

**COMPENSATION, NOMINATION AND CORPORATE GOVERNANCE  
COMMITTEE CHARTER (CNC)**

**OF  
AC IMMUNE SA**

**1. ADOPTION OF CHARTER**

This Charter (the "Charter") of the Compensation, Nomination & Corporate Governance Committee (the "CNC") was adopted on 13 October 2015 pursuant to section 28 of the Articles of Association and section 7 of the Organizational Rules of AC Immune SA (the "Company") and entered into force upon the listing of the shares of the Company at NASDAQ. Terms not defined in this Charter shall have the meaning as used or defined in the Articles of Association and the Organizational Rules.

**2. ESTABLISHMENT OF COMMITTEE; PURPOSE**

2.1 The CNC is established as a permanent committee of the board of directors of the Company (the "Board").

2.2 As further described in section 4, the CNC shall assist the Board in establishing the compensation of the members of the Board, the CEO and the Executive Committee, and the guidelines for nomination and election of the members of the Board, its committees and the CEO. As further described in Section 5, the CNC shall identify and recommend to the Board (i) suitable Board candidates to be nominated for election by the shareholders, and (ii) candidates for Executive Committee positions for appointment by the Board, and perform such other duties as are assigned to the Committee in this Charter. The CNC may delegate some duties to sub-committees comprised of one or more members of the CNC.

**3. COMPOSITION**

The CNC is composed of three non-executive members of the Board. The Shareholders' Meeting appoints the members and the chairperson of the Committee, and may remove and replace individual members or the chairperson at any time. The Committee members shall serve until they resign or are removed, or their term as a Board member expires and they are not re-elected for a subsequent term. In the case of a vacancy on the CNC during the year the Board of Directors shall elect a member of the Board for the remaining term of office. The members of the CNC shall be independent in accordance with the independence criteria set forth in the Appendix. These criteria meet the independence and experience requirements of the U.S. Securities and Exchange Commission rules, the NASDAQ rules and Swiss Code of Best Practice, except as otherwise permitted by the applicable rules.

#### **4. RESPONSIBILITIES IN RESPECT TO COMPENSATION**

The CNC has the following responsibilities, and such other responsibilities as may be assigned to the CNC by the Board from time to time:

##### **4.1 Compensation Guidelines**

The CNC shall prepare and recommend to the Board for approval remuneration principles for the Board, its committees, the CEO and the Executive Committee (the "Guidelines"), and thereafter annually review such Guidelines and recommend changes, if any, for approval to the Board.

The Guidelines shall provide an overall package for near- and long-term compensation, including variable compensation, that (1) is designed to attract, motivate and retain persons with the necessary skills and character, (2) is consistent with market conditions, and in the case of variable compensation, consistent with the Company's and individual's performance, and (3) aligns the interests of the members of the Board and the Executive Committee with the interests of the Company.

The CNC shall periodically review the Company's compensation policies for its employees who are not members of the Executive Committee.

##### **4.2 Compensation of the Board**

The CNC shall review and propose to the Board of Directors the resolution to be submitted to the Ordinary General Meeting for the maximum total compensation of the Board of Directors.

Subject to, and within the bounds of, the maximum compensation approved by the Ordinary General Meeting, the CNC shall request approval by the Board of Directors of the individual remuneration packages to be paid to members of the Board of Directors.

##### **4.3 Compensation of the Executive Meeting**

The CNC shall review and propose to the Board of Directors the resolution to be submitted to the Ordinary General Meeting for the maximum total compensation of the Executive Committee.

The CNC shall evaluate annually the performance of the CEO and the Executive Committee, and submit such evaluation for review and discussion by the Board, in each case in executive session without the presence of the CEO or the Executive Committee.

Subject to and within the bounds of the maximum compensation approved by the Ordinary General Meeting, the CNC shall review and recommend for approval by the Board of Directors the annual base salary, incentive compensation and equity compensation of the CEO, and in consultation with the CEO, of the Executive Committee, and the overall compensation of the CEO and the Executive Committee.

The CNC shall request approval by the Board of Directors regarding the determination of the compensation-related targets for the Executive Committee.

#### 4.4 Incentive Plan

The CNC shall propose to the Board an incentive compensation plan providing for variable compensation of the members of Board and the Executive Committee based on the achievement of the Company's corporate goals and in relation to the Executive Committee based on the individuals' performance, and approve any changes to such plan as may be proposed by the CEO from time to time.

The CNC shall develop and periodically review equity compensation plans, and submit such plans and any changes to such plans to the Board for approval. The CNC shall further review and approve any perquisite benefits plans proposed by the CEO.

The CNC shall review and approve any employment contracts, severance contracts, or other agreements that the Company proposes to enter into with any present, future or former members of the Executive Committee; provided that the key terms of such contracts shall be submitted for approval by the Board and shall be within the bounds of the maximum compensation approved by the Ordinary General Meeting.

#### 4.5 Corporate Goals

The CNC shall review the annual corporate goals proposed by the CEO, and recommend such goals as approved by the CNC for approval by the Board.

The CNC shall determine the level of achievement of the corporate goals as approved by the Board upon completion of each calendar year, and apply such achievement level to the determination of the variable compensation of the members of the Executive Committee in accordance with the applicable incentive compensation plan.

#### 4.6 Compensation Report

The CNC shall review and approve the annual compensation report to be published together with the publication of the Company's annual report, and any other required public disclosure statements on compensation and benefits.

#### 4.7 Adjustments to Articles of Association

The CNC shall request approval by the Board of Directors regarding the adjustments to the Articles of Association relating to remuneration.

### **5. RESPONSIBILITIES IN RESPECT TO NOMINATION AND CORPORATE GOVERNANCE**

#### 5.1 Nomination of CEO and Board Committees

The CNC shall establish and periodically review the qualification criteria for Board candidates with the goal of achieving a composition of the Board that collectively has the skills and experience needed to determine the strategy of the Company and oversee the management in executing the Company's strategy and achieving its objectives.

The CNC shall further conduct the search for Board candidates based on the qualification criteria established by the CNC and any other criteria that the CNC may

consider appropriate, and recommend suitable candidates to the Board to be nominated for election by the shareholders.

## 5.2 Board and Committee Governance and Composition

The CNC shall periodically review the policies and principles for corporate governance of the Company, including the Organizational Rules, and recommend changes, if any, to the Board for approval.

The CNC shall further make recommendations to the Board on Board and committee compositions, including the Board and committee chairpersons and the size of the Board and the committees, taking into account the independence standards established by applicable laws, Organizational Rules, the committee charters and corporate governance principles.

## 5.3 CEO and Executive Committee Nominations

The CNC shall be responsible for conducting the search for candidates for the position of CEO<sup>1</sup> of the Company, and shall recommend suitable candidates for evaluation and appointment by the Board.

The CEO shall be responsible for conducting the search for candidates for Executive Committee positions, and shall recommend candidates for evaluation by the CNC. The CNC shall evaluate such candidates, and shall recommend suitable candidates for evaluation and appointment by the Board.

The CNC shall identify candidates for the election to the Board on its own as well as by considering recommendations from shareholders, other members of the Board, officers and employees of the Company, and other sources that the CNC deems appropriate. Shareholders recommendations for candidates for election to the Board shall be made in accordance with the Company's Organizational Rules. The CNC may retain a third-party search firm to assist in the identification of possible candidates for election to the Board.

The CNC shall evaluate the candidates for election to the Board regardless of the source from which the candidate was first identified, based upon the totality of the merits of each candidate and not based upon minimum qualifications or attributes. In considering the individual nominees, the CNC will take into account the qualifications of other members of the Board to ensure that a broad variety of skill sets and experience beneficial to the Company and its business are represented on the Board and will also take into account certain characteristics of each individual under consideration, including that individual's competencies, experience, reputation, integrity, independence, potential for conflicts of interest and other appropriate qualities. When considering a director standing for re-election, in addition to the attributes describe above, the CNC shall consider that individual's past contribution and expected future commitment to the Company.

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<sup>1</sup> For purpose of this Charter, the term "CEO" shall mean the executive chairman of the Board, the chief executive officer, or the delegate of the Board, who is appointed by the Board as the most senior executive officer of the Company.

#### 5.4 Board Performance Review

The CNC shall establish a process for and conduct an annual review of the performance of the Board, its committees, and individual Board members in their role as members of the Board or a committee of the Board; and consider the results of the annual performance review when determining whether or not to recommend the nomination of a director for an additional term on the Board or a committee, and for developing proposals for improving corporate governance policies and effectiveness of the Board and its committees.

#### 5.5 Succession Plan

The CNC shall prepare and review, at least annually, a succession plan for the directors of the Board, the CEO, and the members of the Executive Committee. Any review of possible internal candidates should include consideration of:

- the candidate's readiness and potential;
- the candidate's demonstrated skills and competencies including in-depth knowledge of neurodegenerative diseases and science;
- the candidate's experience and training required to fill gaps; and
- a plan for adequate exposure to the Board of Directors.

#### 5.6 Corporate Governance Disclosures

The CNC shall review and approve periodically the corporate governance report of the Company for inclusion in the annual report as well as any other written public disclosures on corporate governance matters.

#### 5.7 Code of Business Conduct and Ethics Review

The CNC shall:

- periodically review the Company's code of business conduct and ethics (the "Code") and recommend changes to the Board for approval as may be appropriate from time to time;
- periodically review management's monitoring of the Company's compliance with the Code and ensure that management has the proper system in place to enforce the Code; and
- review potential conflicts of interest of Board members and other matters that may be assigned for review by the Committee by law or the Articles of Association.

### 6. COMMITTEE MEETINGS AND PROCEDURES

- 6.1 The CNC meets as often as business requires, but no less than four times a year. Special Meetings may be convened as required. Meetings are called by the chairperson, but may also be called by any other member of the CNC.

- 6.2 The chairperson (or in his/her absence a Committee member designated by the chairperson) shall set the agenda in consultation with the chairperson of the Board and preside at each meeting of the CNC.
- 6.3 The chairperson or any other Committee member presiding at the meeting in the absence of the chairperson shall designate a secretary to keep the minutes of the meeting, which shall be distributed to the members of the CNC for review and comment and approved at the next meeting. All members of the Board shall receive a copy of the minutes of the CNC.
- 6.4 The chairperson, at his/her discretion, can invite other members of the Board, members of the Executive Committee, or any person whose presence may be desirable or useful for the Committee's deliberations, to attend all or a portion of a meeting. Such person shall not participate in the discussions or deliberations of the Committee unless invited to do so and shall not be entitled to vote. The CNC shall exclude from its decisions anyone with a personal interest in the matters to be discussed.
- 6.5 In discharging its responsibilities, the CNC shall have unrestricted access to the Company's management, employees, books and records, and may consult with outside advisors. The cost of consulting with outside advisors shall be borne by the Company.
- 6.6 Decisions of the CNC shall be taken in the same manner as decisions of the Board pursuant to the Organizational Rules of the Company.
- 6.7 The CNC may establish its own rules and procedures for notice and conduct of its meetings as long as they are not inconsistent with any provisions of the Company's Articles of Association, the Organizational Rules or this Charter.
- 6.8 The CNC shall have the authority to retain an independent compensation consultant and to approve the consultant's fees and other retention terms. The CNC shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- 6.9 The CNC shall obtain appropriate funding, as determined by the CNC, to support the Committee's activities, including for payment of the independent compensation consultant and advisors.
- 6.10 Annual Committee Performance Review
- The CNC shall evaluate its own performance on an annual basis as part of the Board performance assessment process established by the CNC.

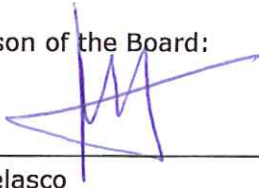
**7. REPORTING**

- 7.1 The chairperson of the CNC shall report to the chairperson of the Board after each meeting and shall inform the Board at its next meeting on the activities as well as decisions taken by the CNC and the considerations which led to such decisions. Urgent matters shall be communicated to the chairperson of the Board without delay.
- 7.2 The CNC shall report regularly to the Board on its decisions, determinations, approvals, findings and other matters the CNC deems appropriate or the Board requests.

**8. AMENDMENTS**

- 8.1 The CNC shall review this Charter annually and submit any recommended changes to the Board for approval.
- 8.2 This Charter may be modified or amended at any time by a resolution of the Board.

Chairperson of the Board:



Martin Velasco

Secretary:



Matthias Staehelin

**Annex:****Independence Requirements (as per June 2016)**

In order to be considered independent, a Director shall not be an executive officer or employee of the Company or have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director. For purposes of this Annex A, "family member" means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home.

Each of the following persons shall not be considered independent:

- a Director who either individually or together with his or her immediate family member owns more than 10% of the voting common shares of the Company
- a Director who is, or at any time during the past three years was, employed by the Company
- a Director who accepted or who has a family member who accepted any compensation from the Company in excess of USD 120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:
  - compensation for board or board committee service;
  - compensation paid to a family member who is an employee (other than an executive officer) of the Company; or
  - benefits under a tax-qualified retirement plan, or non-discretionary compensation
- a Director who is a family member of an individual who is, or at any time during the past three years was, employed by the Company as an executive officer
- a Director who is, or has a family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or USD 200,000, whichever is more, other than the following:
  - payments arising solely from investments in the Company's securities; or
  - payments under non-discretionary charitable contribution matching programs
- a Director of the Company who is, or has a family member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company serve on the compensation committee of such other entity
- a Director who is, or has a family member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years



In addition to the independence criteria set above, a Director shall not be considered independent if:

- the Director accepted directly or indirectly any consulting, advisory, or other compensatory fee from the Company or any subsidiary thereof, provided that, unless the rules of the NASDAQ provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the listed issuer (provided that such compensation is not contingent in any way on continued service); or
- he or she is an affiliated person of the Company or any subsidiary thereof.

For purposes of the immediately preceding paragraph, the following terms have the following meanings:

- The term affiliate of, or a person affiliated with, the Company, means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company. A person will be deemed not to be in control of the Company if the person:
  - is not the beneficial owner, directly or indirectly, of more than 10% of any class of voting equity securities of the Company; and
  - is not an executive officer of the Company.
- The following will be deemed to be affiliates: (i) an executive officer of the Company; (ii) a Director who also is an employee of an affiliate; (iii) a general partner of an affiliate; and (iv) a managing member of an affiliate.
- The term indirect acceptance by a member of the CNC of any consulting, advisory or other compensatory fee includes acceptance of such a fee by a spouse, a minor child or stepchild or a child or stepchild sharing a home with the member or by an entity in which such member is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary of the Company.

If a Director simultaneously serves on the compensation committees of more than two public companies other than the Company, then the CNC must determine that such simultaneous service does not impair the ability of such Director to effectively serve on the CNC.