ExCo. He/She may invite other persons to join ExCo meetings on a case-by-case basis.

8.2 Powers and Duties

- (a) The members of the ExCo attend to the day-to-day business of the Company and the Group under the supervision of the CEO.
- (b) The members of the ExCo shall have the powers and duties delegated to them by the CEO. The CEO may adopt regulations setting out the powers and duties of the other members of the ExCo.
- (c) Each member of the ExCo informs the CEO in the ExCo meetings about the course and development of the business and the most important events regarding the Company and the Group. Outside of the ExCo meetings, each member of the ExCo reports immediately any extraordinary event and any change within the Company and within the Group to the CEO.
- (d) The CEO shall inform the members of the ExCo on relevant, material new developments, events and policies regarding the Company and the Group.

8.3 Meetings and Minutes

- (a) Meetings of the ExCo are convened by the CEO whenever necessary. The CEO sets the agenda. The CEO further appoints a minute keeper of the meeting.
- (b) Minutes shall be kept of the outcomes of the ExCo meetings. The minutes are signed by the CEO and the minute keeper and shall be available to the Board.

9. Signatory Power

- (a) The Board determines the signatory power on behalf of the Company and appoints the persons authorized to sign on behalf of the Company or adopts respective policies.
- (b) The members of the Board and the ExCo and any other individuals empowered with the representation of the Company shall have joint signatory power by two.

10. Confidentiality

- (a) The members of all corporate bodies according to section 2 of these Regulations (each a **Corporate Member**) shall keep confidential all information and documents obtained in connection with the exercise of their function for the Company and the Group. Persons who have received confidential information shall not disclose its content to third parties, and shall take all measures to prevent third parties from having access to its content. This obligation and duty shall continue even after the term of office of a Corporate Member has expired.
- (b) Upon termination of their function, each Corporate Member shall return to the Company all documents obtained in connection therewith.

11. Conflicts of Interest

- (a) A Corporate Member who potentially has a conflicting interest which involves the Company or the Group shall disclose the nature of his/her interest to the Chairperson or, in case of a conflicting interest of the Chairperson, the full Board without delay. The Chairperson decides on adequate measures and may request a decision by the Board which reflects the seriousness of the conflict of interest or in case of a conflicting interest of the Chairperson. The Board shall adopt the measures necessary to protect the interests of the Company. The Board shall decide without the participation of the person concerned on the gravity of the conflict of interest and appropriate measures, which may include abstention from the discussion and voting on the relevant transaction or matter.
- (b) A conflicting interest shall mean the special interest a Corporate Member has with respect to a transaction or matter due to the fact he/she or a related person has a financial or non-financial interest in, or is otherwise closely linked to, the transaction or matter. A **Related Person** of a Corporate Member means:
 - (i) the spouse (or a parent or sibling thereof) of the Corporate Member, or a child, grandchild, sibling, parent (or spouse of any thereof) of the Corporate Member, or an individual having the same home as the Corporate Member, or trust or estate of which an individual specified in this clause (i) is a substantial beneficiary;
 - (ii) a trust, estate, incompetent or minor of which the Corporate Member is a trustee, administrator or guardian; or
 - (iii) one of the following persons or entities: (A) an entity of which the Corporate Member is a director, general partner, agent, major shareholder or employee; (B) a person or entity that controls one or more of the entities specified in (A) or an entity that is controlled by, or is under common control with, one or more of the entities specified in (A); or (C) an individual who is a general partner, principal or employer of the Corporate Member.
- (c) If a Corporate Member is required to abstain from resolving on a transaction or matter, he/she shall not be counted in the quorum of the voting in question. Such Corporate Member shall not participate in discussions and not receive any confidential information with respect to such transaction or matter and shall use best efforts to ensure that he/she does not receive such information (except if the Board has decided otherwise). Finally, such Corporate Member shall not have access to the minutes of such meeting or to any relevant materials or information (except if the Board has decided otherwise). This provision shall act as a limitation of information rights a Corporate Member may have pursuant to section 3.10 or otherwise pursuant to these Regulations or under applicable law.
- (d) Any transaction between the Company or a Subsidiary and a Corporate Member shall be carried out "at arm's length" and shall be approved without participation of the Corporate Member concerned. If appropriate, a third-party opinion shall be obtained to confirm at arm's length terms. Any contract in relation to such a transaction has to be in writing provided the contract does not relate to daily business matters and the performance of the Company or a Subsidiary exceeds CHF 1,000.

12. Interests in Shares and Options

Each member of the Board, the CEO and the other members of the ExCo shall comply at all times with the rules and regulations provided by the Company's policies and the applicable laws regarding trading, reporting and disclosure of securities.

13. Relevant Corporate Documents

In discharging their responsibilities, the Corporate Members as well as the employees of the Company and the Group shall comply with the policies issued by the Company, as amended from time to time and any other instructions issued by the Board:

14. Final Provisions

- (a) These Regulations have been adopted in the Board meeting on March 4, 2024. They shall take effect immediately.
- (b) These Regulations may be amended at any time by resolution of the Board.

On behalf of the Board

DocuSigned by:



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Thomas Ebeling
Chairperson of the Board

DocuSigned by:



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Nakisa Serry
Secretary of the Board

Annex 1

Board Financial Competence Thresholds

- Mergers, acquisitions, sales or disposals, exclusive licensing \geq USD 100 million
- Investments and other transactions exceeding the approved annual budget by \geq USD 50 million
- Additional or new financing or refinancing by way of facilities or bonds in the amount \geq USD 100 million