



## **PRINCIPLES OF CORPORATE GOVERNANCE**

The Board of Directors of MoonLake Immunotherapeutics (the “Company”) has adopted the corporate governance principles set forth below (the “Principles”) as a framework for the governance of the Company. The Company is a holding company, which directly or indirectly owns companies (such companies together with the Company the “Group”). The Nominating and Corporate Governance Committee (the “Nominating Committee”) reviews the Principles annually and recommends changes to the Board of Directors (the “Board”) as appropriate.

### **1. ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS**

#### ***Role of the Board***

The Board, which is elected by the Company’s stockholders, oversees the management of the Group and its business. The Board selects the senior management team, which is responsible for operating the Group’s business, and monitors the performance of senior management. Consistent with the oversight function of the Board, the Board’s core responsibilities include:

- Assessing the performance of the Chief Executive Officer (the “CEO”) and other senior management and setting their compensation;
- Planning for CEO and senior management succession and overseeing senior management development;
- Reviewing the Company’s strategies and monitoring their implementation and results, including but not limited to supervising and, where necessary and appropriate, providing overall strategic direction for the Group’s business;
- Overseeing the integrity of the Company’s financial statements and the Company’s financial reporting process;
- Overseeing the Company’s processes for assessing and managing risk;
- Overseeing legal and regulatory compliance;
- Nominating the Company’s director candidates and appointing committee members;
- Shaping effective corporate governance; and
- Providing advice and counsel to management regarding significant issues facing the Company and reviewing and approving significant corporate actions.

### ***Size, Composition and Membership Criteria***

The Board determines the appropriate size of the Board from time to time. A substantial majority of the Board is made up of independent directors. An “independent” director is a director who meets the Nasdaq Stock Market definition of independence, as determined by the Board. The Board makes an affirmative determination regarding the independence of each director annually, based upon the recommendation of the Nominating Committee.

The Nominating Committee considers and makes recommendations to the Board regarding the size, structure, composition and functioning of the Board. In addition, the Nominating Committee is responsible for establishing and overseeing processes and procedures for the selection and nomination of directors, and for developing and recommending Board membership criteria to the Board for approval and periodically reviewing these criteria. The Board’s criteria include leadership experience, financial expertise and industry knowledge. The Nominating Committee evaluates the composition of the Board annually to assess the skills and experience that are currently represented on the Board as a whole, and in individual directors, as well as the skills and experience that the Board may find valuable in the future. The Board and the Nominating Committee actively seek to achieve a diversity of occupational and personal backgrounds on the Board, including diversity with respect to demographics such as gender, race, ethnic and national background, geography, age and sexual orientation.

The Nominating Committee reviews the qualifications of director candidates and incumbent directors in light of criteria approved by the Board and recommends the Company’s candidates to the Board for election by the Company’s stockholders at the annual meeting. The Nominating Committee also considers director candidates recommended by Company stockholders in accordance with the procedures set forth in the proxy statement.

### ***Board Leadership***

The Board periodically reviews its leadership structure to evaluate whether the structure remains appropriate for the Company.

The Board believes that presently it is in the best interests of the Company for the role of Chairperson of the Board and CEO to be separate. The Chairperson of the Board currently is an independent director. The Chairperson of the Board’s responsibilities include:(a) presiding at meetings of the Board, including executive sessions of the independent directors; (b) presiding at meetings of stockholders (unless otherwise determined by the Board); (c) consulting on information sent to the Board; (d) consulting on the agenda and schedule for Board meetings so that there is sufficient time for discussion of all agenda items; and (e) being available for

consultation and communication with major stockholders upon request. The Chairperson of the Board has the authority to call executive sessions of the independent directors.

At any time when the Chairperson of the Board is not independent or there is not a Chairperson of the Board, the independent directors of the Board may designate an independent director to serve as lead independent director.

A lead independent director's responsibilities may include: (a) presiding at meetings of the Board at which the Chairperson of the Board is not present, including executive sessions of the independent directors; (b) consulting on information sent to the Board; (c) consulting on the agenda and schedule for Board meetings so that there is sufficient time for discussion of all agenda items; (d) serving as liaison between the Chairperson of the Board and the independent directors; and (e) being available for consultation and communication with major stockholders upon request. The lead independent director may also have the authority to call executive sessions of the independent directors.

### ***Change in Principal Occupation***

When a director's principal occupation or business association changes substantially during the director's tenure on the Board, the director must submit an offer to resign for consideration by the Nominating Committee. The Nominating Committee recommends to the Board the action, if any, to be taken with respect to the offer to resign.

### ***Service on Other Boards***

Directors are encouraged to limit the number of other boards on which they serve so as not to interfere with their service as a director of the Company. In addition, directors should advise the chairperson of the Nominating Committee in advance of accepting an invitation to serve on the board of another for-profit organization.

### ***Annual Election of Directors***

The Board is divided into three classes, approximately equal in number, with staggered terms of three years each so that the term of one class expires at each annual meeting of stockholders. Thus, directors typically stand for reelection every three years.

## **2. FUNCTIONING OF THE BOARD**

### ***Agendas***

The Chairperson of the Board establishes the agenda for each Board meeting. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Directors are encouraged to suggest the inclusion of items on the agenda.

Directors are also free to raise subjects at a Board meeting that are not on the agenda for that meeting.

### ***Distribution and Review of Board Materials***

Board materials related to agenda items are provided to directors sufficiently in advance of Board meetings to allow directors to review and prepare for discussion of the items at the meeting. In some cases, due to timing or the sensitive nature of an issue, materials are presented only at the Board meeting.

### ***Meetings***

The Board holds regularly scheduled meetings throughout the year and holds additional meetings as necessary to carry out its responsibilities. Directors are expected to attend Board meetings and meetings of the Board committees on which they serve.

### ***Executive Sessions***

The independent directors generally meet in executive session without management present at every regular Board meeting.

### ***Strategic Planning***

The Board reviews the Company's long-term strategic plan at least annually and monitors implementation of the strategic plan throughout the year.

### ***Confidentiality***

Directors must protect and hold confidential all non-public information that comes to them, from whatever source, in their capacity as a director of the Company, unless disclosure is authorized or required by law. Proceedings and deliberations of the Board and its committees are confidential.

### ***Attendance at Annual Meeting of Stockholders***

Directors are expected to attend the annual meeting of stockholders absent unusual circumstances.

## **3. STRUCTURE AND FUNCTIONING OF COMMITTEES**

### ***Number, Structure and Independence of Committees***

The Board has three standing committees: Audit, Nominating and Compensation. The Audit, Nominating and Compensation Committees will consist solely of independent directors, subject to applicable Nasdaq transition rules for newly public companies. In addition, directors who serve on the Audit Committee and the Compensation Committee will be required to meet additional, heightened independence criteria applicable to directors serving on these committees under

Nasdaq Stock Market listing standards. The Board may also establish and maintain other committees from time to time as it deems necessary and appropriate.

### ***Assignment of Committee Members***

The Nominating Committee considers and makes recommendations to the Board regarding committee size, structure, composition and functioning. Committee members and chairpersons are recommended to the Board by the Nominating Committee and appointed by the full Board.

### ***Responsibilities***

Each standing committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership. Each standing committee assesses the adequacy of its charter annually and recommends changes to the Board as appropriate. All committees report regularly to the full Board with respect to their activities.

### ***Meetings and Agendas***

The chairperson of each committee determines the frequency, length and agenda of the committee's meetings. Materials related to agenda items are provided to committee members sufficiently in advance of meetings where necessary to allow the members to review and prepare for discussion of the items at the meeting.

## **4. DIRECTOR ACCESS TO MANAGEMENT AND ADVISERS**

At the invitation of the Board, members of senior management may attend Board meetings or portions of meetings for the purpose of presenting matters to the Board and participating in discussions. Directors also have full access to other members of management, subject to reasonable efforts to avoid disruption to the Company's business and operations.

The Board has the authority to retain such outside counsel, experts and other advisers as it determines appropriate to assist it in the performance of its functions. Each of the Audit, Nominating and Compensation Committees has similar authority to retain outside advisers as it determines appropriate to assist it in the performance of its functions.

## **5. DIRECTOR COMPENSATION**

The Compensation Committee periodically reviews the compensation of directors. Director compensation is set by the Board based upon the recommendation of the Compensation Committee. Management directors do not receive compensation for service on the Board.

## **6. SUCCESSION PLANNING**

The Nominating Committee is responsible for oversight of succession planning for certain senior management positions. The succession planning process includes consideration of both ordinary course succession, in the event of planned promotions and retirements, and planning for situations

where the CEO or another member of senior management unexpectedly become unable to perform the duties of their positions.

## **7. FORMAL EVALUATION OF THE CEO**

The Compensation Committee is responsible for reviewing and approving annual and long-term performance goals for the CEO, evaluating the CEO's performance against those goals, and setting the CEO's compensation. Both the goals and the evaluation are submitted for consideration by the directors meeting in executive session without the CEO present. The results of the evaluation are shared with the CEO and used by the Compensation Committee in setting the CEO's compensation.

## **8. DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

The Company has an orientation process for Board members that is designed to familiarize new directors with various aspects of the Company's business, including the Company's strategy, operations, finances, risk management processes, compliance program and governance practices. The Board encourages directors to participate in education programs to assist them in performing their responsibilities as directors.

## **9. BOARD AND COMMITTEE PERFORMANCE EVALUATIONS**

The Board conducts an annual self-evaluation to assess its performance. The Audit, Nominating and Compensation Committees conduct annual self-evaluations to assess their performance. The ability of individual directors to contribute to the Board is considered in connection with the re-nomination process. The Nominating Committee is responsible for developing, administering and overseeing processes for conducting evaluations.

## **10. STOCKHOLDER ENGAGEMENT**

To enable the Company to speak with a single voice, as a general matter, senior management serves as the primary spokesperson for the Company and is responsible for communicating with various constituencies, including stockholders, on behalf of the Company. Directors may participate in discussions with stockholders and other constituencies on issues where Board-level involvement is appropriate. In addition, the Board oversees the Company's stockholder engagement efforts, with assistance from the Nominating Committee and the Compensation Committee, which oversees stockholder engagement on the subject of executive compensation.

## **11. POLITICAL CONTRIBUTIONS**

The Board oversees the Company's political contributions and lobbying activities and the Company's policies and practices regarding political contributions and lobbying activities.