

**INTERNAL REGULATIONS OF  
KUROS BIOSCIENCES AG  
(ORGANISATIONSREGLEMENT)**

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**1. BASIS**

Based on Art. 25 of the Articles of Association of Kuros Biosciences AG and Art. 716b of the Swiss Code of Obligations, the board of directors has issued these Internal Regulations ("Internal Regulations"). The Internal Regulations govern the internal organization as well as the duties, powers and responsibilities of the following executive bodies and persons of Kuros Biosciences AG ("Company"):

- the board of directors (the "Board");
- the chairperson of the Board (the "Chairperson");
- the vice chairperson of the Board (the "Vice Chairperson");
- the committees of the Board (each a "committee")
- the chief executive officer (the "CEO");
- the executive committee and its members (the "Executive Committee");
- the Nomination and Corporate Governance Committee (the "NC");
- the Compensation Committee (the "CC")
- the audit committee of the Board (the "AC").

## **2. GENERAL PROVISIONS**

### **2.1 Duty of Care and Loyalty**

The members of the Board and the Executive Committee must perform their duties with all due diligence, and safeguard and further the interests of the Company and its shareholders.

### **2.2 Duty of Confidentiality**

Each member of the Board or the Executive Committee must, at all times, keep strictly confidential all information relating to the Company of which the member has learned during the exercise of his/her duties, except information which is already in the public domain. This obligation continues after the expiration of the term of office or the resignation of the member. Business documents of the Company must be returned to the members at the latest on expiry of their term of office or their resignation.

### **2.3 Related Transactions**

No member of the Board or the Executive Committee shall participate in the deliberations and resolutions on matters which affect, or reasonably might affect the interests of that member or of a person close to that member as further defined in the related party transaction regulation. All transactions and agreements between the Company, a Board member or the Executive Committee (or affiliated or related persons thereof) shall follow the related party transaction regulation of the Board and shall be approved by the Board.

### **2.4 Conduct and Conflict of Interest**

Each member of the Board and the Executive Committee must conduct itself in full compliance with all applicable laws, rules and regulations and may not commit illegal or unethical acts.

Each member of the Board and the Executive Committee should arrange his/her personal and business affairs so as to avoid, as far as possible, conflicts of interest with the Company.

Each member of the Board or the Executive Committee must inform the Chairperson (or in case of the Chairperson being conflicted, the Vice Chairperson) without delay if a conflict of interest arises. The Chairperson, or Vice Chairperson, may request a decision by the Board regarding the seriousness of the conflict of interest. The Board decides without participation of the person concerned, whether to exclude such a member from the deliberation and/or decision to be taken.

For particular policies regarding conduct and conflicts of interest the Board shall enact a code of business conduct and ethics.

### **2.5 Quorum**

Meetings may be held in any location determined by the chairperson of the respective body. Meetings may also be held and resolutions adopted by telephone or videoconference communication with access offered to all members of the respective body.

Unless stated otherwise in these Internal Regulations, the quorum for any meeting shall be half of the duly elected members

No quorum is required, and the presence of one member is sufficient, when approving reports on capital increases and resolutions regarding the carrying out of capital increases and the corresponding change of the Articles of Association (in particular art. 634a, 651 para 4, 651a, 652e, 652g and 653g CO).

A Board member who is not able to participate in a meeting of the Board or a Board committee may neither be represented by another member of the Board nor by any other person.

## 2.6 Resolutions

Resolutions shall be taken by the majority of the votes passed (abstentions not counted). In case of a tie, the Chairperson (or if not absent or not voting, the person chairing the meeting) shall have the casting vote.

Resolutions may also be taken in writing (including mail, e-mail or telefax), unless one member of the Board requests an oral debate. The passing of such written resolution (also called circular resolution) requires as well majority of the votes passed (abstentions not counted), unless one members requests a resolution by a meeting / conference call.

## 2.7 Secretary and Minutes

The Board shall appoint a corporate secretary (the "Secretary"), who does not need to be a member of an executive body of the Company or a Shareholder.

The Secretary reports directly to the Chairperson

The Secretary or a designated taker of the minutes shall keep the minutes of meetings, which shall contain all resolutions adopted at the meeting. The minutes shall be signed by the Chairperson and keeper of the minutes and shall be approved at the next physical meeting of the respective body.

## 2.8 No Representation of Members

A Board member who is not able to participate in a meeting of the Board or a Board committee may neither be represented by another member of the Board nor by any other person.

## 2.9 Participation of Non-Members

Persons who are not members of the Board, the committees of the Board or the Executive Committee may participate in meetings of such bodies if their expertise is required and if they have been invited by the chairperson of the body. Such persons shall not vote in any resolutions.

# 3. BOARD OF DIRECTORS

## 3.1 Chairperson and Vice-Chairperson

The Chairperson is elected by the general meeting of the shareholders (the "General Meeting") by the General Meeting for a term of office until completion of the next ordinary General Meeting. If the office of the Chairperson is vacant, the Board shall appoint a new Chairperson from among its members for the remaining term of office.

The Board shall appoint from its members the Vice Chairperson.

### 3.2 Board Committees

The Board has established three standing committees as further described below in section 8 to 10. The members of the AC and NC are elected by the Board for a term of one business year until the end of the next ordinary General Meeting. The members of the CC are elected by General Meeting for a term of one business year until the end of the next ordinary General Meeting, provided that the particular member does not resign or is not replaced during the term. The Board may establish other permanent or non-permanent committees from time to time as the Board deems necessary or appropriate to assist the Board in discharging its duties. Unless not specified in these Internal Regulations, the duties of such committees will be established in a charter or specified in the Board resolution creating such committee.

Unless specifically stated otherwise in a Board-approved regulation or decision, all committees shall not pass any resolutions but rather prepare and recommend resolutions to be passed by the full Board.

### 3.3 Meetings

The meetings shall be called by the person designated by the Chairperson and shall be chaired by the Chairperson and in the event he/she is prevented from doing so, by the Vice Chairperson and in the event he/she is prevented from doing so, by any other member of the Board as often as required by the ordinary course of the business. In case of urgency, any member of the Board may request an immediate meeting. This request must be made as far in advance as possible. A statement of the reasons is necessary.

The yearly meeting calendar indicating the meeting dates shall be fixed prior to the start of the calendar year. The final meeting dates shall be notified at least one month in advance.

The Chairperson prepares the Board meetings, including the development of the agenda and the preparation and distribution of the meeting materials to be provided to the Board members in advance of the meetings.

The meetings shall be formally called in writing or by e-mail at least one week prior to the meeting including the agenda and all material necessary for a proper preparation of the meeting. In urgent matters, these formal requirements do not need to be met. In such a situation, the Board may pass a resolution if a majority of its members confirms the urgent character of the matter.

If all members of the Board who are present agree to do so, they may also pass resolutions on matters which were not properly notified. Resolutions may be passed via telephone or videoconference. Resolutions may also be passed by way of circulation, provided that no member requests oral deliberation

Minutes are kept of the board's discussions and resolutions and signed by the Chairperson and the minute-taker.

If the CEO is simultaneously member of the Board, the Board holds on an as needed basis discussions in board meetings without the presence of the CEO. The matters to be addressed during such meetings shall be matters such as the collaboration of the members of the Board with the CEO and the Executive Committee.

### 3.4 Function and Powers of the Board

The Board has the power to make decisions on all matters which are not vested in General Meeting or delegated to any other corporate body or person by Swiss law, the respective Articles of Association or these Internal Regulations.

The Board delegates management entirely to the CEO unless Swiss law, the respective Articles of Association or these Internal Regulations provide otherwise.

The Board supervises, monitors and controls the management. The Board enacts guidelines for business policy and is regularly informed about the course of business.

The Board is entitled to pass resolutions concerning all matters which are not reserved or entrusted to the General Meeting or another organ of the corporation by law, the respective Articles of Association or these Internal Regulations.

Once per year the Board of Directors shall assess its proper performance as well as the performance of the CEO.

### 3.5 Non-transferable and Irrevocable Duties

Pursuant to the Swiss Code of Obligations, the Board has the following non-transferable and inalienable duties:

- a) overall governance of the Company including formulating the vision, mission, values, strategy and planning priorities and laying down guidelines for corporate policy and issuing the necessary instructions;
- b) ensuring the appropriate organizational structure and processes to effectively and efficiently execute the agreed upon strategies and financial goals;
- c) arrange the accounting, financial control and financial planning systems as required for management of the Company;
- d) appointing and dismissing the persons responsible for the management and the representation of the Company, and conferring signatory powers;
- e) supervision of the persons responsible for the management of the Company, in particular with regard to their compliance with the law and any industry regulations, stock exchange requirements including reporting frameworks and standards, Articles of Association, internal regulations and directives;
- f) approving the annual and interim business reports, preparing the General Meeting and implementing its resolutions;
- g) approving the strategic plan and the financial medium-term plan as well as annual budget;
- h) approving capital increases and amending the Articles of Association;
- i) prepare the compensation report and request approval by the General Meeting regarding compensation of the Board and the Executive Committee; and
- j) notify the court in the event that the Company is over-indebted.

### 3.6 Additional Duties and Competences

The following business transactions (as also specified in Annex 6.1) need the prior approval of the Board:

- a) Any mergers, acquisitions, partnerships, alliances, licensing transaction size and/or Project NPV above CHF 2 million;
- b) adopt a yearly operating budget and investment budget and any material change to any such budget as amended from time to time (material being a decision leading to a projected increase or decrease of 10% or more on total costs or total revenues) and engage in a transaction which would result in such a material deviation from the budget;
- c) hire or dismiss the members of the Executive Committee;
- d) establish principles of employee benefits, employee pension fund, employee insurance
- e) initiate or pursue legal actions, litigation or other official proceedings of material significance in terms of financial exposure or risk (whereby management may take protective and interim measures regardless of the significance);
- f) approve any borrowing guarantee or any other form of security provided by the Company for any third party, grant any surety or any indemnity to a third party, in each case exceeding CHF 250'000;
- g) approve the establishment or closure of branches, subsidiaries, agencies, administrative or representation offices, both in Switzerland and abroad;
- h) review and approve any arrangement for any joint venture or partnership by the Company or for any acquisition by the Company of any equity interest in another company or undertaking or the acquisition of any business or part thereof from another undertaking exceeding CHF 500'000.
- i) acquire, encumber and sell real estate and approve any lease for real property with yearly costs for the Company of more than CHF 200'000 or nine years of duration;
- j) approve the creation of any mortgage, charge, lien, encumbrance or other third party right over any of the Company's IP assets;
- k) approve and/or ratify all obligations and agreements entered into outside the ordinary course of business;
- l) determine the compensation of the members of the Board within the framework set by the General Meeting;
- m) adopt and amend a stock option plan; and
- n) approve any transactions with a member of the Board, the Executive Committee or a shareholder or a person related thereto.

### 3.7 Reporting and Access to Information

The CEO informs the Board of all current matters (see below 5.4)

Every single member of the Board may at any time request information about all matters of the Company and presentation of the records and books to the extent such

information is required to exercise the Board's decisions.

Between Board meetings, each Board member may, upon authorization by the Chairperson, request information from the persons entrusted with the management of the Company's business concerning the course of business and particular aspects thereof.

To the extent necessary to fulfill his/her duties, each Board member may request that the Chairperson authorizes an information, hearing or inspection regarding the books and records of the Company by an independent person. If the Chairperson rejects a request for information, hearing or inspection, the Board shall decide whether to grant such request.

### 3.8 Signatory Powers

The Board regulates the signatory power of the Company and grants such authorization; it shall generally only grant signatory power to so that two authorized signatories are required to sign together.

### 3.9 Remuneration

As remuneration of the above stated obligations and responsibilities of the Board, the members of the Board shall receive a fixed annual board fee, independent of the business results, within the global amount determined by the General Meeting. In addition, the members of the Board shall be reimbursed for their expenses.

Special services rendered by individual members, in particular the activity of the specifically delegated members of the Board pertaining to the management or supervision may be rewarded by the Board in an appropriate manner.

## 4. THE CHAIRPERSON

The Chairperson of the Board, and in his/her absence or incapacity the Vice Chairperson, shall have the following duties and powers:

- a) prepare, call and chair the Board meetings, including organize the agenda and the meeting materials provided to the Board members in advance of the meetings;
- b) chair the General Meetings;
- c) supervise the execution of the resolutions adopted by the Board or the General Meeting;
- d) ensure the information and reporting by management;
- e) any other matters assigned or delegated to the Chairperson by statute, the respective Articles of Associations, Internal Regulations or Board resolution; and
- f) after information of the CEO, attend meetings of the executive bodies of the Company of which he is not a member.

## 5. THE CEO

### 5.1 Basic principle

The CEO chairs and leads the Executive Committee. The CEO assists the Chairperson

to prepare the meetings of the Board and implements its resolutions. The CEO can be a Board member or not a Board Member. If the CEO is a Board member, he/she can neither be member of the CC nor of the AC.

The CEO is vested with all powers necessary for the performance of his/her duties, subject to the constraints of the overall budget.

## 5.2 Appointments

The CEO is appointed and dismissed by the Board, based on the proposals of the CC.

The employment terms of CEO is determined by the Board upon proposal of the CC.

## 5.3 Responsibilities and Duties

The CEO shall be responsible for:

- a) the development of the business concept and the strategy of the Company to the attention of the Board;
- b) operative management of Company;
- c) the organization and direction of the Executive Committee, in particular, supervise and coordinate the activities of the Executive Committee with reference to the business of the Company;
- d) the financial results of the Company;
- e) the implementation of the strategic orientation and other resolutions determined by the Board;
- f) ensure that the passed resolutions are assigned to the individual members of the Executive Committee for execution and monitor the implementation of such resolutions;
- g) represent the Company vis-à-vis the shareholders and maintains the relations with shareholders and investors in concert with the Chairperson;
- h) represent the Company vis-à-vis the public and media, in concert with the Chairperson; and
- i) the compliance with all legal requirements of the capital markets (he/she may delegate this responsibility to the CFO).

## 5.4 Reporting to the Board of Directors

The CEO informs the Board at each meeting of all current matters, material developments in the Company's business and material deviations from the budget. In addition, CEO informs the Board between meetings without delay of any developments in the Company's business that materially alter the risk profile of the Company as well as any other matters outside the ordinary course of business. If requested by the Board, the CEO provides regularly written updates to the other members of the Board.



## **6. THE EXECUTIVE COMMITTEE**

### **6.1 Principles**

The Executive Committee consists of two or more members and shall be chaired by the CEO.

### **6.2 Appointments**

The members of the Executive Committee are appointed or dismissed by the Board after evaluation by the CC on the basis of the CEO's proposals.

The employment terms of the members of the Executive Committee are determined by the Board upon proposal of the CC.

### **6.3 Duties and responsibilities**

The CEO is responsible for the organization and mode of operation of the Executive Committee. Accordingly, duties and responsibilities within the Executive Committee are determined by the CEO. Within the scope of these Internal Regulations, the members of the Executive Committee (other than the CEO) take over individual tasks and are individually responsible to the CEO for the performance of the tasks allocated to them.

The CFO shall be responsible for implementation a monitoring of the Investment Policy enacted by the Board.

Each member of the Executive Committee and any person directly reporting to the CEO has the right to have his/her views heard directly by the Board.

### **6.4 Incapacity of CEO**

If, and so long as, the CEO is incapacitated, the Chairperson shall assume the function of the CEO until the Board designates another member of the Board or the Executive Committee to assume the duties of the CEO.

## **7. NOMINATION AND CORPORATE GOVERNANCE COMMITTEE**

### **7.1 Tasks of the NC**

The Nomination and Corporate Governance Committee ("NC") shall identify and recommend to the Board (i) suitable Board candidates to be nominated for election by the shareholders, and (ii) candidates for executive board positions for appointment by the Board. The NC shall further (i) periodically review the policies and principles for corporate governance of the Company, including the Internal Regulations, and recommend changes, if any, to the Board for approval and (ii) make recommendations to the Board on Board and committee compositions, including the Board and committee chairpersons and the size of the Board. The NC shall establish a process for, and conduct an annual review of the performance of the Board, its committees, and individual Board members.

### **7.2 Constitution of the NC**

The NC shall consist of three or more independent members of the Board. The Board appoints the chair and the members of the NC. The NC shall enact its own charter.

### 7.3 Information for the Board

The chairperson of the NC informs the members of the Board on a regular basis and notifies extraordinary incidents immediately.

All members of the Board receive the minutes of the NC.

## **8. AUDIT COMMITTEE**

### 8.1 Tasks of the AC

The Audit Committee ("AC") shall monitor (i) the integrity of the financial statements, (ii) the independent audits in compliance with applicable legal and regulatory requirements, (iii) the accounting and financial re-reporting processes, and (iv) the internal control, risk and compliance management processes of the Company.

### 8.2 Constitution of the AC

The AC shall consist of two or more members of the Board, who are recommended to the Board by the NC Committee. The Board appoints the members of the AC. The AC shall enact its own charter.

### 8.3 Information for the Board

The chairperson of the AC informs the members of the Board on a regular basis and notifies extraordinary incidents immediately.

All members of the Board receive the minutes of the AC.

## **9. COMPENSATION COMMITTEE**

### 9.1 Tasks of the CC

The Compensation Committee ("CC") shall assist the Board in establishing the compensation policy and the compensation of the members of the Board and the executive board of the Company. In discharging its responsibilities, the CC has unrestricted access to the Company's management, employees, books and records, and may consult with outside advisors.

### 9.2 Constitution of the CC

The CC shall consist of three or more non-executive members of the Board, who are appointed by the General Meeting. The chairperson shall be appointed by the Board. The members of the CC, including the chairperson, shall be independent. The Committee shall enact its own charter.

### 9.3 Information for the Board

The chairperson of the CC informs the members of the Board on a regular basis and notifies extraordinary incidents immediately.

All members of the Board receive the minutes of the CC.

## **10. RESEARCH & DEVELOPMENT COMMITTEE**

### 10.1 Tasks of the RDC

The Research & Development Committee ("RDC") shall assist the Board in reviewing and evaluating the Company's product pipeline and assessing the technical and regulatory progress of the Company's products in development, and perform such other duties as are assigned to the Committee.

### 10.2 Constitution of the RDC

The RDC shall consist of two or more members of the Board, who are recommended to the Board by the NC Committee. The Board appoints the members of the RDC. The RDC shall enact its own charter.

### 10.3 Information for the Board

The chairperson of the RDC informs the members of the Board on a regular basis and notifies extraordinary incidents immediately.

## **11. RESTRICTIONS ON TRADING IN COMPANY SHARES**

### 11.1 Definitions

A "transaction" means any direct or indirect purchase of:

- a) Company shares;
- b) conversion and share acquisition rights which grant the holder a right to convert into or to acquire Company shares, irrespective of whether such rights provide for actual delivery or cash settlement;
- c) all types of financial instruments which do not fall under the above-named rights, but whose prices are substantially influenced by Company shares.

Facts are considered to be "price-sensitive" if they might result in a significant change in the price of Company shares. Such facts include the financial results, extraordinary events, proposals or discussions regarding corporate acquisitions and disposals, etc.

### 11.2 Rules

The following rules apply to all employees and all members of the Board of Directors of Company or its subsidiary companies:

- a) any transaction involving options on Company shares that do not have shares as their underlying instrument are not permitted. However, employee options may be exercised at any time;
- b) transactions involving an interval of fewer than four weeks are not permitted;
- c) any transaction where the employee may have price-sensitive information is prohibited;
- d) the disclosure of price-sensitive information is prohibited.

The Board shall enact an insider trading policy which shall be mandatory for all persons mentioned therein.

### 11.3 Further restrictions on the Board of Directors and Executive Committee

The following rules apply to the members of the Board, the Executive Committee and those persons reporting directly to a member of the Executive Committee and those persons exposed to price-sensitive facts.

Transactions are prohibited during the following blocking periods: between 31 December and the subsequent announcement of the annual results and between 30 June and the announcement of the half-yearly results. The CFO may grant exceptions in justifiable instances.

During blocking periods, no recommendations may be issued with respect to Company shares.

If transactions are concluded by members of the Board or the Executive Committee, they must inform the Secretary of such transactions within two trading days.

## 12. **CODE OF CONDUCT**

The Board shall enact a Code of Conduct which shall be mandatory for all persons mentioned therein.

## 13. **FINAL PROVISIONS**

These Internal Regulations were adopted by the Board at the date written below and enter into force immediately. In individual cases, the Board of Directors may at any time adopt resolutions which deviate from these Regulations. In the event of general changes, it should amend these Regulations.

19 April 2021