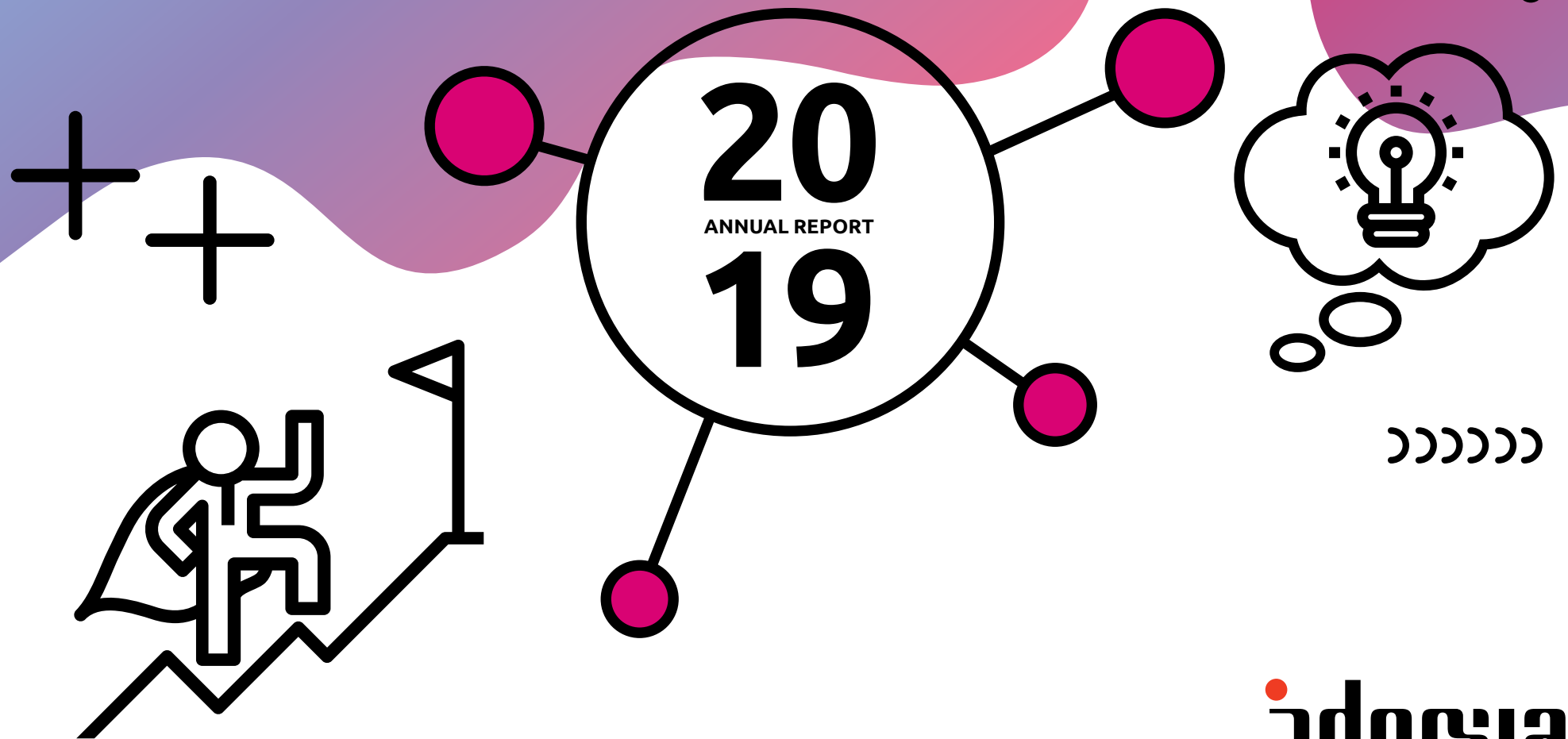


Compensation Report



The purpose of Idorsia is to discover, develop and bring more, innovative medicines to patients.

We have more ideas, we see more opportunities and we want to help more patients.

The Compensation Report describes the compensation principles and programs, as well as the governance framework, for the compensation of the members of the Board of Directors (Board) and the Idorsia Executive Committee (IEC) of Idorsia Ltd (Idorsia). The report also provides details of the compensation awarded to the Board and IEC members for the 2019 financial year.

The Compensation Report has been prepared in accordance with the Swiss Ordinance against Excessive Remuneration at Listed Companies, the SIX Swiss Exchange Directive on Information relating to Corporate Governance, and the principles of the Swiss Code of Best Practice for Corporate Governance issued by economiesuisse.

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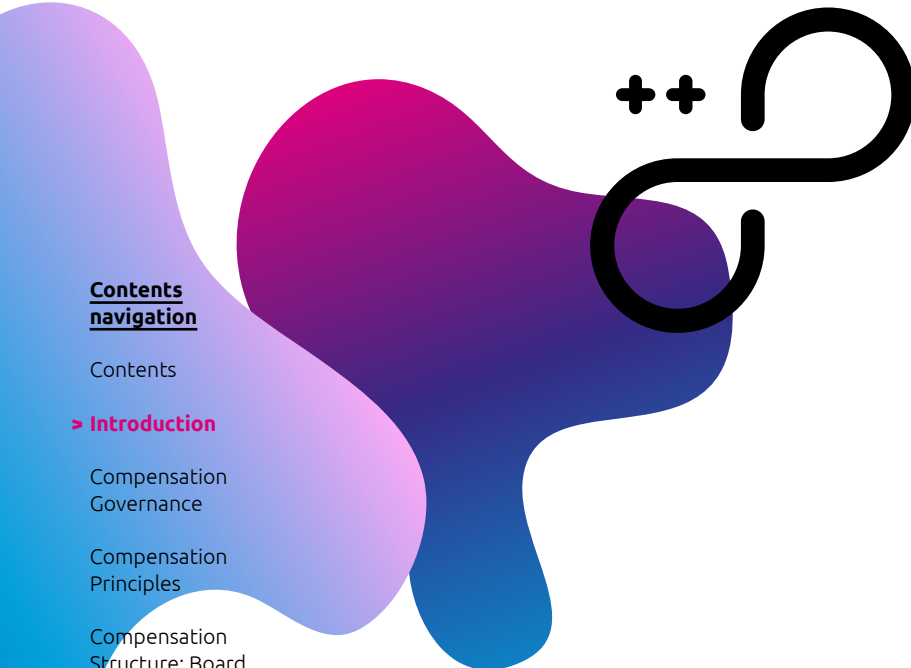
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Significant progress is being made in developing Idorsia into one of Europe's leading biopharmaceutical companies, as can be seen from the detailed Review of 2019 in the Business & Financial Report.

Having initiated four Phase 3 programs in 2018, we have been striving in 2019 to advance these as rapidly as possible, without compromising on quality. Each Phase 3 program, of course, involves company-wide activities to prepare the comprehensive dossier required by health authorities. So, none of our achievements would have been possible without the full commitment of everyone at Idorsia. Our compensation system is designed to attract, motivate and retain talented people, and to maintain the engagement that is required to ensure success.

We are dedicated to fostering respect, fairness and equal opportunities for all our employees, as we believe it is vital to create and support a diverse and inclusive workplace. Idorsia does not tolerate discrimination of any kind. In advance of the legal requirement to conduct an internal equal pay analysis by the end of June 2021, Idorsia conducted a "dry run" in 2019, using the equal pay self-test tool (Logib) provided by the Federal Office for Gender Equality. This "dry-run" indicated that there is no statistically significant unexplained wage difference between men and women at Idorsia. We are committed to equal pay and will be following up in 2020 with a formal independent pay analysis, the results of which will be communicated in due course.





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During the reporting year, the Nominating, Governance & Compensation Committee (NGCC) continued to ensure that our established compensation principles are being adhered to, and that executive compensation is fully aligned with Idorsia's business strategy and the long-term interests of our shareholders, while maintaining compliance with the various regulations applicable to an international company listed in Switzerland.

Compensation levels for 2019 were determined on the basis of a thorough review – performed in 2018 – of our organizational structure and job leveling, as well as an external benchmarking analysis of the total remuneration structure throughout the organization. In 2019, an additional benchmark analysis was performed to determine compensation levels for the Board.

The NGCC's activities in 2019 also included the regular annual process of clearly defining and assessing performance goals, and preparation of the Compensation Report.

This Compensation Report, providing details of Idorsia's compensation system, governance and the compensation awarded to members of the Board and the IEC for 2019, will be submitted to a non-binding, consultative shareholders' vote at the upcoming Annual General Meeting (AGM) in 2020. In addition, shareholder approval will be requested for the maximum total compensation of the Board for the period until the next AGM in 2021, and of the IEC for the 2021 financial year.

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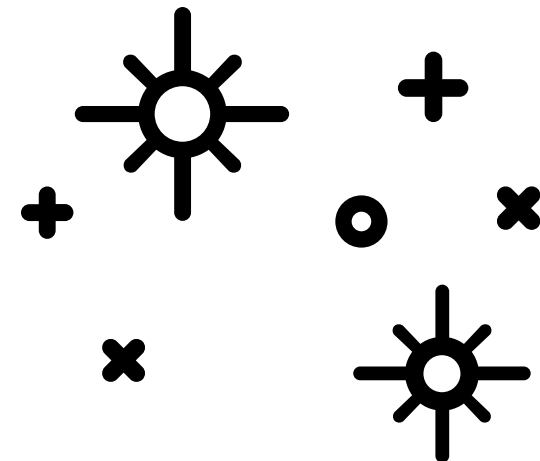
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Role of Shareholders and Articles of Association

Shareholders have a say in compensation matters, with their formal approval being required for the aggregate maximum amounts of compensation for the Board and for the IEC through binding votes at each AGM, and with their informal approval being sought for the company's remuneration policy through the non-binding, consultative vote on the Compensation Report. In addition, the principles of compensation for the Board and for the IEC are governed by the Articles of Association, which are also approved by the shareholders. The Articles of Association are available at www.idorsia.com/AoA. The compensation provisions in the Articles of Association include the principles of compensation applicable to the Board and the IEC, the structure of the shareholders' vote on compensation, and provisions on credit and loans, as summarized in the table:

Overview of compensation-related provisions in Idorsia's Articles of Association

	Article
Resolutions on compensation	7
Supplementary compensation amount for new members of Executive Management	8
Permitted additional activities	24
Agreements related to compensation for members of the Board of Directors and the Executive Management	25
Principles relating to the compensation of the members of the Board of Directors	26
Principles of compensation relating to the members of the Executive Management	27
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Nominating, Governance & Compensation Committee

As specified in the Charter of the NGCC, which is an annex to the company's By-Laws at www.idorsia.com/by-laws, the NGCC consists of at least three, but no more than five, Non-Executive Directors (NEDs). The NGCC members are individually elected, for a one-year term, by the shareholders at the AGM. Current members of the NGCC are John J. Greisch (Committee Chair), Jean-Pierre Garnier, Viviane Monges and Mathieu Simon.

The NGCC supports the Board in questions relating to nomination and governance as well as compensation. With regard to compensation-related matters, the duties of the NGCC include:

- determining the compensation strategy of the company;
- recommending and reviewing compensation policies and plans for approval by the full Board;

- reviewing and assessing the adequacy of the provisions in the Articles of Association relating to compensation, as well as the adequacy of the NGCC Charter;
- proposing and recommending to the Board for approval by the AGM the aggregate maximum compensation of the Board for the term of office until the next ordinary AGM and the aggregate maximum compensation of the IEC for the next financial year;
- recommending to the Board for approval the compensation of the Board members within the limits approved by the AGM;
- recommending to the Board for approval the compensation of the CEO, as well as setting the annual performance targets and determining target achievement of the CEO under the relevant compensation schemes;
- approving, upon recommendation of the CEO, the compensation of the CEO's direct reports and their annual performance targets and target achievement within the framework of the compensation schemes;
- preparing the Compensation Report for approval by the Board.

Additional information on the responsibilities of the NGCC is provided in the "Board of Directors" section of the Governance Report.

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The responsibilities of the various bodies involved in compensation matters are summarized in this table:

Annual process and responsibilities for compensation of the Board and IEC

	August – September	October – December	January – February	April – May
Compensation policy review and compensation principles for next financial year	• NGCC ⊙ Board			
Compensation incentive plans (design, performance targets) for the next financial year		• NGCC ⊙ Board		
Aggregate maximum amounts of compensation for the Board and the IEC			• NGCC ⊙ Board	⊙ AGM (binding)
Compensation structure and levels for the Board			• NGCC ⊙ Board	
Target compensation of the CEO		• NGCC	⊙ Board	
Target compensation of individual IEC members		• CEO	⊙ NGCC	
Short-term incentive plan (STIP) payouts for IEC members*			• CEO ⊙ NGCC	
Long-term incentive plan (LTIP) grants for IEC members*			• CEO ⊙ NGCC	
Compensation Report			• NGCC ⊙ Board	⊙ AGM (consultative)

* Proposals related to CEO compensation are prepared by the NGCC Chair and approved by the Board.

- **Recommending body**
- ⊙ **Reviewing body**
- ⊙ **Approving body**

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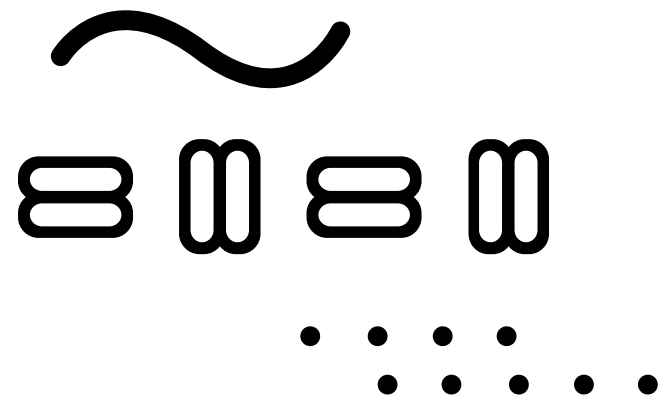
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The NGCC meets as often as business requires, but at least four times a year. In 2019, the NGCC held five meetings: three times in person and twice by video conference. Each meeting took on average one hour.

The NGCC Chair may, at his discretion, invite executives to attend meetings. Executives do not attend meetings when their own compensation and/or performance is being discussed.

The NGCC Chair reports to the Board on the activities of the committee after each meeting. The NGCC meeting minutes are available to the Board.

The NGCC may decide to consult external advisors for specific compensation matters. In 2019, Aon was mandated to provide services on compensation matters and related topics and did not provide any other services to Idorsia.



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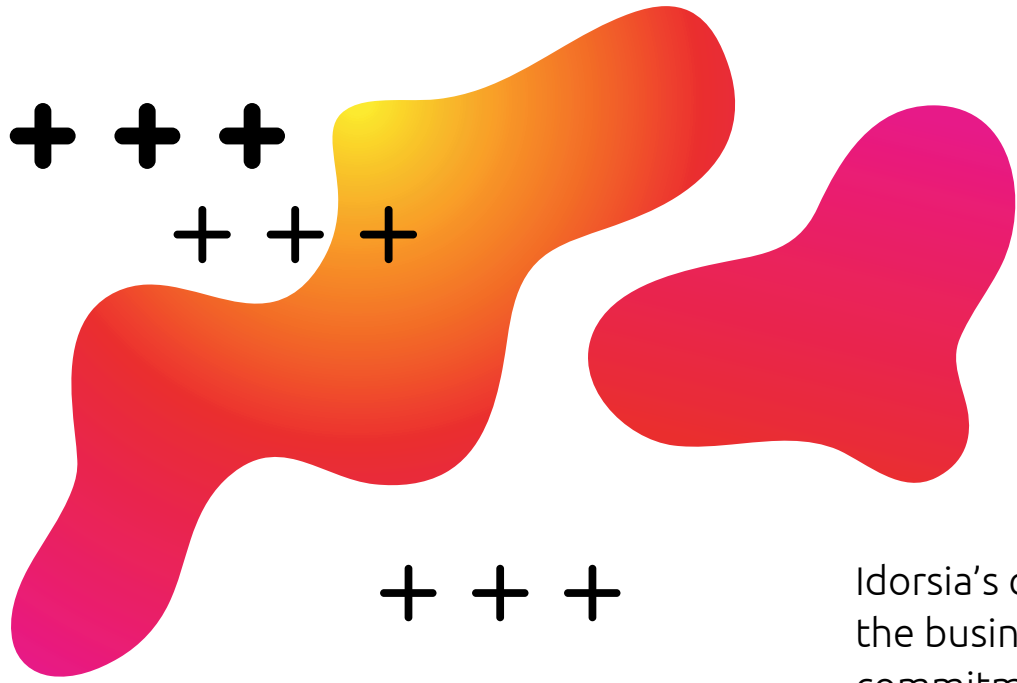
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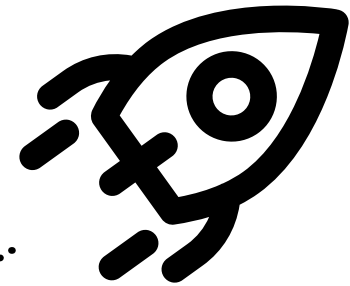
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Idorsia's compensation principles support the business strategy and foster the commitment of all employees to the company's key strategic priorities. They also support building Idorsia's business and organizational culture:

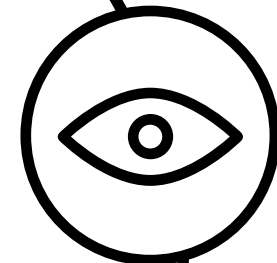


Supporting Idorsia's Key Strategic Priorities



Talent Attraction and Retention

The compensation system is attractive for performance-oriented individuals with an entrepreneurial mindset and focused on long-term value creation



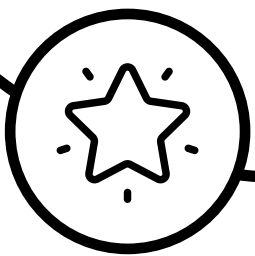
Simplicity and Transparency

Compensation programs are straightforward, transparent and thus easily understood by all participants



Impact and Cash Preservation

The compensation system is impactful yet cash preserving



Recognition

Compensation programs recognize team deliverables and, for employees below the IEC level, individual contributions as well



Pay for Performance

Compensation programs have a high level of performance differentiation, rewarding not only results but also demonstration of behaviors in line with Idorsia's culture

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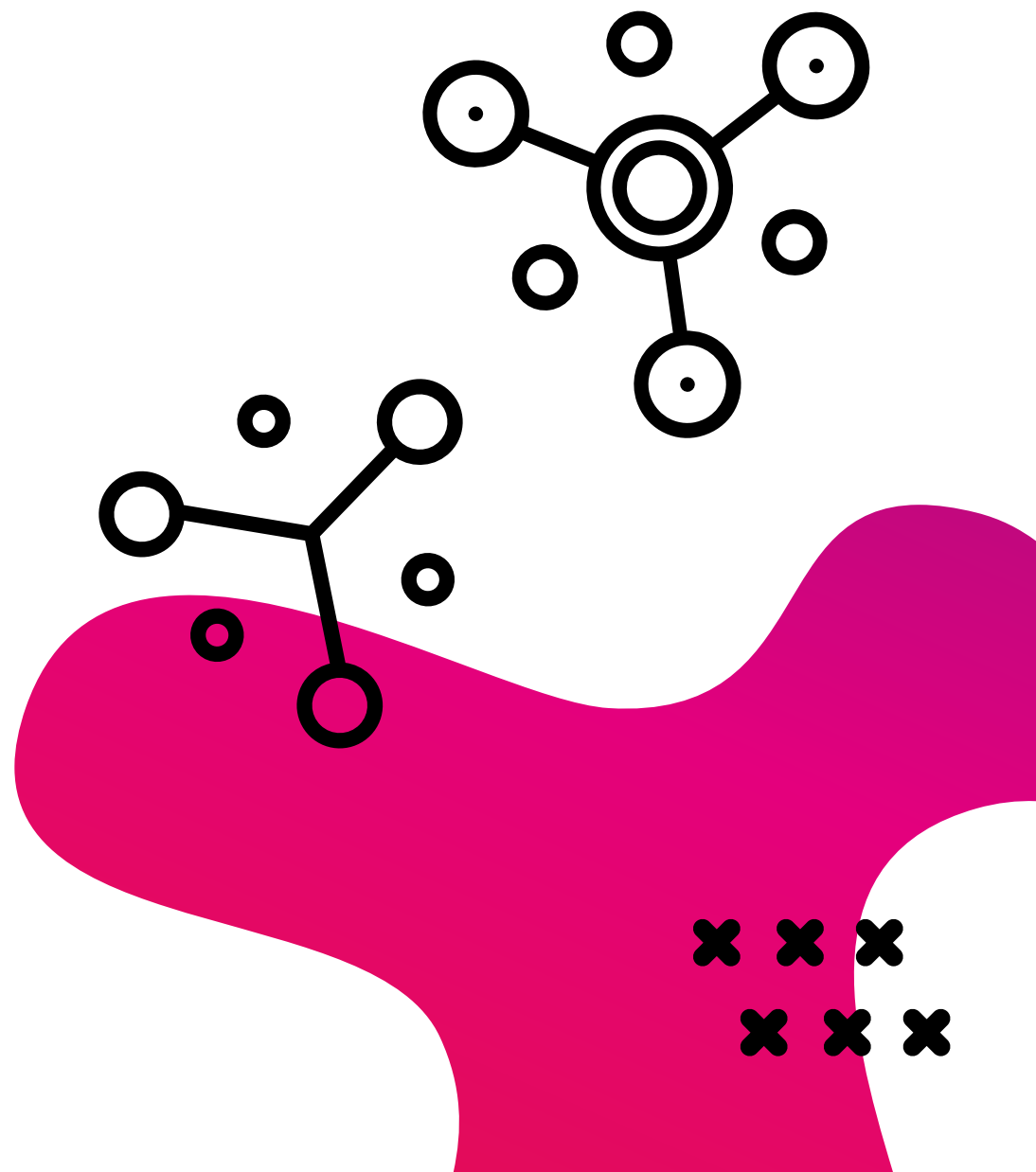
Compensation
awarded to the
Board and IEC

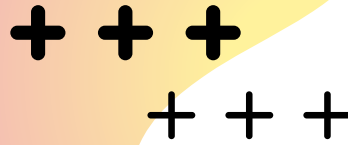
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The Board's compensation period generally relates to the term of office, which starts with election of its members at the AGM and ends at the subsequent AGM.

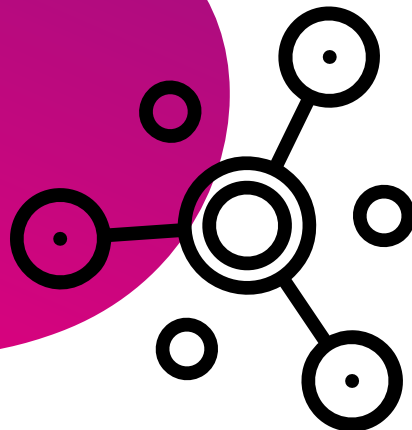
In order to strengthen their independence in exercising their supervisory duties, the NEDs receive fixed compensation only and do not participate in the occupational pension plans of Idorsia. Of the total compensation, 25% is paid in cash and 75% in shares blocked for one year. The allocation of shares strengthens the link between the interests of the Board members and those of shareholders. The cash payments and allocations of shares are made quarterly, starting from each year's AGM. The number of shares is determined by dividing 75% of each NED's quarterly compensation by the average share price for the five trading days prior to the allocation date.





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NEDs' compensation per term of office

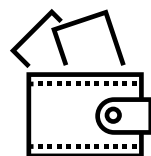
	In CHF
Board Chair	350,000
Board member	150,000
Additional fee for Committee Chairs	15,000

In addition, the Board Chair of Vaxxilon (a majority-owned company of Idorsia) received a fixed fee of CHF 70,000 in cash per term of office, as disclosed in the compensation tables. Since the AGM in 2019 the role of the Board Chair of Vaxxilon is no longer assigned to any of the current Board members and, therefore, this fee is no longer included in the compensation of the Board. There was no other change in the structure and the levels of the Board's compensation in 2019.

In 2019, a benchmarking analysis of NEDs' compensation was performed by Aon on the basis of companies listed on the SIX Swiss Exchange with a market capitalization between CHF 2.0 and 3.8 billion from all sectors excluding financial services. The results of this analysis showed that compensation structure and levels are broadly in line with the compensation paid by the examined companies. As a result, the decision was made to keep the Board compensation structure and levels unchanged for the next term of office, starting from the AGM in 2020.

Compensation Structure: CEO and IEC

The compensation structure for the CEO and all other members of the IEC includes the following elements:



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Base salary	Short-term incentive plan (STIP)	Long-term incentive plan (LTIP)	Benefits and allowances
Vehicle Monthly cash	Vehicle Annual bonus, payable in restricted shares blocked for two years (65%) and cash (35%)	Vehicle Stock options	Vehicle Pension and insurances Allowances
Purpose Pay for the job function	Purpose Pay for the achievement of company milestones	Purpose Attract and retain Share long-term success Align with shareholders' interests	Purpose Protect against risks Attract and retain
Determinants Position, internal relativity, market practice, competencies and skills	Determinants Annual performance of the company	Determinants Long-term value creation Share price evolution Market practice	Determinants Market practice

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Idorsia recognizes that talented executives accept substantial risk, while contributing significant efforts and long-term commitment when working for a fast-paced, highly ambitious and entrepreneurial R&D company such as Idorsia. Therefore, the total compensation package – structured in accordance with the company’s compensation principles – is designed to

attract high performers with an innovative mindset and to recognize performance and long-term company success through incentive plans.

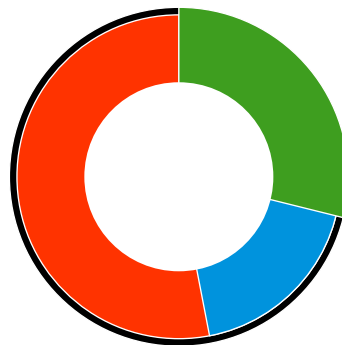
The actual pay mix for the CEO and all other members of the IEC for 2019 is shown below:

Idorsia’s unique position as an R&D biopharmaceutical company without any marketed compounds, but with a fully established drug discovery function, a robust development pipeline and very experienced talent, makes it challenging to select a single list of comparable companies that can be taken as a direct peer group. In 2018, therefore, we partnered with Aon to perform a thorough benchmarking analysis of target compensation for the CEO and IEC members against median compensation for similar roles at various groups of companies with which Idorsia competes for talent. In particular, when analyzing top corporate function jobs and the role of CEO, Aon looked at companies listed on the SIX Swiss Exchange with a market capitalization between CHF 2.6 and 5.2 billion from all sectors excluding financial services. In addition, target compensation for IEC members was benchmarked against publicly listed US companies in the biotechnology and pharmaceutical sectors with a market capitalization between CHF 1.9 and 6.1 billion. Additionally, for this blended analysis Aon provided data on European life science companies drawn from their Top Executive

Executive pay mix

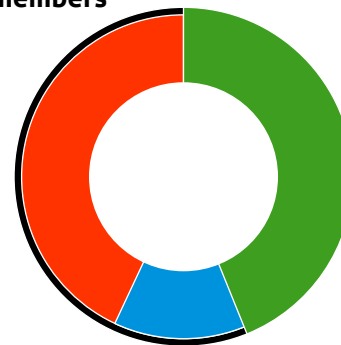
CEO

- **29%** Base Salary, Benefits and Allowances
- **19%** STIP
- **52%** LTIP
- At Risk Compensation (71%)



All other IEC members

- **44%** Base Salary, Benefits and Allowances
- **13%** STIP
- **43%** LTIP
- At Risk Compensation (56%)



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Survey as a reference point for maximum levels of executive compensation. This analysis was used to support the Board in setting the target compensation levels of the CEO and IEC for 2019.

The changes in compensation for 2019 compared with 2018 can be explained as follows:

- There was a change in the composition of the IEC, with a new member (Chief Commercial Officer) being appointed on December 1, 2018.
- There was a 0.6% increase in the base salary of one of the IEC members to align with the benchmark data and internal pay equity. Otherwise the base salaries of the IEC members were unchanged.
- For two IEC members, the target levels of annual bonus increased from 35% to 50% of base salary to align them for all four IEC members (excluding the CEO). The target levels of annual bonus for the other two IEC members and the CEO remained unchanged. Total bonus payable was lower in 2019 as a result of slower than anticipated subject recruitment into some clinical programs: 70% in 2019 compared with 100% in 2018.
- The aggregate fair value of the options granted under the LTIP for 2019 slightly increased compared with the prior year predominantly due to the new member joining the IEC.

This resulted in a ratio of fixed to variable compensation of 29% vs 71% for the CEO and 44% vs 56% for the other IEC members on average.

Base salary

The base salary is a fixed component of compensation paid in cash, typically monthly. It reflects the scope and key responsibilities of the role, as well as the qualifications, competencies and skills required to perform the role.

Generally, base salaries are reviewed periodically on the basis of the following factors:

- internal benchmark: internal pay structure and internal peer comparison,
- individual profile and past performance of the employee,
- financial considerations such as budget and affordability, and
- broad external benchmark: market value of the role.

With the exception of the base salary increase of 0.6% of one IEC member based on the benchmark data and internal pay equity, the base salary levels of the CEO and IEC members in the 2019 financial year remained unchanged from 2018.

Short-term incentive plan

The short-term incentive plan (STIP) is based on the achievement of performance objectives over a time horizon of one year.

Annual performance objectives are set in line with company strategy and, for the CEO and all IEC members, relate entirely to company performance. They are proposed by the NGCC and approved by the Board at the beginning of the financial year. Their achievement is assessed after year-end, which forms the basis for the determination of the payout under the STIP (bonus).

Performance objectives for the company are centered around a set of R&D pipeline milestones and overall financial performance in terms of meeting the annual budget. For 2019, clear, ambitious milestones were specified for the late-stage clinical pipeline (predominantly with regards to adherence to timelines in subject enrollment), early development programs and preclinical development. Additionally, there were goals for building commercial capabilities and defining commercial strategies for our late-stage assets, as well as long-term financial planning and effective cost management. All of these company goals had to be achieved in the set timelines for a bonus payout at 100% of the target opportunity to the CEO and all other IEC members. Although, most of the company goals were fully met in the set timelines in 2019, the Board set the level of the bonus payout at 70% of the target opportunity due to slower-than-anticipated subject recruitment into some clinical programs.

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The company's Articles of Association provide for the possibility of payout under the STIP at up to 200% of the target level set by the NGCC (and approved by the Board) on an annual basis, but the NGCC continues in respect of 2020 to cap this at 150%.

The bonus is paid out by March 31 of the following year. The bonus relating to the 2019 financial year will be paid out as follows: 65% in restricted shares (in line with the principle of cash preservation) and 35% in cash, so that the recipients can cover tax and social security obligations. Restricted shares are subject to a two-year blocking period, with no risk of forfeiture.

Long-term incentive plan

The long-term incentive plan (LTIP) is designed in the form of stock options. As Idorsia is an R&D company without marketed products at this stage, stock options – which are cash preserving, focused on long-term value creation and ensure strong alignment with shareholders' interests – have been identified as the most appropriate vehicle for the LTIP for IEC members.

In 2019, the stock options were granted to all IEC members on March 1, and they are subject to a three-year vesting period. The exercise price is the average of the opening and closing price of Idorsia shares on the grant date. The fair value of the award is based on a valuation (Black-Scholes model) from a third-party provider.

The stock options have a term of 10 years from the grant date, after which they expire.

The award is forfeited if employment ceases before the vesting date for any reason other than death, disability or retirement, in which case the award is subject to prorated vesting, normally at the regular vesting date. In case of change of control, the award is subject to accelerated full vesting.

The company's Articles of Association provide for the possibility of making awards under the LTIP at up to 200% of the target level set by the NGCC (and approved by the Board) on an annual basis, but the NGCC continues in 2020 to cap awards at 150%.

The approach adopted for 2019 is set out in the following table:

	Target fair value of 2019 LTIP awards (in CHF)	Maximum possible fair value (200% of target) of 2019 LTIP awards (in CHF)	Approved fair value of 2019 LTIP awards (in CHF) subject to final valuation at grant date
CEO	1,125,000	2,250,000	1,500,000
All other IEC members	2,000,000	4,000,000	2,450,000

Stock options were granted under the conditions described below:

Stock option data			
Grant date	March 1, 2019	December 3, 2018 ³	March 1, 2018
Vesting date	March 1, 2022	December 3, 2021	March 1, 2021
Date of expiry	February 28, 2029	December 2, 2028	February 29, 2028
Exercise price ¹	CHF 17.41	CHF 19.43	CHF 25.41
Grant date fair value ²	CHF 5.78	CHF 6.24	CHF 7.62
Total number of stock options granted	683,410	64,110	452,780
Total fair value of stock options granted	CHF 3,950,111	CHF 400,046	CHF 3,450,183

¹ Average of the opening and closing price of Idorsia shares on the grant date

² Valuation by Aon (Black-Scholes model)

³ Equity grant to the Chief Commercial Officer, a new member of the IEC.

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The level of stock option awards granted to the IEC members in 2019 as a vehicle to align interests with those of shareholders and a long-term retention instrument was determined based on the demonstrated behaviors in line with Idorsia’s culture and the performance of the CEO and all other IEC members. In particular, they worked on securing funding for Idorsia, completing our independent infrastructure and unified enterprise technologies, and starting to establish effective partnerships with various companies in order to maximize the value of our assets. This approach is aligned with our cash-preserving compensation principle and with the focus on long-term value creation.

Benefits and allowances

All members of the IEC participate in the benefits plan available in the country of their employment contract – Switzerland. Benefits consist mainly of retirement, insurance and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependents with respect to retirement, risk of disability, death and illness/accident. Allowances typically include car- and relocation-related benefits. The current members of the IEC are all employed under a Swiss employment contract. They participate in Idorsia’s pension plan, offered to all employees in Switzerland, in which a base salary and STIP are insured up to the maximum amount permitted by law. Idorsia’s pension benefits exceed the minimum legal requirements of the Federal Act on Occupational Retirement, Survivors’

and Disability Pension Plans (BVG) in order to retain our key long-standing leaders, which is in line with business practice of other international companies in Switzerland.

Share ownership guidelines

Under the share ownership guidelines, IEC members are required to hold Idorsia shares amounting at least to a specified multiple of their annual base salary within five years of their appointment to the IEC (or the introduction of the guidelines), as set out in the table below:

Role	Minimum ownership requirement
CEO	300% of annual base salary
Other IEC members	200% of annual base salary

In the event of a substantial rise or drop in the share price, the Board may, at its discretion, amend the specified time period accordingly.

To calculate whether the minimum ownership requirement is met, all shares held by the IEC members are considered, as well as vested shares from compensation programs regardless of any applicable blocking period, and the net-of-tax value of vested unexercised stock options. The NGCC reviews compliance with the share ownership guidelines on an annual basis.

Employment contracts

All members of the IEC are employed under unlimited-term employment contracts with a notice period of twelve months. Members of the IEC are not contractually entitled to termination payments or any change-of-control provisions, other than the special vesting provisions of the LTIP awards mentioned above. Employment contracts of IEC members may include a non-competition clause, with a maximum duration of twelve months.

Clawback provisions

In order to ensure good corporate governance, Idorsia has implemented a clawback policy on variable incentive payments made under the STIP and LTIP, covering situations where the incentive payout was predicated on the achievement of certain financial results, which were subsequently subject to a material financial restatement. In such cases, the Board is empowered to either recover the totality of the incentive (in cases where the financial restatement was caused, or substantially caused, by intentional misconduct) or to recalculate the payout, taking into account the restated financial results, and to seek reimbursement of any amount paid in excess of the newly calculated amount.

Report of the Statutory Auditor to the Annual General Meeting of Idorsia Ltd, Allschwil

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Report of the Statutory Auditor on the Compensation Report

We have audited the accompanying pages of the compensation report of Idorsia Ltd for the year ended December 31, 2019. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained on pages 20 to 23 of the compensation report.

Board of Director's Responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

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

Opinion

In our opinion, the compensation report for the year ended December 31, 2019, of Idorsia Ltd complies with Swiss law and articles 14–16 of the Ordinance.

Ernst & Young Ltd

/s/Martin Mattes
Licensed audit expert
(Auditor in charge)

/s/Michaela Held
Licensed audit expert

Basel, February 4, 2020

Compensation awarded to the Board and IEC

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Compensation awarded to the Board for 2019

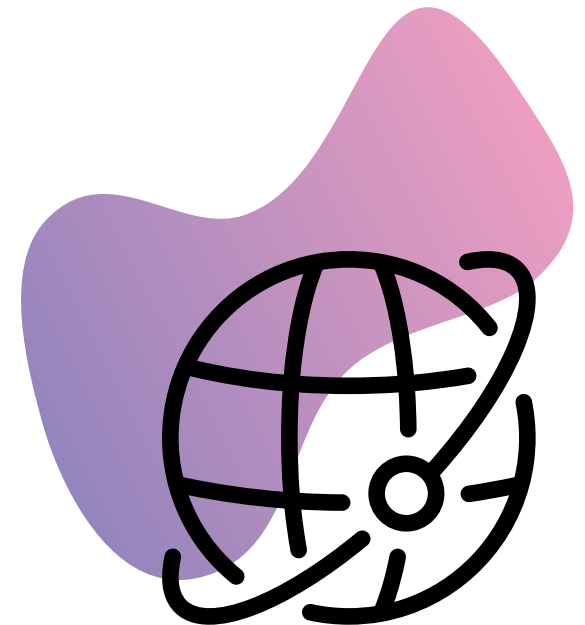
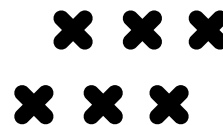
For 2019, NEDs received total compensation of CHF 991,814 (2018: CHF 794,988) in the form of cash fees of CHF 262,500 (2018: CHF 253,751), shares with fair value at grant of CHF 720,503 (2018: CHF 534,702) and social security contributions of CHF 8,811 (2018: CHF 6,535). The increase in total compensation in 2019 compared with the previous financial year can be explained by the fact that the stock option grant from 2017 (which was fully included in the amount of compensation disclosed for 2017) also covered the first quarter of 2018; therefore, the compensation disclosed for 2019 covers four quarters, compared with the compensation disclosed for 2018, which covered three quarters.

For the period from the 2018 AGM to the 2019 AGM, shareholders approved an aggregate maximum compensation amounted of CHF 1.3 million (excluding employer social security contributions) for NEDs. The compensation actually paid for this period amounts to CHF 1.03 million (excluding employer social security contributions) and was therefore within the limit approved by the shareholders.

At the 2019 AGM, shareholders approved an aggregate maximum compensation amount of CHF 1.3 million for the Board for the term of office from the 2019 AGM to the 2020 AGM. The compensation actually paid for the portion of this term of office included in this Compensation Report is within the limit approved by the shareholders. A conclusive assessment for the entire period will be included in the Compensation Report 2020.

In the year under review, no compensation was paid to former members of the Board or to closely related parties of current or former members of the Board (2018: none).

No current or former members of the Board or closely related parties were granted a loan during the reporting year (2018: none). No loans were outstanding at the end of the year under review (2018: none).



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Board compensation (in CHF)

	2019				2018			
	Cash	Shares, fair value at grant date	Social Security Contributions	Total	Cash	Shares, fair value at grant date	Social Security Contributions	Total
Jean-Pierre Garnier Board Chair Member of NGCC	87,500	257,299	–	344,799	65,625	190,954	–	256,579
Robert Bertolini Finance & Audit Committee (FAC) Chair	41,250	121,311	–	162,561	30,938	90,030	–	120,968
John J. Greisch NGCC Chair	41,250	121,311	–	162,561	30,938	90,030	–	120,968
Viviane Monges Member of FAC and NGCC	37,500	110,291	8,811	156,602	28,125	81,844	6,535	116,504
Mathieu Simon Member of FAC and NGCC (since May 3, 2019)	28,125	83,440	–	111,565	N/A	N/A	N/A	N/A
David Stout Member of FAC and NGCC (until May 3, 2019)	26,875 ¹	26,851	–	53,726	98,125 ¹	81,844	–	179,969
Jean-Paul Clozel CEO and executive member of the Board	Jean-Paul Clozel received no additional compensation for his Board membership in 2018 and 2019. For his compensation as CEO, see the table “Compensation for the CEO and other members of the IEC for 2019”.							
Total	262,500	720,503	8,811	991,814	253,751	534,702	6,535	794,988

¹ These amounts include the fee for Vaxxilon Board Chair, which amounted to CHF 70,000 for the financial year 2018 and CHF 17,500 for the financial year 2019.

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Compensation awarded to the CEO and other members of the IEC for 2019

The following table provides details of compensation for all members of the IEC (including the individual compensation of the CEO). For 2019, the IEC members received a total compensation of CHF 8,744,034 (2018: CHF 8,053,796) in the form of base salaries of CHF 2,819,459 (2018: CHF 2,340,375), short-term incentives of CHF 1,231,439 (2018: CHF 1,370,314), stock options granted under the LTIP with a fair value at grant of CHF 3,950,111 (2018: CHF 3,850,229), and other benefits, pension and social security contributions of CHF 743,025 (2018: CHF 492,878). The increase in total compensation compared with the previous financial year is predominantly due to the new member of the IEC (Chief Commercial Officer).

Compensation for the CEO and other members of the IEC for 2019

In CHF (gross) ¹	Base salary	Short-term incentive ²	Long-term incentive ³	Other benefits ⁴	Pension ⁵	Social security contributions ⁶	Total amount
Jean-Paul Clozel CEO and highest-paid member of the IEC	750,000	525,000	1,500,026	-	61,410	91,788	2,928,224
All other IEC members	2,069,459	706,439	2,450,085	212,530	186,870	190,427	5,815,810
Total	2,819,459	1,231,439	3,950,111	212,530	248,280	282,215	8,744,034

¹ From January 1 to December 31, 2019

² Payout under the STIP for financial year 2019 (accrual principle)

³ Fair value at grant date

⁴ Car allowance & relocation benefits

⁵ Employer contributions to company pension plan

⁶ Employer contributions to social security, which also includes accident and illness insurances in the total amount of CHF 34,226 (2018: CHF 22,250). The social security contributions for LTIP awards are not included as they are only due at exercise; they are expected to trigger employer social security costs up to 7% of the gain at exercise.

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Compensation for the CEO and the other members of the IEC for 2018

In CHF (gross) ¹	Base salary	Short-term incentive ²	Long-term incentive ³	Other benefits ⁴	Pension ⁵	Social security contributions ⁶	Total amount
Jean-Paul Clozel CEO and highest-paid member of the IEC	750,000	750,000	1,500,073	–	61,050	99,091	3,160,214
All other IEC members	1,590,375	620,314	2,350,156	49,006	151,982	131,749	4,893,582
Total	2,340,375	1,370,314	3,850,229	49,006	213,032	230,840	8,053,796

¹ From January 1 to December 31, 2018

² Payout under the STIP for financial year 2018 (accrual principle)

³ Fair value at grant date

⁴ Car allowance & relocation benefits

⁵ Employer contributions to company pension plan

⁶ Employer contributions to social security. Contributions to accident and illness insurances (which are not included) amounted to CHF 22,250. The social security contributions for LTIP awards are not included as they are only due at exercise; they are expected to trigger employer social security costs up to 7% of the gain at exercise.

The total amount of compensation awarded to the IEC for the financial year 2019 (CHF 8,461,819 excluding employer social security contributions) is below the aggregate maximum compensation amount of CHF 9 million (excluding employer social security contributions) approved at the 2018 AGM for the financial year 2019.

In the year under review, no compensation was paid to former members of the IEC or to closely related parties of current or former members of the IEC (2018: none).

No current or former members of the IEC or closely related parties were granted a loan during the reporting year (2018: none). No loans were outstanding at the end of the year under review (2018: none).

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Equity Overhang and Dilution in Idorsia Group

As of December 31, 2019, the NEDs held a total of 99,460 registered shares and a total of 350,000 stock options on shares of Idorsia Ltd.

	Number of shares		Number of options	
	2019	2018	2019	2018
Jean-Pierre Garnier Board Chair Member of NGCC	41,714	29,972	200,000	200,000
Robert Bertolini FAC Chair	24,757	19,221	75,000	75,000
John J. Greisch NGCC Chair	15,778	10,242	75,000	75,000
Viviane Monges Member of FAC and NGCC	8,782	3,749	-	-
Mathieu Simon Member of FAC and NGCC (since May 3, 2019)	8,429	N/A	-	N/A
David Stout Member of FAC and NGCC (until May 3, 2019)	N/A	5,126	N/A	75,000
Jean-Paul Clozel CEO and executive member of the Board			See adjacent table	
Total	99,460	68,310	350,000	425,000

As of December 31, 2019, the IEC members held a total of 37,535,869 registered shares and a total of 1,930,300 stock options on shares of Idorsia Ltd.

	Number of shares		Number of options	
	2019	2018	2019	2018
Jean-Paul Clozel CEO	27,501,529	27,472,813	706,380	446,860
Guy Braunstein EVP, Head of Global Clinical Development	172,500	162,437	372,980	251,870
Martine Clozel EVP, Chief Scientific Officer	9,802,449	9,795,691	327,340	232,180
Simon Jose EVP, Chief Commercial Officer	-	-	150,620	64,110
André C. Muller EVP, Chief Financial Officer	59,391	52,461	372,980	251,870
Total	37,535,869	37,483,402	1,930,300	1,246,890

Not included in the table above are conversion rights from the convertible bonds. As of December 31, 2019, Jean-Paul Clozel held 1,231,222 conversion rights and Martine Clozel held 441,826 conversion rights from the convertible bonds.

Equity Overhang and Dilution in Idorsia Group

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In total, as of December 31, 2019, the Group equity overhang, defined as the total number of stock options outstanding (6,377,203) and restricted stock units (741,339) divided by the total number of issued shares as registered in the commercial register (131,060,423) amounts to 5.43%.

The company's "burn rate", defined as the number of stock options (1,169,030), shares (105,725) and restricted stock units (501,591) granted in 2019 divided by the total number of issued shares as registered in the commercial register, amounts to 1.36%.

> **Equity Overhang and
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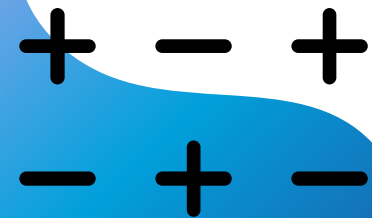
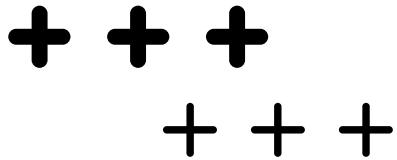
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**Further parts of the
Idorsia Annual Report
2019**



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Curious to learn more?
Reach out to us.



Investor Relations
Idorsia Pharmaceuticals Ltd
Hegenheimermattweg 91
4123 Allschwil
Switzerland

Phone +41 58 844 10 10
investor.relations@idorsia.com
© Idorsia Pharmaceuticals Ltd 2020
www.idorsia.com