


| | | |
|---|-------------------------|--|
|  | Group Directive Title: | Audit and Compliance Committee Charter |
| | Group Directive Number: | GD-04 |
| | Group Directive Owner: | CFO and GC |
| | Approved by: | Board of Directors |
| | Effective Date: | June 26, 2023 |
| | Valid Version: | Version 3.0 |


AUDIT AND COMPLIANCE COMMITTEE CHARTER

1 COMPOSITION AND TERM

- (1) The Audit and Compliance Committee (**ACC**) 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 ACC shall be appointed by the Board. ACC members shall serve until their successor shall have been duly elected and qualified or their earlier resignation or removal. The chairperson of the ACC (**Chairperson**) shall be designated by the Board.

2 ADMINISTRATIVE MATTERS

- (1) The ACC shall meet at such times and from time to time as it deems to be necessary or appropriate, but at least four times a year, either in person, by telephone or video conference, and at such times and places as the ACC shall determine.
- (2) Meetings may be called by any of (i) Chairperson of the Board, (ii) Chairperson of the ACC, (iii) CEO, (iv) CFO and (v) General Counsel.
- (3) In addition, the ACC shall meet at least twice a year with the head of the internal audit organization as well as with the External Auditor, to discuss any matters as deemed necessary or appropriate. The ACC may also, to the extent it deems necessary or appropriate, meet with the Company's investment bankers, financial analysts or financial and legal advisers. The ACC shall report its actions and recommendations to the Board at the meeting of the Board following each ACC meeting.
- (4) The Chairperson of the ACC is responsible for (i) preparation and/or approval of an agenda in advance of each meeting and (ii) keeping of minutes of the meetings.
- (5) The Chairperson shall designate the secretary of the ACC and determine the latter's tasks.
- (6) CEO, CFO and Group General Counsel shall participate in such meetings if not otherwise required by the Chairperson.
- (7) The minutes taken of the meeting shall be distributed to all members of the Board.
- (8) Important findings arising from the ACC's activities which are urgent must be reported directly to the Chairperson of the Board by the Chairperson.
- (9) The ACC 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.

| | | |
|---|-------------------------|--|
|  | Group Directive Title: | Audit and Compliance Committee Charter |
| | Group Directive Number: | GD-04 |
| | Group Directive Owner: | CFO and GC |
| | Approved by: | Board of Directors |
| | Effective Date: | June 26, 2023 |
| | Valid Version: | Version 3.0 |

- (10) The ACC shall review the adequacy of this charter from time to time and recommend any proposed changes to the Board for approval.


3 MISSION STATEMENT

- (1) The ACC assists the Board in monitoring the: (i) integrity of the financial statements of the Santhera Group, (ii) the External Auditor's qualifications and independence; (iii) the performance of the Internal Audit function and of the External Auditor; and (iv) compliance by the Santhera Group with legal and regulatory requirements.

4 COMMITTEE AUTHORITY AND RESPONSIBILITY

(1) External Auditor

- (a) Evaluate the qualifications, performance and independence of the External Auditor, including considering whether the quality controls are adequate and whether the provision of permitted non-audit services is compatible with maintaining the External Auditor's independence, taking into account the opinions of management and Internal Audit.
- (b) Ensure rotation of the audit partners of the External Auditor at least every five years.
- (c) On behalf of the Board, which has fully delegated this task to the ACC, (i) select and nominate the External Auditor for election by the General Meeting, and (ii) be directly responsible for the supervision and compensation of the External Auditor (including the resolution of any disagreement between management and the External Auditor regarding financial reporting).
- (d) On behalf of the Board, which has fully delegated this task to the ACC, pre-approve all auditing services, internal control-related services and non-audit services permitted under applicable law, regulations and listing requirements to be performed for the Group by its External Auditor.
- (e) Obtain and review a report from the External Auditor at least annually regarding (i) the External Auditor's internal quality-control procedures, (ii) any material issues raised by the most recent quality-control review or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (iii) any steps taken to deal with any such issues, and (iv) all relationships between the External Auditor and the Group.
- (f) Discuss with the External Auditor the results of their audits, any unusual items or disclosures contained in the audits and the matters required by Public Company Auditing Oversight Board Auditing Standards No. 1301, as revised, and request a formal written statement from the External Auditor documenting such discussion.


| | | |
|---|-------------------------|--|
|  | Group Directive Title: | Audit and Compliance Committee Charter |
| | Group Directive Number: | GD-04 |
| | Group Directive Owner: | CFO and GC |
| | Approved by: | Board of Directors |
| | Effective Date: | June 26, 2023 |
| | Valid Version: | Version 3.0 |

(2) Internal Auditor

- (a) To the extent the ACC deems necessary or appropriate, review and recommend to the Board the appointment and replacement of the persons within the Company responsible for Risk Management, Quality Control and Internal Audit.
- (b) Review the significant reports to management, prepared by the Internal Audit department and management's responses and supervise the remediation of open audit issues.
- (c) Discuss with the CEO, as needed, the Internal Audit department's responsibilities, staffing and any recommended changes in the planned scope of the Internal Audit.

(3) Financial Reporting and Internal Controls

- (a) Review and discuss with management and the External Auditor the Company's and Group's quarterly and annual financial statements (including the sections on Operating and Financial Review and Prospects) to consider significant financial reporting issues and judgments made in connection with the preparation of the Company's and Group's financial statements, including any significant changes in the Company's or Group's selection or application of accounting principles.
- (b) Recommend for approval by the Board all financial statements.
- (c) Review and discuss with management and the External Auditor their assessment of the effectiveness of the Group's internal controls, disclosure controls and procedures for financial reporting and whether any changes are appropriate in light of such assessment.
- (d) Review and discuss (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarize and report financial data, including any material weaknesses in internal controls, (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Group's internal controls, and (iii) any significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regards to significant deficiencies and material weaknesses.
- (e) Review and discuss with management the Company's financial budgets and the steps management has taken to develop, monitor and control the budget.
- (f) Review and discuss with management the Company's major risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management.
- (g) Review such other matters in relation to the Group's accounting, auditing, financial reporting and compliance with law and internal policies.

| | | |
|---|-------------------------|--|
|  | Group Directive Title: | Audit and Compliance Committee Charter |
| | Group Directive Number: | GD-04 |
| | Group Directive Owner: | CFO and GC |
| | Approved by: | Board of Directors |
| | Effective Date: | June 26, 2023 |
| | Valid Version: | Version 3.0 |

(4) Effective Compliance Program

- (a) Review at least annually the processes and procedures used by management to execute an effective compliance program.
- (b) Review at least annually compliance by Santhera employees with those Group policies falling into the subject matter expertise of the ACC.
- (c) Establish procedures for (i) the receipt, retention and treatment of complaints received by the Group regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Group of concerns regarding questionable accounting or auditing matters to the compliance responsible.

(5) Significant Legal Matters and Regulatory Risks

- (a) Review major issues regarding the status of the Group’s material legal matters, as well as major legislative and regulatory developments that may have significant impact on the Group, including GxP, PV, quality systems issues and potential product issues.

(6) Oversight of the Company’s Risk Management System

- (a) The ACC, to the extent it deems necessary or appropriate, shall review the process and procedure for management’s monitoring of any significant risks or exposures the company may face. To this end, at least once per year, the ACC will review reports submitted by management and give guidance and direction on how risk management is to be conducted.

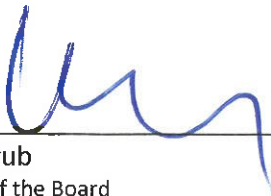
5 REVISION HISTORY

| Revision | Approved by | Date | Revision Notes |
|----------|-------------|---------------|------------------------|
| 1 | Board | April 4, 2017 | Comprehensive Revision |
| 2 | Board | June 26, 2023 | Comprehensive Revision |
| | | | |
| | | | |

Pratteln, June 26, 2023



 Thomas Meier
 Chairman of the Board



 Oliver Strub
 Secretary of the Board