

# Finance and Audit Committee Charter of Medartis Holding AG

## I. Basis. Scope. Mission Statement

Basis	<p><b>Article 1</b></p> <p>This charter (the "<b>Charter</b>") of the Finance and Audit Committee (the "<b>FAC</b>") is adopted by the Board of Directors (the "<b>Board</b>") of Medartis Holding AG (the "<b>Company</b>") pursuant to article 24 and article 25 of the organizational regulations of the Company (the "<b>Organizational Regulations</b>").</p>
Scope	<p><b>Article 2</b></p> <p><sup>1</sup> The purpose of this Charter is to govern the organisation, duties and responsibilities of the FAC.</p> <p><sup>2</sup> The Articles of Association of the Company and the Organizational Regulations shall prevail in case of discrepancy with the present Charter.</p>
Mission Statement	<p><b>Article 3</b></p> <p><sup>1</sup> The FAC supports the Board in its supervisory function, in particular with respect to the completeness of the annual closing of accounts and financial statements, the compliance with statutory provisions, the analysis of the qualification of the external auditors, as well as the performance of the external auditors.</p> <p><sup>2</sup> The FAC assesses the usefulness and suitability of the financial reporting, the internal control system and the general supervision of business risks. It makes sure that a continued, efficient and productive communication exists between the Company and the external auditors regarding financial matters and course of business of the Company.</p>

## II. Organization

Composition, qualifications, election and duration	<p><b>Article 4</b></p> <p><sup>1</sup> The FAC is composed of at least two non-executive and independent members of the Board.</p> <p><sup>2</sup> The members of the FAC are designated by the Board from within the latter's own members. At least one member has to have recent and relevant financial experience, the others should be familiar with the issues of accounting and audit.</p> <p><sup>3</sup> The members are elected for a term of office of one year ending at the end of the next ordinary general meeting of shareholders following their designation, in accordance with article 20 para. 3 of the Organizational Regulations.</p> <p><sup>4</sup> Members of the FAC may be re-elected. In case of vacancies, the Board shall appoint substitutes from amongst its members for the remaining term of office.</p> <p><sup>5</sup> The FAC organizes its affairs independently. The Board appoints its chairman among its members.</p>
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Meetings and their calling	<p><b>Article 5</b></p> <p><sup>1</sup> The FAC meets upon calling of its chairman as often as required for the fulfilment of its duties, but at least four times a year. Article 6 para. 1 and 2 and article 9 of the Organizational Regulations apply by analogy. The meeting schedule is aligned with the overall regular management cycle of the Company.</p> <p><sup>2</sup> The chief financial officer of the Company (the "<b>Chief Financial Officer</b>") attends the meetings of the FAC, except for portions when his or her presence would be inappropriate, as determined by the chairman. At least once a year, the FAC shall meet in separate sessions with the external auditors.</p> <p><sup>3</sup> The chairman of the FAC can invite persons other than FAC members to attend all or a portion of a meeting. Invited persons shall not participate in the discussions or deliberations unless invited to do so, and shall not be entitled to vote.</p>
Quorum. Resolutions	<p><b>Article 6</b></p> <p><sup>1</sup> As per article 22 para. 1 of the Organizational Regulations, the FAC may validly pass resolutions and vote proposals to the Board when the majority of its members are attending the meeting in person or by means of communication that allow direct discussion (e. g. telephone or audio-visual conference).</p> <p><sup>2</sup> As per article 22 para. 2 of the Organizational Regulations, the FAC passes its resolutions and vote proposals to the Board at the majority of votes cast. Abstentions are not counted as votes cast. In case of equal votes, the chairman of the FAC does not have a casting vote and the matter must be submitted to the Board.</p> <p><sup>3</sup> Resolutions of the FAC and proposals to the Board can also be made by way of approval of a written resolution circulated to the members of the FAC. Article 12 of the Organizational Regulations applies by analogy.</p>
Minutes. Information	<p><b>Article 7</b></p> <p><sup>1</sup> As per article 23 para. 1 of the Organizational Regulations, the discussions of the FAC must be summarized and its decisions recorded in minutes signed by the chairman (or chairing member) thereof and by the person taking such minutes. Article 13 of the Organizational Regulations shall apply by analogy. Every member of the Board shall receive a copy of the minutes of every meeting of the FAC.</p> <p><sup>2</sup> On the occasion of every meeting of the Board, the chairman of the FAC shall inform the Board of its activities.</p> <p><sup>3</sup> As per article 23 para. 3 of the Organizational Regulations, circular resolutions must be reflected in the minutes of the next meeting of the Board. In case of emergency, information shall be given immediately to the members of the Board, through the chairman of the Board.</p>

### III. Duties and Responsibilities

Duties and Responsibilities	<p><b>Article 8</b></p> <p><sup>1</sup> As per article 25 of the Organizational Regulations, the FAC has the following duties, as well as such other duties as may be assigned to the FAC by the Board from time to time:</p> <ul style="list-style-type: none"> <li>(a) Select, evaluate and propose to the Board the external auditors to be nominated for approval by the general meeting of shareholders thereby ensuring appropriate rotation of the auditors and the auditing partner.</li> <li>(b) Review the terms of engagement of the external auditors including their compensation.</li> <li>(c) Review the audit process, the result of the audit and make an independent assessment of the quality of the external auditors.</li> <li>(d) Promote interaction and cooperation between external auditors and the controlling department of the Company.</li> <li>(e) Monitor the periodic preparation of a risk management report and assess the proposed risk mitigating measures.</li> <li>(f) Consider the effectiveness of the Company's internal control systems, including information technology security and control.</li> <li>(g) Making proposals to the Board of Directors regarding the appointment of a compliance officer (examination of the candidate's qualifications) and assessing the work done by the said compliance officer;</li> </ul>
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- (h) questioning the CEO, the compliance officer and external auditors as to significant risks, contingent liabilities and the compliance with the applicable laws, regulations and ethical business standard adopted by the Company and supervising the procedures ensuring the proper handling of such risks.
- (i) Review material litigation and legal risks.
- (j) Review the statutory and consolidated financial statements, in particular significant financial reporting issues and judgments made in connection with the preparation of the statements.
- (k) Submit the full year financial statements as well as the half-year financial statements to the Board for approval and publication respectively presentation to the general meeting of shareholders.
- (l) Review periodic interim financial statements and discuss earnings- and financial reports to be published.
- (m) Evaluate the adequacy of internal financial reporting and cost accounting principles.
- (n) Review process and assumptions of the annual budget/planning process and periodic forecasts. Form an opinion on the soundness of the assumptions and projections.
- (o) Review financial analysis (due diligence) and assumptions of financial projections for major investments, restructurings and M&A projects.
- (p) Review treasury positions in regards to foreign exchange, interest rate and other exposures.
- (q) Monitor the corporate tax rate development, and potential tax exposures and litigations.
- (r) Assess the dividend policy and submit to the Board a recommendation for the annual profit distribution.
- (s) Review and submit to the Board of Directors a recommendation for approval of budgeted and unbudgeted capital expenditures ("CAPEX") exceeding CHF 500'000.
- (t) Review and support the Board of Directors in the event of capital loss and over-indebtedness or other existential danger for the Company.

<sup>1</sup> The FAC is entitled to conduct investigations in all matters of its competence. It shall in particular have full access, to the extent required for the accomplishment of its duties, to the Company's as well as – to the extent permitted by the law – to the Company's management, employees, books and records.

<sup>3</sup> To the extent required for the accomplishment of its duties, the FAC may request the services of independent advisors and experts.

## IV. Annual Evaluation. Amendments

Annual Evaluation	<p><b>Article 9</b></p> <p>The FAC shall perform an annual self-evaluation of its performance, including a review of its compliance with this Charter. The FAC shall conduct such evaluation and review in such manner as it deems appropriate and report the results to the Board.</p>
Amendments	<p><b>Article 10</b></p> <p><sup>1</sup> The FAC shall review this Charter annually to re-assess its adequacy and, if appropriate, submit any recommended changes to the Board for approval.</p> <p><sup>2</sup> This Charter can be amended at any time by a resolution of the Board.</p>

## V. Final Provisions

Entry into force

**Article 11**

This Charter was adopted by the Board on October 18, 2017 and enter into force on March 23, 2018. This Charter has subsequently been amended by the Board of Directors on August 16, 2018.

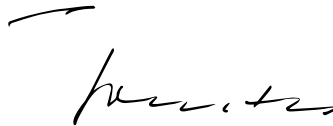
Basel, 16<sup>th</sup> August 2019

The Chairman of the Board of Directors



Dr. h.c. Thomas Straumann

The Secretary of the Board of Directors



Dr. Jürg Greuter