	Group Directive Title:	Nomination & Compensation Committee Charter
	Group Directive Number:	GD-03
	Group Directive Owner:	Chairman and CLO
	Approved by:	Board of Directors
	Effective Date:	1 February 2025
	Valid Version:	Version 4.0


## NOMINATION AND COMPENSATION COMMITTEE CHARTER

### 1 COMPOSITION AND TERM

- (1) The Nomination & Compensation Committee (**NCC**) shall comprise at least two members of the Board of Directors (**Board**) all of which shall be independent, non-executive members of the Board as that term is understood pursuant to the Swiss Code of Best Practice for Corporate Governance.
- (2) The members of the NCC are elected by the shareholders, while the Chairman of the NCC shall be appointed by the Board. All members of the NCC shall serve until their successors shall be duly elected and qualified or their earlier resignation or removal.
- (3) The Chief Executive Officer (**CEO**), whether or not a member of the Board has an advisory function to the NCC.

### 2 ADMINISTRATIVE MATTERS

- (1) The NCC shall meet at such times and from time to time as it deems to be necessary or appropriate, but at least twice a year, either in person, by telephone or video conference, and at such times and places as the NCC shall determine.
- (2) Meetings may be called by any of (i) Chairperson of the Board, (ii) Chairperson of the NCC, (iii) CEO, (iv) Global Head People & Culture and/or (v) Chief Legal Officer.
- (3) The Chairperson of the NCC is responsible for (i) preparation and/or approval of an agenda in advance of each meeting and (ii) keeping of minutes of the meetings. The Chairman can either ask the Secretary to the Board to participate at such meetings and to take minutes or delegate this to any other person attending the meeting (e.g. the Global Head People & Culture).
- (4) CEO, Global Head People & Culture and Chief Legal Officer shall participate in such meetings as non-voting guests if not otherwise required by the Chairperson.
- (5) The minutes taken of the meeting shall be distributed to all members of the Board.
- (6) The NCC shall report its actions and recommendations to the Board at the Board meeting following each NCC meeting.
- (7) The NCC shall perform an annual review and self-evaluation of the Committee's performance, including a review of the Committee's compliance with this charter. The Committee shall conduct such evaluation and review in such manner as it deems appropriate and report the results to the Board.
- (8) The NCC shall review the adequacy of this charter from time to time and recommend any proposed changes to the Board for approval.

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### 3 MISSION STATEMENT


- (1) The NCC supports the Board of Santhera in its function of succession planning of the Board and regarding the appointment, dismissal and succession planning of the CEO, and other members of the Executive Committee as well as matters relating to the compensation of the Board and the Executive Committee. Unless explicitly provided otherwise, the NCC supports the Board through preparatory and supporting activities and issues proposals and recommendations to the Board.

### 4 POWERS AND DUTIES


With regard to Nomination:

- (1) With regard to the Board, the NCC shall in particular:
- (a) together with the Chairman of the Board prepare the short-term and long-term succession planning of the Board. It establishes the principles for the selection of candidates to the Board, selects candidates for election or re-election and prepares a proposal for the Board's decision and approval at the General Meeting. The candidates to the Board shall possess the necessary qualifications and experience to discharge their duties. Newly appointed Board members shall receive an appropriate introduction into the business and affairs of Santhera. If appropriate, the Board shall arrange for further training of its members;
  - (b) annually review and consider these aspects in Board nominations:
    - the adequacy of the independence definition applied and of the Board members' independence;
    - the external mandates held by the Board members;
    - the adequacy of the composition of the Board, including considerations on its gender and other diversity;
  - (c) support the Board and its Committees in the annual evaluations of their performance.
- (2) With regard to the Executive Committee, the NCC shall in particular:
- (a) together with the Chairman of the Board review the short-term and long-term succession planning of the CEO and the other members of the Executive Committee and submit proposals to the Board regarding the appointment, promotion and dismissal and succession planning of the CEO and other members of the Executive Committee;
  - (b) annually review and consider these aspects in Executive Committee nominations:
    - the external mandates held by the members of the Executive Committee;
    - the adequacy of the composition of the Executive Committee, including considerations on its gender and other diversity.

With regard to Compensation:

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- (3) The NCC shall carry out the Board's overall responsibility for drawing up the remuneration principles, remuneration strategy and policies covering the Chairman of the Board, the further nonexecutive - and if applicable executive – members of the Board, the CEO and the further members of the Executive Committee.
- (4) The NCC, with the support of external advisors if needed, undertakes to advise the full Board of Directors, whether the current compensation for the Chairman of the Board, the Board, the CEO and the Executive Committee is in line with market practices.
- (5) The NCC annually reviews the compensation elements and the share-ownership programs by considering possible impacts of new regulatory developments and feedback received from stakeholders.
- (6) The NCC is responsible for reviewing and approving the Company's principles on total compensation and benefits (Remuneration Policy). It annually reviews that the principles are operated as intended and that the policy is compliant with national and international regulations and standards.
- (7) The NCC determines the compensation of the Chairman of the Board and of the Executive Committee and submits the respective proposals for the other members of the Board and the CEO to the Board for approval. The compensation proposals for the Chairman of the Board, the Board, the CEO and in aggregate form for the Executive Committee are subsequently submitted to the Annual General Meeting for approval by the shareholders.
- (8) The NCC shall, on behalf of the Board, which has fully delegated this task to the NCC, approve employment contracts with the members of the Executive Committee, based on the proposals of the CEO, and in the case of the employment contract with the CEO, proposal authority to the full Board in the absence of the CEO.
- (9) The NCC has the right to deviate from the abovementioned principles and may grant certain exceptions under special circumstances.
- (10) The NCC shall make proposals regarding any pension benefits and pensions of Santhera or its subsidiaries outside the occupational pension scheme and similar institutions abroad.
- (11) At its own discretion, the NCC may ask - however without having any decision making power on such issues if not specifically allocated to the NCC - for presentations or written reports to be submitted to the NCC on topics within the overall context of the supervisory function of the NCC with regard to any People & Culture activities (incl. training, management development, promotion, succession) and remuneration.
- (12) The NCC on an annual basis prepares and proposes to the Board and subsequently to the attention of the shareholders a Remuneration Report as well as other reports as required by law or regulations.

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## 5 PARTICULAR DUTIES AND RESPONSIBILITIES OF THE ANNUAL VARIABLE PERFORMANCE-RELATED COMPENSATION PROCESS

In the course of the annual variable performance-related compensation process, the NCC:

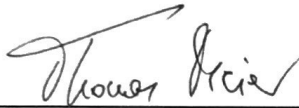
- (1) Determines and, if necessary, reviews the compensation system for the Chairman, the Board, the CEO and the Executive Committee;
- (2) Reviews and recommends to the Board the total fixed compensation for the Chairman, the Board, the CEO and in aggregate form for the Executive Committee for approval by the Annual General Meeting;
- (3) Defines the elements and the structure of the variable compensation system (cash-based incentive as well as equity-based incentive) and further benefits (including all insured benefits and pension/retirement plans);
- (4) Reviews the pay-out ranges for the funding of the pool for submission to the Board for final approval;
- (5) Determines the total amount of variable compensation components including performance-related compensation ("pool") that can be distributed to the eligible staff for submission to the Board for final approval. In this context, the NCC decides on the minimum threshold below which variable performance-related compensation will be paid out in cash only;
- (6) Informs the Board on the results of the annual compensation review and in particular on the details of compensation that are proposed to be paid to the Chairman, the Board, the CEO and (in aggregate form) to the Executive Committee, which are subsequently submitted to the Annual General Meeting of the Company for final approval as stipulated in the Articles of Incorporation of the Company;

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## 6 REVISION HISTORY

Revision	Approved by	Date	Revision Notes
1	Board	April 4, 2017	Comprehensive Revision
2	Board	June 26, 2023	Insertion of provision with respect to ad-hoc equity allocation to employees
3	Board	January 30, 2025	Comprehensive Revision

Pratteln, 30 January 2025



Thomas Meier

Chairman of the Board



Oliver P. Kronenberg

Secretary of the Board