

# Remuneration Report

<b>Remuneration Report</b>	<b>73–82</b>
Introduction	74
1. Responsibilities and authorities with respect to remuneration	74
2. Remuneration of the members of the Board of Directors	75
3. Remuneration of related parties at non-market conditions (audited)	78
4. Remuneration of former members of the corporate bodies (audited)	78
5. Loans and credits to the members of the Board of Directors or related parties (audited)	78
6. Participation rights and options on such rights	78
7. Activities in other undertakings	79
8. Contractual terms at retirement from BB Biotech AG	80
9. Management contracts	80
Report on the audit of the Remuneration report	81

# Remuneration Report

This remuneration report for the fiscal year 2023 outlines the remuneration system as well as the remuneration of the members of the Board of Directors of BB Biotech AG. The content and scope of the information contained in this report is in accordance with article 734 et seq. of the Swiss Code of Obligations (CO), the Directive on Information relating to Corporate Governance (DCG) of the SIX Swiss Exchange, as well as the Swiss Code of Best Practice for Corporate Governance.

## 1. Responsibilities and authorities with respect to remuneration

### 1.1 Introductory remarks relating to the specific structure of BB Biotech AG as an investment company

The Board of Directors of BB Biotech AG has not made use of its competence to delegate the executive management of all or part of the Company's business pursuant to article 716b CO and therefore manages the business of the Company itself, to the extent it has not been delegated to Bellevue Asset Management AG as investment manager and administrator within the framework of the management contract. Accordingly, BB Biotech AG does not have an executive management pursuant to article 716b CO.

For details, please refer to [note 9](#).

### 1.2 Responsibilities and authorities with respect to the remuneration

The Remuneration and Nomination Committee is responsible for ensuring that the process relating to the determination of the remuneration is held on a fair and transparent basis and that such process is controlled effectively. The adopted remuneration process shall serve as a basis for an adequate decision with respect to services rendered as well as an appropriate incentive to the individual members of the Board of Directors, taking into account the long-term interests of the shareholders and the Company's success. In addition, the Remuneration and Nomination Committee assists the Board of Directors in determining the principles of the remuneration strategy of BB Biotech AG.

The Remuneration and Nomination Committee submits proposals to the Board of Directors for resolution in the following areas:

- Amount and composition of the aggregate remuneration of the Board of Directors;
- Amount and composition of the remuneration of the Chairman of the Board of Directors;
- Amount and composition of the remuneration of the Vice-Chairman as well as the other members of the Board of Directors;
- Amount and composition of the additional remuneration of the members of a Board of Directors Committee.

Furthermore, the Remuneration and Nomination Committee assists the Board of Directors in resolving on conclusion, termination, or amendment of contracts entered into with external asset managers and thus in particular on the amount of the compensation to be paid under the respective contracts.

The Remuneration and Nomination Committee meets as often as necessary but in any event at least once a year. The meeting minutes are included in the board pack of the next meeting of the Board of Directors. The chairperson of the Remuneration and Nomination Committee reports to the Board of Directors at the next meeting.

BB Biotech AG last mandated in 2021 two reputable service providers to provide an external review of the Board of Directors' compensation. Willis Towers Watson (WTW) and Mercer independently benchmarked the compensation of the Chairman, the Vice-Chairman and the ordinary members of the Board of Directors as well as the Board committees regarding level and structure against two pre-defined peer groups. One peer group consisted of 19 (Mercer) resp. 27 (WTW) distinct companies included in the SMIM Index. This group reflects the local market practices for Swiss listed companies, similar in size as BB Biotech AG. The second peer group consisted of 17 (Mercer) resp. 22 (WTW) listed financial industry companies with a similar structure (no bank and insurance companies, most of them included in the FTSE250 index). This group of listed investment trusts and investment companies reflects the structural specialties of BB Biotech AG.

Based on the results of the benchmarking studies and in line with the recommendation of the Remuneration and Nomination Committee, the Board of Directors decided to propose an adjusted overall amount to the General Meeting in March 2022.

In line with the results of the benchmarking studies, the Board of Directors decided to decrease the amount of compensation awarded for Board membership and increase the amount of compensation awarded for membership and, in particular, chairmanship of a Board committee.

During the period under review, no external advisors were consulted on the determination of the compensation program and no changes to the remuneration system or compensation amounts were made.

## 2. Remuneration of the members of the Board of Directors

### 2.1 Principles

The remuneration of the members of the Board of Directors is based on the scope of activity and responsibility of the individual members (Chairman of the Board of Directors, Vice-Chairman of the Board of Directors, member of the Board of Directors; involvement in committees: chairmanship of a committee, member of a committee).

The remuneration of the Board of Directors consists of the following elements:

- Fixed remuneration (disbursement by cash compensation);
- Social insurance contributions and duties.

The limitation to a fixed remuneration ensures that the focus of the Board of Directors lies on the long-term success of BB Biotech AG. Its amount takes account of the workload and responsibility of the individual members of the Board of Directors. Therefore, the remuneration of the Board of Directors has been separated from the compensation of the investment manager; thus, the Board of Directors does not have an incentive to take excessively high risks.

Upon request of the Remuneration and Nomination Committee, the entire Board of Directors resolves once a year on the amount of the remuneration of the members of the Board of Directors and the committees.

The Board of Directors had determined the fixed remuneration of its members (as a member of the Board of Directors or a committee) as follows:

Function/Responsibility	AGM 2023 - AGM 2024 in CHF	AGM 2022 - AGM 2023 in CHF
Chairman	360 000	360 000
Vice-Chairman	220 000	220 000
Member	220 000	220 000
Chairman of the Remuneration and Nomination Committee	40 000	40 000
Member of the Remuneration and Nomination Committee	20 000	20 000
Chairman of the Audit and Risk Committee	40 000	40 000
Member of the Audit and Risk Committee	20 000	20 000
Chairwoman of the Sustainability and Governance Committee	40 000	40 000
Member of the Sustainability and Governance Committee	20 000	20 000

## 2.2 Remuneration of the individual members of the Board of Directors in the reporting year (audited)

In the reporting year 2023, the six members (2022: six members) of the Board of Directors received a total remuneration of CHF 1 724 921 (2022: CHF 1 595 935). From this amount, CHF 1 680 000 (2022: CHF 1 550 000) have been paid in the form of a fixed remuneration for the work on the Board of Directors and on the committees of the Board of Directors. The social insurance contributions and the duties amounted to a total of CHF 44 921 (2022: CHF 45 935).

The individual members of the Board of Directors were paid the following remuneration:

### Fiscal year 2023

Name/Function	RNC <sup>1)</sup>	ARC <sup>2)</sup>	SGC <sup>3)</sup>	Period	Fixed remuneration	Committee remuneration	Social insurance contributions and duties	Total
Hunziker Erich, Chairman			X	01.01.2023 – 31.12.2023	360 000	20 000	25 126	405 126
Meanwell Clive, Vice-Chairman	X	X		01.01.2023 – 31.12.2023	220 000	60 000	–	280 000
Hamill Laura, Member			X	01.01.2023 – 31.12.2023	220 000	40 000	–	260 000
Huang Pearl, Member		X	X	01.01.2023 – 31.12.2023	220 000	40 000	–	260 000
Krogsgaard Thomsen Mads, Member	X			01.01.2023 – 31.12.2023	220 000	20 000	–	240 000
von Planta Thomas, Member		X		01.01.2023 – 31.12.2023	220 000	40 000	19 795	279 795
<b>Total</b>					<b>1 460 000</b>	<b>220 000</b>	<b>44 921</b>	<b>1 724 921</b>

<sup>1</sup> Remuneration and Nomination Committee

<sup>2</sup> Audit and Risk Committee

<sup>3</sup> Sustainability and Governance Committee

### Fiscal year 2022

Name/Function	RNC <sup>1)</sup>	ARC <sup>2)</sup>	SGC <sup>3)</sup>	Period	Fixed remuneration	Committee remuneration	Social insurance contributions and duties	Total
Hunziker Erich, Chairman			X	01.01.2022 – 31.12.2022	360 000	15 000	25 138	400 138
Meanwell Clive, Vice-Chairman	X	X		01.01.2022 – 31.12.2022	227 500	51 250	–	278 750
Hamill Laura, Member			X	17.03.2022 – 31.12.2022	165 000	30 000	–	195 000
Huang Pearl, Member		X	X	17.03.2022 – 31.12.2022	165 000	30 000	–	195 000
Krogsgaard Thomsen Mads, Member	X			01.01.2022 – 31.12.2022	227 500	17 500	–	245 000
von Planta Thomas, Member		X		01.01.2022 – 31.12.2022	227 500	33 750	20 797	282 047
<b>Total</b>					<b>1 372 500</b>	<b>177 500</b>	<b>45 935</b>	<b>1 595 935</b>

<sup>1</sup> Remuneration and Nomination Committee

<sup>2</sup> Audit and Risk Committee (Pearl Huang from March 17, 2022)

<sup>3</sup> Sustainability and Governance Committee (Laura Hamill, Erich Hunziker, Pearl Huang from March 17, 2022)

### 3. Remuneration of related parties at non-market conditions (audited)

In the reporting year 2023, no remuneration which was not at arm's length terms was paid to related parties (2022: none).

### 4. Remuneration of former members of the Board of Directors (audited)

In the reporting year 2023, no remuneration was paid to former members of the Board of Directors (2022: none).

### 5. Loans and credits to the members of the Board of Directors or related parties (audited)

The articles of incorporation of BB Biotech AG do not provide that loans and credits may be granted to the members of the Board of Directors. Accordingly, no loans or credits which BB Biotech AG has granted to current or former members of the Board of Directors or to related parties were outstanding as of December 31, 2023 (December 31, 2022: none).

### 6. Participation rights and options on such rights

As at December 31, the members of the Board of Directors held the following positions in BB Biotech shares:

	<b>2023</b>	<b>2022</b>
Dr. Erich Hunziker, Chairman	957 884	957 884
Dr. Clive Meanwell, Vice-Chairman	5 163	5 163
Laura Hamill	–	–
Dr. Pearl Huang	–	–
Prof. Dr. Mads Krosggaard Thomsen	–	–
Dr. Thomas von Planta	12 000	12 000

None of the members of the Board of Directors held any options.

## 7. Activities in other undertakings

Pursuant to Article 734e CO, all mandates or functions held by members of the Board of Directors in entities within the meaning of Article 626 para. 2 no. 1 CO that are not part of the BB Biotech Group must be disclosed in the Remuneration Report, provided that such mandates are comparable to board of directors or executive committee mandates and the entity has an economic purpose. As at December 31, 2023, the members of the Board of Directors held the following such mandates:

### Dr. Erich Hunziker, Chairman

Light Chain Biosciences (NovImmune SA)	CH	Chairman of the Board of Directors	Non-listed
Entsia International AG	CH	Chairman of the Board of Directors	Non-listed
discoveric ag <sup>1)</sup>	CH	Chairman of the Board of Directors	Non-listed
discoveric bio alpha ag <sup>1)</sup>	CH	Chairman of the Board of Directors	Non-listed
discoveric bio beta ag <sup>1)</sup>	CH	Chairman of the Board of Directors	Non-listed
discoveric bio gamma ag <sup>1)</sup>	CH	Chairman of the Board of Directors	Non-listed
discoveric marina ag <sup>1)</sup>	CH	Chairman of the Board of Directors	Non-listed
discoveric marketplace ag <sup>1)</sup>	CH	Chairman of the Board of Directors	Non-listed
LamKap Bio alpha AG <sup>1)</sup>	CH	Chairman of the Board of Directors	Non-listed
LamKap Bio beta AG <sup>1)</sup>	CH	Chairman of the Board of Directors	Non-listed
LamKap Bio gamma AG <sup>1)</sup>	CH	Chairman of the Board of Directors	Non-listed

<sup>1)</sup> all entities under common control

### Dr. Clive Meanwell, Vice-Chairman

Population Health Partners LLC	US	Chairman of the Board of Directors	Non-listed
Invivyd Inc.	US	Member of the Board of Directors	Listed
Fractyl Health Inc.	US	Member of the Board of Directors	Non-listed
Hugo Health Inc.	US	Member of the Board of Directors	Non-listed
Saama Technologies Inc.	US	Member of the Board of Directors	Non-listed

### Laura Hamill

Y-mAbs Therapeutics Inc.	US	Member of the Board of Directors	Listed
Unchained Labs	US	Member of the Board of Directors	Non-listed

### Dr. Pearl Huang

Waters Corporation	US	Member of the Board of Directors	Listed
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### Prof. Dr. Mads Krogsgaard Thomsen

None

### Dr. Thomas von Planta

Bâloise Holding AG	CH	Chairman of the Board of Directors	Listed
CorFinAd AG	CH	Member of the Board of Directors	Non-listed

The disclosure of mandates and functions in accordance with the DCG is included in Section 5 of the Corporate Governance Report.

## 8. Contractual terms at retirement from BB Biotech AG

No member of the Board of Directors has a contract with BB Biotech AG providing for a severance payment in the event of leaving BB Biotech AG.

## 9. Management contracts

On behalf of the Company, the Board of Directors has entered into a management contract with Bellevue Asset Management AG (investment manager). In this contract, the investment manager commits to carry out management services relating to the investment activity and management of BB Biotech AG. The management contract is valid for an indefinite period and can be terminated by either party with a notice period of twelve months with effect as per the end of the following calendar year. The remuneration of the investment manager is determined by the respective contract and corresponds to a fixed fee of 1.1% p.a. on the average market capitalization of BB Biotech AG without any additional fixed or performance-based elements.



# Report on the audit of the Remuneration report

## Report of the statutory auditor to the General Meeting of BB Biotech AG, Schaffhausen

### Opinion

We have audited the remuneration report of BB Biotech AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked «audited» of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying remuneration report complies with Swiss law and the Company's articles of incorporation.

### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the «Auditor's Responsibility for the Audit of the Remuneration Report» section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the tables marked «audited» in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to

fraud or error. It is also charged with structuring the remuneration principles and specifying the individual remuneration components.

### Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors and/or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors and/or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Deloitte AG

**Marcel Meyer**  
Licensed Audit Expert  
Auditor in Charge

**Severin Holder**  
Licensed Audit Expert

Zurich, February 14, 2024