
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of October, 2016

Commission File Number: 001-37891

AC IMMUNE SA

(Exact name of registrant as specified in its charter)

**EPFL Innovation Park
Building B
1015 Lausanne, Switzerland
(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes ☐ No ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ☐ No ☒

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AC IMMUNE SA

By: /s/ Andrea Pfeifer

Name: Andrea Pfeifer

Title: Chief Executive Officer

Date: October 13, 2016

By: /s/ George Pavey

Name: George Pavey

Title: Chief Financial Officer

EXHIBIT INDEX

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99.7	Report of Independent Registered Public Accounting Firm
99.8	2016 Stock Option and Incentive Plan



Lausanne, 7 October 2016

Invitation to the Ordinary Shareholders' Meeting

Date: 15 November 2016, at 10.30 Swiss time
Place: EPFL Innovation Park Building D, ground floor, Uranus Meeting room, 1015 Lausanne

Dear Shareholder,

We would like to take this opportunity to warmly welcome the investors who recently joined the AC Immune shareholder family, and to thank both new and longstanding shareholders for their commitment to our shared goals.

For the past 13 years we have been strongly supported by a core group of shareholders. The success of our initial public offering on NASDAQ is testament to the quality of our science and of our people. The IPO has significantly raised our profile with investors globally and the broader shareholder base sets the stage for supporting the exciting next phase of growth and development of AC Immune.

At AC Immune we are passionate about making a difference in the lives of people affected by Alzheimer's and other neurodegenerative diseases. With our pipeline of seven therapeutic and three diagnostic candidates, we believe that we are well-positioned to leverage our expertise in addressing the diseases caused by misfolding proteins.

We are grateful for your support in pursuing our mission to become a global leader in personalized treatment of neurodegenerative diseases. We look forward to welcoming you to the first ordinary annual meeting of AC Immune SA as a public company.

Kindly find hereafter the agenda items and proposals of the Board of Directors in connection with the first ordinary annual meeting of AC Immune SA as a public company:

Agenda Items and Proposals of the Board of Directors**1. Approval of the Annual Report, Annual Financial Statements and Consolidated Financial Statements of AC Immune SA for the year 2015**

The Board proposes to approve the Annual Report, the Annual Financial Statements and the Consolidated Financial Statements of AC Immune SA under IFRS for the year 2015, and to take note of the Reports of the Auditors. Copies of these documents are available for download in the "Investors" section of our website (www.acimmune.com).

2. Appropriation of Gain

The Board of Directors proposes that the net profit of the year 2015 in the amount of KCHF 20,173 is applied against the loss brought forward of KCHF 45,103 resulting in a reduced new balance of loss brought forward of KCHF 24,930. Under IFRS accounting principles, the net gain for the business year 2015 amounted to KCHF 20,270.

3. Discharge of the Members of the Board of Directors and the Executive Board

The Board proposes that the members of the Board and the Executive Board are discharged from their liabilities for their activities in the financial year 2015.

4. Compensation for the Members of the Board of Directors and the Executive Committee

The Board of Directors proposes to hold the following separate votes on the non-performance-related and the variable compensation of the Board of Directors and the Executive Committee:

4.a Vote on Total Non-Performance-Related Compensation for Members of the Board of Directors from 15 November 2016 to 30 June 2017

The Board of Directors proposes that shareholders approve the total maximum amount of non-performance-related compensation for the members of the Board of Directors covering the period from 15 November 2016 to 30 June 2017, *i.e.*, CHF 286'080 (cash base compensation plus social security costs).

4.b Vote on Equity for Members of the Board of Directors

The Board of Directors proposes that shareholders approve the maximum grant of equity or equity linked instruments for the members of the Board of Directors from 15 November 2016 to 30 June 2017 with maximum value of CHF 460'000 (equity value plus social security costs).

4.c Vote on Total Non-Performance-Related Compensation for Members of the Executive Committee from 15 November 2016 to 30 June 2017

The Board of Directors proposes that shareholders approve the total maximum amount of non-performance-related cash compensation for the members of the Executive Committee from 15 November 2016 to 30 June 2017, *i.e.*, CHF 836'790 (cash base compensation plus social security costs).

4.d Vote on Total Variable Compensation for Members of the Executive Committee for the current year 2016

The Board of Directors proposes that shareholders approve the total maximum amount of variable compensation for the members of the Executive Committee for the current year 2016, *i.e.*, CHF 667'000 (cash compensation plus social security costs).

4.e Vote on Equity for Members of the Executive Committee

The Board of Directors proposes that shareholders approve the maximum of equity or equity linked instruments for the members of the Executive Committee from 15 November 2016 to 30 June 2017, *i.e.*, CHF 2'001'000 (equity value plus social security costs).

5. 2016 Stock Option and Incentive Plan

The Board proposes to approve the 2016 Stock Option and Incentive Plan including a maximum of 2'057'740 options for common shares under the 2016 Stock Option and Incentive Plan. Copies of the 2016 Stock Option and Incentive Plan are available for download in the "Investors" section of our website (www.acimmune.com).

6. Election of the Members of the Board

The Board of Directors proposes the re-election of Martin Velasco as member and as Chairman of the Board, Peter Bollmann, Friedrich von Bohlen, Andrea Pfeifer and Detlev Riesner as members of the Board of Directors and the election of Thomas Graney as new member of the Board of Directors, each until the end of the next ordinary General Meeting.

Mr. Thomas Graney, also known as Tom, has been the Chief Financial Officer and Senior Vice President of Finance & Corporate Strategy at Ironwood Pharmaceuticals, Inc. since 2 September 2014. Prior to Ironwood Pharmaceuticals, Inc, Mr. Graney spent 20 years working with J&J and its affiliates, serving for four years as worldwide vice president of finance and Chief Financial Officer of Ethicon. In addition, Mr. Graney has extensive global experience that spans corporate development, commercial strategy, portfolio management and supply chain management. A Chartered Financial Analyst charterholder, Mr. Graney holds a B.S. in accounting from the University of Delaware and an M.B.A. in Marketing, Finance and International Business from the Leonard N. Stern School of Business at New York University.

6.a Re-Election of Martin Velasco as member and Chairman of the Board of Directors

6.b Re-Election of Peter Bollmann

6.c Re-Election of Friedrich von Bohlen

6.d Re-Election of Andrea Pfeifer

6.e Re-Election of Detlev Riesner

6.f Election of Tom Graney

7. Election to the Compensation, Nomination & Corporate Governance Committee

The Board of Directors proposes the election of Detlev Riesner, Martin Velasco and Tom Graney as members of the Compensation, Nomination & Corporate Governance Committee, each until the end of the next ordinary General Meeting.

7.a Election of Detlev Riesner

7.b Election of Martin Velasco

7.c Election of Tom Graney

8. Re-Election of the independent proxy

The Board of Directors proposes that Bugnion Ballansat Ehrler, represented by Gérald Virieux, avocat, rue de Rive 6, case postale 3143, CH-1211 Geneva 3 shall be elected as the independent proxy of the Company until the end of the next ordinary General Meeting.

9. Re-Election of the Auditors

The Board of Directors proposes to re-elect Ernst & Young SA, in Lancy, for a term of office of one year.

For the Board of Directors:

/s/ Martin Velasco

Martin Velasco, Chairman

/s/ Andrea Pfeifer

Andrea Pfeifer, CEO

Organizational Matters

1 Financial Statements

The Financial Statements (statutory accounts) and the IFRS Financial Statements for the year 2015 as well as the corresponding Auditor's reports are available for download in the "Investors" section of our website (www.acimmune.com).

2 Invitation and Attendance

Shareholders registered in the share register maintained by our transfer agent, Computershare Trust Company N.A. at 5:00 pm Eastern Standard Time ("EST") / 11:00 pm Swiss time on 28 September 2016 are entitled to participate in and vote at the Annual General Meeting. On 13 October 2016, the invitation and proxy form will be mailed to all holders of record as at 28 September 2016 at 5:00 pm EST / 11:00 pm Swiss time. The invitation is available for download in the "Investors" section of our website (www.acimmune.com).

If you wish to attend the Annual General Meeting in person, you will be required to present the enclosed proxy form and a valid government issued proof of identification.

3 Representation

Shareholders of record, who do not attend the Annual General Meeting in person, may:

(a) grant a proxy to the independent proxy, Bugnion Ballansat Ehrler, represented by Gérald Virieux, avocat, rue de Rive 6, case postale 3143, CH-1211 Geneva 3 in writing or electronically; or

(b) grant a proxy in writing to another shareholder or other third party.

Proxies to the independent proxy must be received by our transfer agent, Computershare Trust Company N.A. by 12:00 pm EST / 6:00 pm Swiss time on 10 November 2016. Proxies received after such time will not be considered.

The login information for electronic instructions is set forth on the proxy form. Electronic instructions must be received no later than 11:59 pm EST on 10 November 2016 / 5:59 am Swiss time on 11 November 2016.

Shareholders that have granted a proxy to the independent proxy, in writing or electronically, may not vote their shares at the Annual General Meeting.

4 Registration as Shareholder with Voting Rights

Instructions on how a "street name" holder may become a holder of record are available in the "Investors" section of our website (www.acimmune.com). Between 5:00 pm EST / 11:00 pm Swiss time on 28 September 2016 and 12:00 pm EST / 6:00 pm Swiss time on 15 November 2016, no new shareholder will be registered for voting purposes. Computershare Trust Company N.A. will continue to register transfers of shares in the share register in its capacity as transfer agent.

5 Trading Restrictions

The registration of shareholders for voting purposes does not impact trading of AC Immune shares held by registered shareholders before, during or after the Annual General Meeting. Shareholders selling their shares in AC Immune prior to the meeting are excluded from voting.



Lausanne, 11 October 2016

Instructions on how to become a holder of record

These instructions do not apply to existing holders of record as of 28 September 2016

You already qualify as a holder of record as of 28 September 2016 with respect to all your shareholding in AC Immune SA if:

- (i) you were shareholder of AC Immune SA prior to our initial public offering; and
- (ii) you did not purchase any additional shares in AC Immune SA during our initial public offering.

As an individual holder of record, you may attend and vote at our annual general meeting in person or by proxy.

As a corporate holder of record (corporations or other entities), you may have your duly authorized representatives attend and vote at our annual general meeting in person or by proxy.

For additional information, please review the "*Invitation to the ordinary shareholders' meeting*" and the "*Annual General Meeting Proxy Card*".

Instructions for shareholders who want to become holders of record

If you purchased shares in AC Immune SA during our initial public offering, your shares are currently registered in the name of a bank or brokerage firm (acting as your record holder). You will receive instructions from your record holder in order for your record holder to vote your shares per your instructions.

We encourage you to contact your record holder to commence the process to become a registered holder as at the record date of 28 September 2016. Alternatively, you may directly contact AC Immune SA to request a guest card to attend our annual general meeting. You will need to provide us with evidence of ownership of your shares in AC Immune SA to be entitled to vote your shares at our annual general meeting.

Please send your written request along with evidence of ownership of your shares in AC Immune SA by regular mail or email at the following address:

AC Immune SA
Attn. Jean-Fabien Monin, Chief Administrative Officer
EPFL Innovation Park
Building B
CH-1015 Lausanne
Switzerland
E-mail: jean-fabien.monin@acimmune.com

* * *

AC Immune SA

Admission Ticket**IMPORTANT ANNUAL GENERAL MEETING INFORMATION****Electronic Voting Instructions****Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose the voting method outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet must be received by 11:59 p.m., Eastern Time, on November 10, 2016.

Vote by Internet

- Go to www.investorvote.com/ACIU
- Or scan the QR code with your smartphone
- Follow the steps outlined on the secure website

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

**Annual General Meeting Proxy Card**

, IF YOU HAVE NOT VOTED VIA THE INTERNET, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE ,

A Proposals

I. GENERAL INSTRUCTIONS For Against Abstain

A. In the event that at the Annual General Meeting, shareholders or the Board of Directors make additional or amended motions to the published agenda items and/or put forward new motions or in absence of any specific instruction, I/we instruct the independent proxy to vote as follows with respect to such motions:

II. SPECIFIC INSTRUCTIONS For Against Abstain

1. Approval of the Annual Report, Annual Financial Statements and Consolidated Financial Statements of AC Immune SA for the year 2015

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2. Appropriation of Gain

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3. Discharge of the Members of the Board of Directors and the Executive Board

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4. Compensation for the Members of the Board of Directors and the Executive Committee

- | | For | Against | Abstain |
|---|--------------------------|--------------------------|--------------------------|
| 4.a Vote on Total Non-Performance-Related Compensation for Members of the Board of Directors from 15 November 2016 to 30 June 2017 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.b Vote on Equity for Members of the Board of Directors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.c Vote on Total Non-Performance-Related Compensation for Members of the Executive Committee from 15 November 2016 to 30 June 2017 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.d Vote on Total Variable Compensation for Members of the Executive Committee for the current year 2016 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.e Vote on Equity for Members of the Executive Committee | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

5. 2016 Stock Option and Incentive Plan For Against Abstain +

- | | For | Against | Abstain |
|--|--------------------------|--------------------------|--------------------------|
| 6. Election of the Members of the Board | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.a Re-Election of Martin Velasco as member and Chairman of the Board of Directors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.b Re-Election of Peter Bollmann | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.c Re-Election of Friedrich von Bohnen | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.d Re-Election of Andrea Pfeifer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.e Re-Election of Dellev Riesner | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6.f Election of Tom Graney | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



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Admission Card

If you choose to attend the AC Immune SA Annual General Meeting in person, please mark the appropriate box on the Proxy Card, and return it to Computershare in the enclosed postage pre-paid envelope, arriving no later than 12:00 PM Eastern Standard Time on 10 November 2016. In addition, present the admission card at the control offices prior to the meeting. If you hold several admission cards, please present all of them for validation at the meeting.

**YOU MUST SEPARATE THIS ADMISSION CARD
BEFORE RETURNING THE PROXY CARD IN THE ENCLOSED ENVELOPE.**

Dear Shareholder,

We would like to invite you to the Annual General Meeting of shareholders of AC Immune SA to be held at EPFL Innovation Park Building D, ground floor, Uranus Meeting room, 1015 Lausanne, Switzerland on 15 November 2016, 10:30 AM (local time). Various items are being proposed for approval at the meeting. The agenda and related information are included in the enclosed Invitation to the Annual General Meeting of shareholders of AC Immune SA.

Your vote is important. Please vote now by proxy so that your shares are represented at the meeting. You can vote your shares via Internet or by marking your choices on this proxy card and then signing, dating and mailing it in the enclosed return envelope. Using this method, you authorize the independent proxy, Bugnion Ballansat Ehrler, represented by Gérald Virieux, avocat, to vote your shares as you specify on the card.

Alternatively, you may attend the meeting and vote in person, or you may appoint a proxy of your choosing to vote at the meeting for you. If you choose to attend the meeting, or appoint a proxy to attend on your behalf, your shares can only be voted at the meeting. Please direct your written request to Computershare in the enclosed postage pre-paid envelope, arriving no later than 12:00 PM Eastern Standard Time on 10 November 2016.

Sincerely,
AC Immune SA

, IF YOU HAVE NOT VOTED VIA THE INTERNET, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE ,

Proxy — AC Immune SA



7. Election to the Compensation, Nomination & Corporate Governance Committee

7.a Election of Detlev Riesner

For Against Abstain
☐ ☐ ☐

7.b Election of Martin Velasco

☐ ☐ ☐

7.c Election of Tom Graney

☐ ☐ ☐

8. Re-Election of the independent proxy Bugnion Ballansat Ehrler, represented by Gérald Virieux, avocat, Geneva

For Against Abstain
☐ ☐ ☐

9. Re-Election of the Auditors, Ernst & Young SA, Lancy

☐ ☐ ☐

Notice of 2016 Annual Meeting of Shareholders

EPFL Innovation Park Building D, ground floor, Uranus Meeting room, 1015 Lausanne, Switzerland
Proxy Solicited by Board of Directors for Annual General Meeting - 15 November 2016

B Non-Voting Items

Change of Address — Please print your new address below.

Comments — Please print your comments below.

Meeting Attendance

Mark the box to the right
if you plan to attend the
Annual General Meeting.

☐

C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

NOTE: Please sign exactly as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title as such.

Date (mm/dd/yyyy) — Please print date below.

Signature 1 — Please keep signature within the box.

Signature 2 — Please keep signature within the box.

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.





Statutory Financial Statements (Swiss CO)

1 January – 31 December 2015

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AC Immune SA
EPFL Innovation Park
1015 Lausanne / Ecublens

Balance Sheet

in CHF thousands	Notes	As at 31 December,	
		2015	2014
Assets			
Current assets			
Cash and cash equivalents	5	76'522	3'306
Trade receivables	6	103	25'863
Other receivables			
- Third parties	6	166	71
- Short-term Financial receivables	6	20	1
Supplies to be used in development activities		0	167
Prepaid expenses	7	2'508	374
Accrued Income		47	53
Total current assets		79'366	29'835
Non-current assets			
Long-term financial assets	4	85	159
Property, plant and equipment - net	3	500	544
Total non-current assets		585	703
Total assets		79'951	30'538
Liabilities and shareholders' equity			
Current liabilities			
Trade payables		3'024	1'577
Accrued expenses and deferred income		3'077	2'955
Total current liabilities	9	6'101	4'532
Shareholders' equity			
Share capital	8	928	854
General reserve		97'852	70'255
- thereof capital contribution reserves		97'852	70'255
Accumulated losses brought forward		(45'103)	(55'620)
Net gain / (loss) for the year		20'173	10'517
Total shareholders' equity		73'850	26'006
Total liabilities and shareholders' equity		79'951	30'538

AC Immune SA, Ecublens

Income Statement

in CHF thousands	Notes	As at 31 December,	
		2015	2014
Revenue	10	39'100	30'269
Operating expenses			
Salaries and related costs		(8'034)	(7'568)
Operating expenses		(12'253)	(11'914)
Depreciation of fixed assets		(287)	(298)
Total operating expenses		(20'574)	(19'780)
Operating gain		18'526	10'489
Interest income		56	23
Finance Income		1'591	5
Net gain for the period		20'173	10'517
Statutory Financial Statements	3		

Notes to the financial statements

1. General information

AC Immune SA (the "Company") is a clinical stage biopharmaceutical company leveraging our two proprietary technology platforms to discover, design and develop novel, proprietary medicines for prevention, diagnosis and treatment of neurodegenerative diseases associated with protein misfolding. Misfolded proteins are generally recognized as the leading cause of neurodegenerative diseases, such as Alzheimer's disease, or AD, and Parkinson's disease, or PD, with common mechanisms and drug targets, such as Abeta, tau and alpha-synuclein. Our lead product candidate is crenezumab, a humanized, monoclonal, conformation-specific anti-Abeta antibody that we developed using our proprietary SupraAntigenTM platform. Crenezumab is expected to enter Phase 3 clinical studies in early 2016 and we believe it has the potential to become a best-in-class disease-modifying treatment for AD. We use our two unique proprietary platform technologies, SupraAntigen (conformation-specific biologics) and Morphomer (conformation-specific small molecules), to discover, design and develop medicines and diagnostics to target misfolded proteins.

The Company was initially incorporated as a limited liability company on February 13, 2003 in Basel and effective August 25, 2003 was transformed into a stock company. The Company's corporate headquarters are located at EPFL Innovation Park Building B, Ecublens/Lausanne, Vaud, Switzerland.

The statutory financial statements of AC Immune SA ended December 31, 2015 were authorized for issue in accordance with a resolution of the Board of Directors on April 14, 2016 and will be submitted to the next Ordinary General Assembly.

During 2014 and 2015, AC Immune had an annual average of less than 250 full time equivalent positions.

AC Immune SA, Ecublens

2. Summary of significant accounting principles

The present annual accounts have been prepared in accordance with the regulations of Swiss financial reporting law (32nd Title of the Swiss Code of Obligations). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Current vs. non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. The Company classifies all amounts to be realized or settled within twelve months after the reporting period to be current and all other amounts to be non-current.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency Swiss Francs (CHF) using prevailing exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into CHF at rates of exchange prevailing at reporting date. Any gains or losses from these translations are included in the income statement in the period in which they arise.

Non-monetary assets and liabilities at historical costs are converted at the foreign exchange rate at the time of the transaction. Any foreign exchange profits are deferred in the balance sheet as not having an effect on net income. Foreign exchange losses, on the other hand, are recorded in the profit and loss account.

Revenue recognition

Revenue includes license fees, milestone payments as well as revenue from research agreements associated with collaborations with third parties and grants from public institutions and foundations.

Upfront fees

Revenue from non-refundable, upfront license fees and performance milestones where the Company has continuing involvement is recognized over the estimated performance or agreement period, depending on the terms of the agreement. The recognition of revenue is prospectively changed for subsequent changes in the development or agreement period.

For collaboration agreements on product candidates that are (i) in clinical development, (ii) where the upfront payment reflects a payment for past investments the Company has made in the development of the product candidate, access to the product candidate, the associated intellectual property and our knowledge, and, (iii) where there is no further performance commitment, pursuant to guidelines on revenue recognition as contained in IFRS 1 and 15 and ASC 605-25, the Company recognizes the fair value of the upfront payment at the time of entering into the collaboration agreement. For collaboration agreements (i) in clinical development but where conditions (ii) and (iii) are not met, the Company recognizes revenue from upfront payments under our collaboration agreements pro-rata over the term of the estimated period of performance under each agreement.

For collaboration agreements, in addition to receiving upfront payments, the Company is also entitled to milestone and other contingent payments upon achieving pre-defined objectives.

Milestone payments

Revenue from milestones, if they are non-refundable and deemed substantive, are recognized upon successful accomplishment of the milestones. To the extent that non-substantive milestones are achieved and the Company has remaining performance obligations, milestones are deferred and recognized as revenue over the estimated remaining period of performance.

AC Immune SA, Ecublens

Grant revenue

Grants provide funding for certain types of expenditures in connection with research and development activities over a contractually-defined period. Revenue related to grants is recognized in the period during which the related costs are incurred and the related services are rendered, provided that the applicable performance obligations under the grants have been met.

Research and development expenditure

Given the stage of development of the Company's products, all research expenditure is recognized as expense when incurred.

For external research contracts the "stage of completion" method is used to estimate the amount of accrued expense related to the research projects for its clinical studies. The Company estimates its accrued expenses as of the balance sheet date in the financial statement based on facts and circumstances known at the time.

Registration costs for patents are part of the expenditure for research and development projects. Therefore, registration costs for patents are expensed when incurred as long as the research and development project concerned does not meet the criteria for capitalization.

Upfront payments relating to in-licensing agreements are recognized over an appropriate, project-specific duration.

Property, plant and equipment

Equipment is shown at historical acquisition cost, less accumulated depreciation and any accumulated impairment losses. Historical costs include expenditures that are directly attributable to the acquisition of the items. Depreciation is calculated using a straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

IT equipment	3 years
Laboratory equipment	5 years
Leaseholds improvements	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Profits and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement.

Intangible assets

Expenditure to acquire patents, trademarks and licenses is capitalized and amortized using the straight-line method over their useful lives of 5 years.

Impairment losses at the balance sheet date are charged against the income statement.

Financial assets & liabilities

The Company's financial assets and liabilities are only comprised of receivables, cash and cash equivalents and trade payables.

Receivables

Receivables are non-derivative financial assets with fixed payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as long-term assets. Receivables are measured at amortized cost.

AC Immune SA, Ecublens

Cash and cash equivalents

Cash and cash equivalents at the bank comprise the cash on hand.

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

The Company assesses at each period whether there is objective evidence that those financial assets are impaired. Impairment losses are recognized in the income statement.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events where it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Critical judgments and accounting estimates

The preparation of financial statements in conformity with Swiss Code of Obligations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The areas where AC Immune has had to make judgments, estimates and assumptions relate to (i) revenue recognition on collaboration and licensing agreements, (ii) clinical development accruals. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information relating to items on Balance sheet and Income Statement

3. Property, plant and equipment and Intangible assets

in CHF thousands

	Laboratory Equipment	IT Equipment	Building and Furniture	Total
Historical cost				
As of January 1, 2014	1,741	128	136	2,005
Acquisitions	74	44	10	128
As of January 1, 2015	1,815	172	146	2,133
Acquisitions	243	-	-	243
As of December 31, 2015	2,058	172	146	2,376
Accumulated depreciation				
As of January 1, 2014	1,146	72	74	1,292
Depreciation	251	28	18	297
As of January 1, 2015	1,397	100	92	1,589
Depreciation	232	38	17	287
As of December 31, 2015	1,629	138	109	1,876
Net book value December 31, 2015	429	34	37	500
Net book value December 31, 2014	418	72	54	544

AC Immune SA, Ecublens

4. Financial assets

in CHF thousands	As at 31 December,	
	2015	2014
Loans to Employees	-	74
Rental deposit (restricted cash)	82	82
Security Deposit	3	3
Total	85	159

5. Cash and cash equivalents

in CHF thousands	As at 31 December,	
	2015	2014
Cash	76,522	3,306
Total	76,522	3,306

By Currency

CHF	19,812	2,517
EUR	2,371	482
USD	54,339	307
Total	76,522	3,306

6. Trade receivables

in CHF thousands	As at 31 December,	
	2015	2014
Trade receivables	103	25'863
Third party receivables	166	71
Short-term financial receivables	20	1
Total	289	25'935

7. Prepaid expenses

in CHF thousands	As at 31 December,	
	2015	2014
Prepaid expenses	339	373
Deferred offering costs	2'169	-
Total	2'508	373

8. Share capital

As of December 31, 2015, the issued share capital amounting to CHF 928,050 is comprised of 46,402,500 shares.

AC Immune SA, Ecublens

9. Trade payables and accrued liabilities

in CHF thousands	As at 31 December,	
	2015	2014
Trade payables	1,719	1,584
Accrued R&D costs	1,661	712
Accrued payroll expenses	1,304	1,318
Other accrued expenses	1,372	600
Current portion of deferred Income	45	205
Total	6,101	4,419

The amounts due to pension fund as of closing date is CHF 1'606 (2014: CHF 10)

10. Revenues

in CHF thousands	As at 31 December,	
	2015	2014
Collaboration and license revenue	38,745	30,179
Grant revenue	316	75
Other	39	15
Total	39,100	30,269

11. Shareholders rights and options

In 2015, the following shareholder rights (shares) and options were held by management or administrative bodies and employees:

In CHF thousand	Shares	Options
Issued to Management and Board	14,198	10,148
Issued to employees	7,614	3,446
Total	21,812	13,594

12. Post balance sheet events

On April 14, 2016, AC Immune entered into an exclusive research collaboration agreement with Biogen covering the research and early clinical development of our alpha-synuclein PET Tracer program for Parkinson's disease, and a second discovery collaboration to identify novel PET ligands against the neurodegeneration-associated protein, TDP-43. Under the agreement, AC Immune is entitled to a technology access fee and will receive significant funding covering its research and development

AC Immune SA, Ecublens

activities on the PET imaging programs. ACI will retain all intellectual property rights to any PET product developed for further commercialization.

On April 15, 2016, AC Immune completed a private placement of Series E preferred shares, each with a nominal value of CHF 0.02 per share (the "Series E Private Placement Extension"). An aggregate 1,401,792 Series E preferred shares were issued at a price of \$9.6384 per preferred share to certain strategic investors, individuals and existing shareholder in the Series E Private Placement Extension for an aggregate subscription amount of approximately \$13.5 million. The Series E preferred shares have substantially the same terms as the Series A, B, C and D preferred shares and will be as accounted for as equity on AC Immune's balance sheet.



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To the General Meeting of

AC Immune SA, Ecublens

Lancy, 25 April 2016

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of AC Immune SA, which comprise the balance sheet, income statement and notes, for the year ended 31 December 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2015 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

/s/ Mark Hawkins

Mark Hawkins
Licensed audit expert
(Auditor in charge)

/s/ Chris Roberts

Chris Roberts

Enclosures

- Financial statements (balance sheet, income statement and notes)
-

Financial Statements (IFRS)



Financial Statements (IFRS) as at and for the years ended December 31, 2015 and 2014

Financial Statements	2
Notes to the Financial Statements	6

AC Immune SA
EPFL Innovation Park
1015 Lausanne
Switzerland

Balance Sheets

in CHF thousands

For the Years Ended December 31,

	Notes	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	4	500	544
Financial assets	5	85	85
Total non-current assets		585	629
Current assets			
Prepaid expenses	6	2'508	373
Accrued income	6	47	53
Other current receivables	7	269	25'935
Cash and cash equivalents	8	76'522	3'306
Total current assets		79'346	29'667
Total assets		79'931	30'296
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	9	928	854
Share premium		110'496	83'068
Accumulated losses		(40'381)	(60'455)
Total shareholders' equity		71'043	23'467
Non-current liabilities			
Net employee defined benefit liabilities	15	2'787	2'410
Total non-current liabilities		2'787	2'410
Current liabilities			
Trade payables & other payables	10	1'719	1'584
Accrued expenses	10	4'337	2'630
Deferred income	10	45	205
Total current liabilities		6'101	4'419
Total liabilities		8'888	6'829
Total shareholders' equity and liabilities		79'931	30'296

The accompanying notes are an integral part of these financial statements.

Income Statements

in CHF thousands except for share and per share data	Notes	For the Years Ended December 31,	
		2015	2014
Revenue			
Contract revenue	11	39'090	30'269
Total revenue		39'090	30'269
Operating expenses			
Research & development expenses	12	(17'049)	(16'116)
General & administrative expenses	12	(3'417)	(3'436)
Total operating expenses		(20'466)	(19'552)
Operating income		18'624	10'717
Finance income		1'617	9
Interest income		55	22
Finance costs		(26)	(4)
Finance result, net		1'646	27
Income before tax		20'270	10'744
Income tax expense	14	-	-
Income for the period		20'270	10'744
Earnings per share (EPS):			
Basic, income for the period attributable to equity holders		0.47	0.25
Diluted, income for the period attributable to equity holders		0.44	0.24
Weighted-average number of shares used to compute EPS basic		43'412'250	42'684'750
Weighted-average number of shares used to compute EPS fully diluted		46'043'198	45'552'500

Statements of Comprehensive Income

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Income for the period	20'270	10'744
Other comprehensive income not to be reclassified to income or loss in subsequent periods (net of tax)		
- Re-measurement losses on defined benefit plans	(736)	(1'318)
Total comprehensive income, net of tax	19'534	9'426

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Equity

in CHF thousands	Share capital	Share premium	Accumulated losses	Total
Balance at January 1, 2014	812	73'211	(70'092)	3'931
Net Income for the period in 2014	-	-	10'744	10'744
Other comprehensive income / (loss)	-	-	(1'318)	(1'318)
<i>Total comprehensive income</i>	-	-	9'426	9'426
Share-based payments	-	-	211	211
Issue of capital	42	9'857	-	9'899
- preferred Series D shares	42	9'854	-	9'896
- exercise of options	-	3	-	3
Transaction costs	-	(105)	-	(105)
Balance at December 31, 2014	854	83'068	(60'455)	23'467

in CHF thousands	Share capital	Share premium	Accumulated losses	Total
Balance at January 1, 2015	854	83'068	(60'455)	23'467
Net Income for the period in 2015	-	-	20'270	20'270
Other comprehensive loss	-	-	(736)	(736)
<i>Total Comprehensive loss</i>	-	-	19'534	19'534
Share-based payments	-	-	540	540
Issue of capital	74	29'567	-	29'641
- preferred Series E shares	62	29'437	-	29'499
- exercise of options	12	130	-	142
Transaction costs	-	(2'139)	-	(2'139)
Balance at December 31, 2015	928	110'496	(40'381)	71'043

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Operating activities		
Net income for the period	20'270	10'744
Adjustments to reconcile net income for the period to net cash flows :		
Depreciation of property, plant & equipment	287	298
Finance result, net	(1'646)	(27)
Share-based compensation expense	540	210
Changes in pensions	(359)	164
Changes in working capital:		
Prepaid expenses	(2'135)	141
Accrued income	6	(53)
Other current receivables	25'666	(25'744)
Other current liabilities	1'707	2
Deferral of unearned revenue (current)	(160)	(3'717)
Accounts payable	(141)	341
Cash provided by/(used in) operating activities	44'035	(17'641)
Interest income	55	22
Finance costs	(6)	(5)
Net cash flows provided by/(used in) operating activities	44'084	(17'624)
Investing activities		
Purchases of property, plant and equipment	(244)	(128)
Other non-current assets	-	(3)
Net cash flows used in investing activities	(244)	(131)
Financing activities		
Proceeds from issuance of preferred Series E / D shares	29'499	10'000
Transaction costs of issue of shares	(1'859)	(200)
Proceeds from issuance of shares - option plan	87	4
Cost on issue of shares - option plan	(4)	(3)
Proceeds from employee loan repayments	55	-
Net cash flows from financing activities	27'778	9'801
Net increase / (decrease) in cash and cash equivalents	71'618	(7'954)
Cash and cash equivalents at January 1	3'306	11'251
Exchange gains on cash and cash equivalents	1'598	9
Cash and cash equivalents at December 31	76'522	3'306
Net increase / (decrease) in cash and cash equivalents	71'618	(7'954)

The accompanying notes are an integral part of these financial statements.



Notes to the Financial Statements (IFRS) (in CHF thousands)

Notes to the Financial Statements

1. General information

AC Immune SA (the "Company") is a clinical stage biopharmaceutical company leveraging our two proprietary technology platforms to discover, design and develop novel, proprietary medicines for prevention, diagnosis and treatment of neurodegenerative diseases associated with protein misfolding. Misfolded proteins are generally recognized as the leading cause of neurodegenerative diseases, such as Alzheimer's disease, or AD, and Parkinson's disease, or PD, with common mechanisms and drug targets, such as Abeta, tau and alpha-synuclein. Our lead product candidate is crenezumab, a humanized, monoclonal, conformation-specific anti-Abeta antibody that we developed using our proprietary SupraAntigen platform. Crenezumab is expected to enter Phase 3 clinical studies in early 2016 and we believe it has the potential to become a best-in-class disease-modifying treatment for AD. We use our two unique proprietary platform technologies, SupraAntigen (conformation-specific biologics) and Morphomer (conformation-specific small molecules), to discover, design and develop medicines and diagnostics to target misfolded proteins.

The Company was initially incorporated as a limited liability company on February 13, 2003 in Basel and effective August 25, 2003 was transitioned into a stock company. The Company's corporate headquarters are located at EPFL Innovation Park Building B, Ecublens/Lausanne, Vaud, Switzerland.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. Basis of preparation

Going concern

The financial statements have been prepared on the basis that the Company will continue as a going concern after considering the Company's cash position of CHF 76.5 million as at December 31, 2015 which includes cash related to the Company's Series E financing totaling CHF 28.9 million concluded in October 2015.

To date, the Company has financed its cash requirements primarily from share issuances and revenues from collaboration agreements. The Company is a clinical stage company and is exposed to all the risks inherent to establishing a business. Inherent to the Company's business are various risks and uncertainties, including the substantial uncertainty as to whether current projects will succeed. The Company's success may depend in part upon its ability to (i) establish and maintain a strong patent position and protection, (ii) enter into collaborations with partners in the biotech and pharmaceutical industry, (iii) successfully move its product candidates through clinical development, (iv) attract and retain key personnel, and (v) acquire capital to support its operations.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These financial statements have been approved for issue by the Board of Directors on March 12, 2016.



Notes to the Financial Statements (IFRS) (in CHF thousands)

Basis of measurement

The financial statements have been prepared under the historical cost convention.

Functional currency

The financial statements of the Company are presented in Swiss Francs (CHF), which is also the functional currency of the Company. All financial information presented in Swiss francs (except for share capital and earnings per share data) has been rounded to the nearest thousand CHF (CHF thousands), unless otherwise indicated. The Company also has transactions denominated in U.S. Dollars (\$) and Euros (EUR) that are translated to CHF at the date of transaction or as of the balance sheet date.

3. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Current vs. non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. The Company classifies all amounts to be realized or settled within twelve months after the reporting period to be current and all other amounts to be non-current.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency Swiss Francs (CHF) using prevailing exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into CHF at rates of exchange prevailing at reporting date. Any gains or losses from these translations are included in the income statement in the period in which they arise.

Revenue recognition

Revenue includes license fees, milestone payments as well as revenue from research agreements associated with collaborations with third parties and grants from public institutions and foundations.

Upfront fees

Revenue from non-refundable, upfront license fees and performance milestones where the Company has continuing involvement is recognized over the estimated performance or agreement period, depending on the terms of the agreement. The recognition of revenue is prospectively changed for subsequent changes in the development or agreement period.

For collaboration agreements on product candidates that are (i) in clinical development, (ii) where the upfront payment reflects a payment for past investments the Company has made in the development of the product candidate, access to the product candidate, the associated intellectual property and our knowledge, and, (iii) where there is no further performance commitment, pursuant to guidelines on revenue recognition as contained in IAS 18, the Company recognizes the fair value of the upfront payment at the time of entering into the collaboration agreement. For collaboration agreements (i) in clinical development but where conditions (ii) and (iii) are not met, the Company recognizes revenue from upfront payments under our collaboration agreements pro-rata over the term of the estimated period of performance under each agreement.

For collaboration agreements, in addition to receiving upfront payments, the Company is also entitled to milestone and other contingent payments upon achieving pre-defined objectives.



Notes to the Financial Statements (IFRS) (in CHF thousands)

Milestone payments

Revenue from milestones, if they are non-refundable and deemed substantive, are recognized upon successful accomplishment of the milestones. To the extent that non-substantive milestones are achieved and the Company has remaining performance obligations, milestones are deferred and recognized as revenue over the estimated remaining period of performance.

Grant revenue

Grants provide funding for certain types of expenditures in connection with research and development activities over a contractually-defined period. Revenue related to grants is recognized in the period during which the related costs are incurred and the related services are rendered, provided that the applicable performance obligations under the grants have been met.

Research and development expenditure

Given the stage of development of the Company's products, all research expenditure is recognized as expense when incurred.

For external research contracts the "stage of completion" method is used to estimate the amount of accrued expense related to the research projects for its clinical studies. The Company estimates its accrued expenses as of the balance sheet date in the financial statement based on facts and circumstances known at the time.

Registration costs for patents are part of the expenditure for research and development projects. Therefore, registration costs for patents are expensed when incurred as long as the research and development project concerned does not meet the criteria for capitalization.

Upfront payments relating to in-licensing agreements are recognized over an appropriate, project-specific duration.

Property, plant and equipment

Equipment is shown at historical acquisition cost, less accumulated depreciation and any accumulated impairment losses. Historical costs include expenditures that are directly attributable to the acquisition of the items. Depreciation is calculated using a straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

IT equipment	3 years
Laboratory equipment	5 years
Leaseholds improvements	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Profits and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement.

Intangible assets

Expenditure to acquire patents, trademarks and licenses is capitalized and amortized using the straight-line method over their useful lives of five years.

Impairment losses at the balance sheet date are charged against the income statement.



Notes to the Financial Statements (IFRS) (in CHF thousands)

Financial assets & liabilities

The Company's financial assets and liabilities are only comprised of receivables, cash and cash equivalents and trade payables.

Receivables

Receivables are non-derivative financial assets with fixed payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as long-term assets.

Receivables are measured at amortized cost. Amortized cost is the amount at which the receivable is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Cash and cash equivalents

Cash and cash equivalents at the bank comprise the cash on hand. All cash and cash equivalents are either in cash or in deposits with less than 3 months' duration.

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

The Company assesses at each period whether there is objective evidence that those financial assets are impaired. Impairment losses are recognized in the income statement.

Share capital

Ordinary (Common) Shares as well as all Preferred Shares are classified as equity.

Expenses directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. AC Immune has five classes (Class A, B, C, D and E) of Preferred Shares outstanding. The Preferred Shares are a class of shares that AC Immune SA issued in connection with five separate capital increases and convey voting rights and certain other rights to their holders.

The holders of Preferred Shares own 80.1% of the total amount of shares outstanding (assuming conversion of the Preferred Shares into Common Shares on a one-for-one basis), have been the primary source of equity financing for the Company over the past 13 years and the Company's Board of Directors consists predominantly of holders of Preferred Shares. The Preferred Shares do not have mandatory redemption features and the redemption of the Preferred Shares is within the control of the Company's Board of Directors.

Our Shareholders' Agreement allows for the conversion of Preferred Shares into Common Shares under certain circumstances, all of which are at the discretion of the Board or our Shareholders. The Preferred Shares have to be converted into Common Shares in the event of a change of control or an initial public offering or some other form of liquidity event.

The voting rights associated with Preferred Shares are the same as for Common Shares—each Preferred Share entitles the holder to one vote. No dividends have been paid on the Preferred Shares and the holders of Preferred Shares are not entitled to any dividends unless dividends are paid on the Common Shares.

The Preferred Shares have a liquidation preference wherein, in the event of a change of control or a liquidation of the Company, the holders of Preferred Shares are entitled to receive, prior and in preference to the holders of Common Shares, the amount corresponding to the price paid for each Preferred Share.



Notes to the Financial Statements (IFRS) (in CHF thousands)

Thereafter, all holders of Preferred Shares will participate with the holders of Common Shares on an as-if-converted basis in any remaining proceeds.

On October 23, 2015, AC Immune completed a 250-for-1 stock split. The split applies to all of AC Immune's outstanding common shares, preferred shares (Series A, B, C, D and E) and vested and unvested options. The stock split has an impact on the earnings per share ("EPS"). To facilitate a comparison of EPS figures, the 2015 and 2014 reported EPS figures were adjusted to reflect the stock split. Footnotes 9 (share capital), 16 (share based compensation) and 18 (earnings per share) have all been prepared taking into consideration the 250-for-1 stock split.

Employee benefits

Post-employment benefits

The Company operates the mandatory pension schemes for its employees in Switzerland. The schemes are generally funded through payments to insurance companies or trustee-administered funds. The Company has a pension plan designed to pay pensions based on accumulated contributions on individual savings accounts. However, this plan is classified as a defined benefit plan under IAS 19.

The net pension liability is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets. The defined benefit obligation is in all material cases calculated annually by independent actuaries using the projected unit credit method, which reflects services rendered by employees to the date of valuation, incorporates assumptions concerning employees' projected salaries, pension increases as well as discount rates of highly liquid corporate bonds which have terms to maturity approximating the terms of the related liability.

Share-based compensation

The Company operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of options and shares is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the instruments granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of instruments that are expected to become exercisable. At each balance sheet date, the Company revises its estimates of the number of instruments that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

Stock options granted under the Company's stock option plans A, B and C are valued using the Black-Scholes model (see Note 16). This valuation model as well as parameters such as expected volatility and expected term of the stock options was partially based on management's estimates.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events where it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.



Notes to the Financial Statements (IFRS) (in CHF thousands)

Taxation

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Taxation is provided for in accordance with the fiscal regulations of the respective country in which the Company operates. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. If required, deferred taxation is provided in full using the liability method, on all temporary differences at the reporting dates. It is calculated at the tax rates that are expected to apply to the period when it is anticipated the liabilities will be settled, and it is based on tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Although the Company has substantial tax loss carryforwards, historically, due to the fact that the Company had limited certainty on key milestones, it has not recognized any deferred tax assets.

Earnings per share

The Company presents basic earnings per share for each period in the financial statements. The earnings per share is calculated by dividing the earnings of the period by the weighted average number of shares (common and preferred) outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if dilutive securities such as share options were vested or exercised into common shares or resulted in the issuance of common shares that would participate in net income. Anti-dilutive shares are excluded from basic and diluted earnings per share calculation.

Critical judgments and accounting estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The areas where AC Immune has had to make judgments, estimates and assumptions relate to (i) revenue recognition on collaboration and licensing agreements, (ii) clinical development accruals, (iii) pensions, (iv) income taxes and (v) stock-based compensation. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Income taxes

As disclosed in Note 14, the Company has tax losses which will expire after the tax holiday period. These tax losses represent potential value to the Company to the extent that the Company is able to create taxable profits before the expiry period of these tax losses. The Company has not recorded any deferred tax assets in relation to these tax losses.

Preferred shares

Significant judgment is required in determining the classification of the Preferred Shares issued by the Company as either equity or liabilities. The Preferred shareholders receive certain preference rights that represent a significant proportion of the net assets of the Company in the case of liquidation or certain exit events, the occurrence of which are outside the control of the Company.

Notes to the Financial Statements (IFRS) **(in CHF thousands)**

Segment reporting

The Company has one segment. The Company currently focuses all of its resources on discovering and developing therapeutic and diagnostic products targeting misfolded proteins which are present in a broad range of neurodegenerative diseases.

As a result, management considers that there is only one operating segment.

Standards, amendments and interpretations effective in current reporting period but without impact on the Company financial statements

The following standards, amendments and interpretation currently are mandatory for accounting periods beginning on or after January 1, 2015 but did not have any effect on the Company financial statements:

- Amendments to IAS 19: Defined Benefits Plans: Employee Contributions
- Annual Improvements to IFRSs 2010-2012 Cycle (except for the amendment to IFRS 3 Business combinations)
- Annual Improvements to IFRSs 2011-2013 Cycle

Standards, amendments and interpretations to existing standards not yet effective

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after January 1, 2016 or later periods but which the Company has not adopted early:

Recently released Standards/ Interpretations	Date Issued	Effective date (mostly annual periods beginning on or after) Early adoption is often permitted	Planned application by AC Immune
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	Dec 2014	Annual periods beginning on or after January 1, 2016, with early application permitted	<i>Non applicable</i>
Disclosure Initiative (Amendments to IAS 1)	Dec 2014	Annual periods beginning on or after January 1, 2016, with early application permitted	Jan 1, 2016
Annual Improvements 2012-2014 Cycle	Sept 2014	Annual periods beginning on or after January 1, 2016, with earlier application being permitted	Jan 1, 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Sept 2014	Annual periods beginning on or after January 1, 2016, with earlier application being permitted	<i>Non applicable</i>



Notes to the Financial Statements (IFRS) (in CHF thousands)

Recently released Standards/ Interpretations	Date Issued	Effective date (mostly annual periods beginning on or after) Early adoption is often permitted	Planned application by AC Immune
Equity Method in Separate Financial Statements (Amendments to IAS 27)	Aug 2014	Annual periods beginning on or after January 1, 2016, with earlier application being permitted	<i>Non applicable</i>
IFRS 9 Financial instruments	Nov 2009 to July 2014	Effective Jan 1, 2018 with early adoption allowed Early application of the own credit risk improvements, prior to any other changes in the accounting for financial instruments, is permitted by IFRS 9	Jan 1. 2018
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	June 2014	An entity shall apply those amendments for annual periods beginning on or after January 1, 2016. Earlier application is permitted.	<i>Non applicable</i>
IFRS 15 Revenue from Contracts with Customers	May 2014	Annual periods beginning on or after January 1, 2018. Earlier application permitted.	Jan 1, 2018
Clarification of Acceptable Methods of Depreciation and Amortization Amendments to IAS 16 and IAS 38	May 2014	An entity shall apply those amendments prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted.	Jan 1, 2016
Accounting for Acquisitions of Interests in Joint Operations Amendments to IFRS 11	May 2014	An entity shall apply those amendments prospectively in annual periods beginning on or after January 1, 2016.	<i>Non applicable</i>
IFRS 14 Regulatory Deferral Accounts	Jan 2014	Effective for an entity's first annual IFRS financial statements for a period beginning on or after January 1, 2016. Earlier application is permitted	<i>Non applicable</i>
IFRS 16 Leases	Jan 2016	Effective for annual periods beginning on or after 1 January 2019 (subject to EU endorsement) Effective for annual period beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 has also been applied.	Jan 1. 2019

Recently released Standards/ Interpretations	Date Issued	Effective date (mostly annual periods beginning on or after) Early adoption is often permitted	Planned application by AC Immune
Annual Improvements 2012-2014 Cycle (IAS 12 Income Taxes)	Jan 2016	Effective for annual period beginning on or after January 1, 2017.	Jan 1. 2017

The Company has not yet evaluated the impact of these revised standards and amendments on its financial statements.

4. Property, plant and equipment

in CHF thousands

Historical cost

As of January 1, 2014

Acquisitions

As of January 1, 2015

Acquisitions

As of December 31, 2015

Accumulated depreciation

As of January 1, 2014

Depreciation

As of January 1, 2015

Depreciation

As of December 31, 2015

Net book value December 31, 2015

Net book value December 31, 2014

	Laboratory Equipment	IT Equipment	Building and Furniture	Total
Historical cost				
As of January 1, 2014	1'741	128	136	2'005
Acquisitions	74	44	10	128
As of January 1, 2015	1'815	172	146	2'133
Acquisitions	243	-	-	243
As of December 31, 2015	2'058	172	146	2'376
Accumulated depreciation				
As of January 1, 2014	1'146	72	74	1'292
Depreciation	251	28	18	297
As of January 1, 2015	1'397	100	92	1'589
Depreciation	232	38	17	287
As of December 31, 2015	1'629	138	109	1'876
Net book value December 31, 2015	429	34	37	500
Net book value December 31, 2014	418	72	54	544

5. Financial assets

For the Years Ended December 31,

in CHF thousands

Rental deposit (restricted cash)

Security Deposit

Total

	2015	2014
Rental deposit (restricted cash)	82	82
Security Deposit	3	3
Total	85	85

AC Immune has a two deposits in escrow accounts totaling CHF 85 thousand associated with the lease of the Company's premises.



Notes to the Financial Statements (IFRS) (in CHF thousands)

6. Prepaid expenses and accrued income

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Prepaid expenses	339	373
Deferred offering costs	2'169	-
Grant receivable	47	53
Total	2'555	426

The prepaid expenses relate mainly to research contracts with down-payments at contract signature and their related activities will start or continue in 2016.

Deferred offering costs, which consist primarily of direct incremental legal, accounting and printing costs relating to the Company's planned initial public offering ("IPO"), are capitalized within prepaid expenses. The deferred offering costs will be offset against IPO proceeds upon the consummation of the IPO. In the event the IPO is terminated, deferred offering costs will be expenses. As at December 31, 2015, CHF 2,169 thousand (2014: none) of deferred offering costs were capitalized in prepaid expenses on the balance sheet.

7. Other current receivables

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Other receivables	103	25'863
Swiss VAT	147	64
Withholding tax	19	8
Total	269	25'935

The maturity of these assets is less than three months. The Company considers the counterparty risk as low and the carrying amount of these receivables is considered to correspond to the fair value.

8. Cash and cash equivalents

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Cash	76'522	3'306
Total	76'522	3'306
By Currency		
CHF	19'812	2'517
EUR	2'371	482
USD	54'339	307
Total	76'522	3'306

At the balance sheet date, Company funds were held in CHF, EUR and USD bank accounts. Assets in EUR and USD were translated into CHF at a rate of 1.0916 and 0.9991, respectively.



Notes to the Financial Statements (IFRS) (in CHF thousands)

9. Share capital

As of December 31, 2015, the issued share capital amounting to CHF 928,050 is comprised of 46,402,500 shares.

The table below summarizes the capital structure:

	For the Years Ended December 31,			
	2015		2014	
	Number	CHF	Number	CHF
Common shares with a nominal value of CHF 0.02 each	9,227,250	184,545	8,633,000	172,660
Preferred shares Series A with a nominal value of CHF 0.02	3,538,000	70,760	3,538,000	70,760
Preferred shares Series B with a nominal value of CHF 0.02	16,782,500	335,650	16,782,500	335,650
Preferred shares Series C with a nominal value of CHF 0.02	9,619,000	192,380	9,619,000	192,380
Preferred shares Series D with a nominal value of CHF 0.02	4,122,500	82,450	4,122,500	82,450
Preferred shares Series E with a nominal value of CHF 0.02	3,113,250	62,265	-	-
	<u>46,402,500</u>	<u>928,050</u>	<u>42,695,000</u>	<u>853,900</u>

Common and Preferred Shares have a nominal value of CHF 0.02 and are fully paid in. In a liquidation or winding up event (including trade sale), Preferred A, B, C, D and E Shares are senior to common shares in such a way that Preferred shareholders get in advance, prior and in preference to the holders of common shares, the amount corresponding to the price paid for each Preferred Share. The remaining funds shall be distributed pro-rata to all shareholders.

On October 23, 2015, AC Immune completed a 250-for-1 stock split. The split applies to all of AC Immune's outstanding common shares, preferred shares (Series A, B, C, D and E) and vested and unvested options. The stock split has an impact on the earnings per share ("EPS"). To facilitate a comparison of EPS figures, the 2015 and 2014 reported EPS figures were adjusted to reflect the stock split.

Increase of Conditional Capital

The Extraordinary General Assembly held on November 28, 2013, approved an increase of the conditional capital of 727,500 (split-adjusted) registered Common Shares with a par value of CHF 0.02. These shares are reserved for the Company's stock option plan.

Issuance of Preferred Shares

On October 23, 2015 the Company successfully completed a financing round of USD 30 million (CHF 29.4 million). The split-adjusted share price of the round was USD 9.63624 for each of the 3,113,250 Series E Preferred Shares.

On December 13, 2013, the Company approved a CHF 20 million capital increase. The capital increase was completed in two stages with 2,061,250 shares issued immediately in December 2013 at CHF 4.8516 per share raising gross proceeds of CHF 10 million and the second tranche completed in May 2014 with the Company issuing 2,061,250 shares at CHF 4.8516 per share raising gross proceeds of CHF 10 million.



Notes to the Financial Statements (IFRS) (in CHF thousands)

10. Trade payables and accrued liabilities

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Trade payables	1'719	1'584
Accrued R&D costs	1'661	712
Accrued payroll expenses	1'304	1'318
Other accrued expenses	1'372	600
Current portion of deferred Income	45	205
Total	6'101	4'419

An accrual of CHF 880 thousand and CHF 947 thousand was recognized for performance-related remuneration relating to 2015 and 2014, respectively.

Current portion of deferred income

In 2015 we received a grant from the Michael J Fox Foundation for developing an alpha-synuclein protein positron emission tomography (PET) imaging agent. The grant covers an 18 month period. We recognized revenues on a straight line basis over the period of the grant. As of December 31, 2015, the remaining CHF 45 thousand is recorded as a current liability in deferred income.

In May 2014, AC Immune SA and Piramal Imaging, a division of Piramal Enterprises Ltd. entered into an exclusive worldwide license agreement for the research, development and commercialization of AC Immune's tau tracers supporting the diagnosis and clinical management of AD and potential tau-related disorders.

The upfront payment of EUR 500 thousand (CHF 616 thousand) received in May 2014 from this collaboration is deferred over a period of 12 months. No deferred income was recognized during the year ended on December 31, 2015.

11. Revenues

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Collaboration and license revenue	38'745	30'179
Grant revenue	316	75
Other	29	15
Total	39'090	30'269

Anti-Abeta antibody in AD - Collaboration agreement of 2006 with Genentech

In November 2006, AC Immune signed an exclusive, worldwide licensing agreement for crenezumab, our humanized monoclonal antibody targeting misfolded Abeta. In July 2015, Genentech announced it will commence Phase 3 clinical studies for crenezumab in 2016. If crenezumab receives regulatory approval, we will be entitled to receive royalties that are tied to annual sales volumes with different royalty rates applicable in the U.S. and Europe. These percentage rates range from the low double digits to the mid-teens.



Notes to the Financial Statements (IFRS) (in CHF thousands)

Under the agreement with Genentech, we may become eligible to receive payments totaling up to approximately \$340 million, excluding royalties. As at December 31, 2015 we have received total payments of \$65 million (CHF 70.1 million): \$40 million (CHF 45.8 million) were received in three milestone payments prior to 2013 and \$25 million (CHF 24.3 million) were received in July 2015.

We recognized the Phase 3 payment in our financials since there is no further performance requirement on our side. The agreement provides for a second therapeutic product based on the same intellectual property and anti-Abeta antibody compound as well as an anti-Abeta diagnostic product. Genentech may terminate the agreement at any time by providing three months' notice to us. In such event all costs incurred are still refundable.

Anti-tau antibody in AD – Collaboration agreement of 2012 with Genentech

In June 2012, we entered into a second partnership with Genentech to commercialize our anti-tau antibodies for use as immunotherapeutics. The value of this exclusive, worldwide alliance is potentially greater than CHF 400 million and includes upfront and milestone payments. In addition to milestones, we will be eligible to receive royalties on sales at a percentage rate ranging from the mid-single digits to high single digits. The agreement also provides for collaboration on two additional indications built on the same anti-tau antibody program as well as a potential anti-tau diagnostic product.

To date we have received payments totaling CHF 31 million including a CHF 14 million milestone payment received in 2015. In June 2015, the Company recognized as revenue a milestone payment of CHF 14 million as there is no further performance obligation. This milestone was due upon the ED-GO decision by Genentech on the anti-tau antibody's product in AD. At the same time, Genentech announced that it intends to move the anti-tau antibody program into Phase 1 clinical studies in late 2016.

Genentech may terminate the agreement at any time by providing three months' notice to us. In such event all costs incurred are still refundable.

Tau Vaccine in AD – Collaboration agreement of 2014 with Janssen Pharmaceuticals

In December of 2014, we entered into a partnership with Janssen Pharmaceuticals, a Johnson & Johnson company, to develop and commercialize therapeutic anti-tau vaccines for the treatment of AD and potentially other tauopathies. The partnership includes a worldwide exclusive license and research collaboration. We and Janssen will co-develop the lead therapeutic vaccine, ACI-35, through Phase 1b completion. From Phase 2 and onward, Janssen will assume responsibility for the clinical development, manufacturing and commercialization of ACI-35. ACI-35 is an active therapeutic vaccine stimulating the patient's immune system to produce a polyclonal antibody response against phosphorylated tau protein.

The agreement also allows for the collaboration to be expanded to a second indication based on the same anti-tau vaccine program and intellectual property related to this program.

We received an upfront payment of CHF 25.9 million which we recognized in 2014 and are eligible to receive development, regulatory and commercialization milestone payments for AD and a potential second indication outside of AD. Additionally, we will receive royalties on sales at a percentage rate ranging from the low double digits to mid-teens. The two companies have entered into a three-year joint research collaboration to further characterize and develop novel vaccine therapies for the treatment of tauopathies.

As part of this agreement, AC Immune has committed to spending CHF 13.8 million in research and development to the end of Phase 1b which is currently anticipated at the end of 2016. Under the terms of the agreement, Janssen may terminate the agreement at any time after completion of the Phase 1b clinical study by providing 90 days' notice to us.

The recognition of the upfront payment from Janssen was recorded at the time of receipt as the Company determined that the license granted to Janssen was a separate, non-contingent deliverable under the agreement. The Company determined the license had stand-alone value based on Janssen's ability to



Notes to the Financial Statements (IFRS) (in CHF thousands)

create value from the license without our R&D support services due their extensive experience in vaccine development and production which would allow them to complete the phase 1b clinical trials.

Tau-PET imaging agent in AD – Collaboration agreement of 2014 with Piramal Imaging

In May 2014, we entered into our first diagnostic partnership with Piramal Imaging, one of the world leaders in imaging products. The agreement with Piramal is for a compound from the Morphomer chemical library that binds pathogenic tau aggregates for use as a PET tracer. The exclusive, worldwide licensing agreement with Piramal Imaging includes upfront and sales milestone payments totaling up to EUR 157 million, plus royalties on sales at a percentage rate ranging from mid-single digits to low double digits. We received an upfront payment of EUR 500 thousand and are entitled to further clinical milestones totaling EUR 7 million should the compound make it through to Phase 3 clinical studies and are further entitled to regulatory, commercialization and sales based milestones totaling EUR 150 million.

Piramal may terminate the agreement at any time after the first eighteen months from the effective date of this agreement by providing three months' notice to us.

Grant

In 2014 we recognized revenue associated with a research grant given to us by a European Institution in October of 2011 and which had a 3-year duration. We recognized the revenues on a straight line basis over the period of the grant.

In 2015 we received a grant from the Michael J Fox Foundation for developing an alpha-synuclein PET imaging agent. The grant covers an 18 month period. We recognized revenues on a straight line basis over the period of the grant.

12. Expenses by category

Research and Development

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Operating expenses	10'476	9'990
Payroll expenses	5'879	5'669
Share-based compensation	407	159
Depreciation of tangible fixed assets	287	298
Total research and development expenses	17'049	16'116

Administration

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Operating expenses	1'377	1'437
Payroll expenses	1'908	1'947
Share-based compensation	132	52
Total general and administrative expenses	3'417	3'436



Notes to the Financial Statements (IFRS) (in CHF thousands)

13. Related-party transactions

Key management including the Board of Directors (five individuals) and the Executive Management (four individuals) compensation is:

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Short-term employee benefits	1'776	1'631
Post-employment benefits	124	97
Share-based compensation	8	8
Total	1'908	1'736

In July 2015, George Pavay joined AC Immune as Chief Financial Officer and a member of Executive Management. At the same time, Jean-Fabien Monin assumed the role of Chief Administrative Officer. He had previously been Chief Financial Officer since 2009.

Friedrich von Bohlen and Peter Bollmann joined the Board of Directors of AC Immune in October and December 2015, respectively. Friedrich von Bohlen replaced Christof Hettich who stepped down from the Board in August 2015. Beat Guertler resigned from the board in December 2015. His position was assumed by Peter Bollmann.

Short-term employee benefits comprise of salaries, bonus payments, social security and expenses allowances.

45,000 and 62,500 options were granted in 2015 and 2014, respectively, to the Executive Management of the Company. Zero and 51,250 options were granted in 2015 and 2014, respectively, to the Directors of the Company.

14. Income taxes

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Income tax recognized in profit or loss		
Current tax	-	-
Deferred tax	-	-
Total	-	-

The income tax expense for the year can be reconciled to the accounting profit as follows:

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Accounting income before income tax	20'270	10'744
Tax expense calculated at the statutory rate of 22.5% (2014: 22.5%)	4'566	2'420
Effect of Swiss Tax Holidays	-	(2'420)
Unrecognized carry forward tax loss	(4'566)	-
Effective income tax rate benefit / (expense)	-	-

Notes to the Financial Statements (IFRS) **(in CHF thousands)**

The tax rate used for the 2015 and 2014 reconciliations above is the corporate tax rate of 22.5% payable by corporate entities in the Canton of Vaud, Switzerland on taxable profits under tax law in that jurisdiction.

In 2015, AC Immune was able to avail itself of tax loss carryforwards to reduce its effective tax rate to zero.

The Company was granted by the Canton de Vaud, Switzerland, a 10-year tax holiday for all income and capital taxes on a communal and cantonal level, commencing in the fiscal year 2005 and valid through to December 31, 2014. It has also been granted a 9-year tax holiday for direct Swiss Federal tax commencing in the fiscal year 2006 through to December 31, 2014. Consequently, the effective tax rate for 2014 was zero.

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Unrecognized deductible temporary differences, unused tax losses and unused tax credits		
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:		
- Tax Losses	29'079	49'253
- Deductible temporary differences related to the retirement benefit plan	2'787	2'410
Total	31'866	51'663

Deductible temporary differences related to the retirement benefit plan do not expire. Tax losses expiry dates are shown in the table below:

in CHF thousands	2015	2014
Tax losses split by expiry date		
December 31, 2015	-	-
December 31, 2016	-	-
December 31, 2017	-	11'961
December 31, 2018	2'175	10'388
December 31, 2019	16'566	16'566
December 31, 2020	10'338	10'338
December 31, 2021	-	-
Total	29'079	49'253

The tax losses available for future offset against taxable profits have decreased by CHF 20.2 million, representing the amount of tax losses that would have been used as an offset.

Consistent with prior years, the Company has not recorded any deferred tax assets in relation to the past tax losses available for offset against future profits as the recognition criteria have not been met at the balance sheet date.

15. Retirement benefit plan

The Company participates in a collective foundation covering all of its employees including its executive officers. In addition to retirement benefits, the plan provides death or long-term disability benefits.



Notes to the Financial Statements (IFRS) (in CHF thousands)

Contributions paid to the plan are computed as a percentage of salary, adjusted for the age of the employee and shared approximately 46% and 54% by employee and employer, respectively.

This plan is governed by the Swiss Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG), which requires contributions to be made to a separately administered fund. The fund has the legal form of a foundation and it is governed by the Board of Trustees, which consists of an equal number of employer's and employee's representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The collective foundation is governed by a foundation board. The board is made up of an equal number of employee and employer representatives of the different affiliated companies. The Company has no direct influence on the investment strategy of the foundation board.

The assets are invested by the pension plan, to which many companies contribute, in a diversified portfolio that respects the requirements of the Swiss BVG. Under the Plan, both the Company and the employee share the costs equally. The structure of the plan and the legal provisions of the BVG mean that the employer is exposed to actuarial risks. The main risks are investment risk, interest risk, disability risk and the life expectancy of pensioners. Through our affiliation with the pension plan, the Company has minimized these risks, since they are shared between a much greater number of participants.

The pension plan is exposed to Swiss inflation, interest rate risks and changes in the life expectancy for pensioners.

For accounting purposes under IFRS, the plan is treated as a defined benefit plan. Liabilities and assets are calculated annually by an independent actuary. In accordance with IAS 19, plan assets have been estimated at their fair market value and liabilities have been calculated according to the "Projected Unit Credit" method.

The following table sets forth the status of the defined benefit pension plan and the amount that should be recognized in the balance sheet:

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Defined benefit obligation	(9'439)	(8'091)
Fair value of plan assets	6'652	5'681
Total Liability	(2'787)	(2'410)

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Notes to the Financial Statements (IFRS) (in CHF thousands)

According to IAS 19, the following amounts have been recorded as net pension cost in the income statement:

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Service cost	641	521
Interest cost	101	137
Interest income	(76)	(118)
Impact of plan amendment	(584)	-
Net pension cost	82	540

The changes in defined benefit obligation, fair value of plan assets and unrecognized (gains) / losses are as follows:

A. Change in defined benefit obligation

in CHF thousands	2015	2014
Defined benefit obligation as of January 1	(8'091)	(6'044)
Service cost	(641)	(521)
Interest cost	(101)	(137)
Change in demographic assumptions	-	-
Change in financial assumptions	(591)	(1'303)
Other actuarial gains / (losses)	(176)	9
Plan amendment	584	-
Benefit payments	(48)	227
Employees' contributions	(375)	(322)
Defined benefit obligation as of December 31	(9'439)	(8'091)

B. Change in fair value of plan assets

in CHF thousands	2015	2014
Fair value of plan assets as of January 1	5'681	5'115
Interest income	76	118
Employees' contributions	375	322
Employer's contributions	441	377
Benefits payments	48	(227)
Plan assets Gains / (Losses)	31	(24)
Fair value of plan assets as of December 31	6'652	5'681

Employer's contribution to the pension plan for the financial year 2016 are estimated to be CHF 478 thousand.



Notes to the Financial Statements (IFRS) (in CHF thousands)

C. Change in net defined benefit liability

in CHF thousands	2015	2014
Net defined benefit liabilities as of January 1	2'410	929
Net pension cost through Income Statement	82	540
Re-measurement through OCI	736	1'318
Employer's contribution	(441)	(377)
Net defined benefit liabilities as of December 31	2'787	2'410

The fair value of the plan assets is the cash surrender value of the insurance with AXA. The investment strategy defined by the Board of trustees follows a conservative profile.

The plan assets are primarily held within instruments with quoted market prices in an active market, with the exception of real estate and mortgages.

The actuarial assumptions used for the calculation of the pension cost and the defined benefit obligation of the defined benefit pension plan for the year 2015 and 2014 are as follows:

	For the Years Ended December 31,	
	2015	2014
Discount rate	0.80%	1.25%
Rate of future increase in compensations	1.50%	1.50%
Rate of future increase in current pensions	0.50%	0.50%
Mortality and disability rates	BVG 2010G	BVG 2010G

In defining the benefits, the minimum requirements of the Swiss Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG) and its implementing provisions must be observed. The BVG defines the minimum pensionable salary and the minimum retirement credits.

A quantitative sensitivity analysis for significant assumption as at December 31, 2015 is as shown below:

in CHF thousands

Assumptions	Discount rate		Future salary increase		Future pension cost	
	+0.5% increase	-0.5% decrease	+0.5% increase	-0.5% decrease	+0.5% increase	-0.5% decrease
Defined benefit obligation	8'502	10'544	9'494	9'384	9'993	8'944
Impact on the net defined benefit obligation	937	(1'105)	(55)	55	(554)	495

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to the Financial Statements (IFRS) **(in CHF thousands)**

16. Share-based compensation

The Company has the following share-based compensation plans outstanding:

PLAN	Number of instruments awarded	Vesting conditions	Contractual life of options
Stock option plan A	362'750	4 years' service from grant date	8 1/2 years
Stock option plan B	819'000	4 years' service from grant date	6 1/2 years
Stock option plan C1	5'920'750	4 years' service from grant date	6 years

The number and weighted average exercise prices (in CHF) of options under the share option programs for Plans A, B and C1 are as follows:

	2015			2014		
	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Term (Y)	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Term (Y)
Outstanding at January 1	4,006,500	0.14548	3.8	3,768,000	0.22119	4.4
Forfeited during the year	(23,250)	0.00000	0.0	(4,500)	0.00000	0.0
Cancelled during the year	(15,250)	0.00000	0.0	(19,000)	0.00000	0.0
Exercised during the year	(594,250)	0.00000	0.0	(21,250)	0.00000	0.0
Granted during the year	24,750	0.00000	0.0	283,250	0.00000	0.0
Outstanding at December 31	3,398,500	0.14548	3.6	4,006,500	0.21668	4.5
Exercisable at December 31	3,032,500	0.14548	3.4	3,370,000	0.23013	4.2

The exercise prices for all outstanding options was CHF 0.14548 as of December 31, 2015 and 2014.

The fair values of the options granted in 2015 and 2014 are CHF 1.76848 and CHF 0.77044, respectively. These fair values have been determined using the Black-Scholes model and an exercise price of CHF 0.14548 (2014: CHF 0.14548), a spot price of CHF 1.9104 (2014: CHF 0.90268), a risk-free interest rate of 0% (2014: 0.232%) and a volatility of 50% (2014: 50%) with an expected duration of 6 years (2014: 6 years).

The exercise price is set by the Board of Directors. The volatility is based on the historical trend of an

appropriate sample of companies operating in the biotech and pharmaceutical industry. The risk-free interest rate is based on the CHF swap rate for the expected life of the option. The weighted average fair value of exercised common share options in 2015 is CHF 1.9104 (2014: CHF 0.90268).

The expense charged against the income statement for the financial year 2015 amounts to CHF 539 thousand (2014: CHF 211 thousand). The expense assumes a departure rate based on the fact that some beneficiaries will not be able to exercise.



Notes to the Financial Statements (IFRS) (in CHF thousands)

17. Commitments and contingencies

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Within one year	5'989	3'235
Between one and five years	1'111	924
Total	7'100	4'159

The Company has research contracts with several external service providers. As of December 31, 2015, external research projects for CHF 5.82 million were committed for 2016. Rental contract for laboratory and offices space at the EPFL Innovation Park in Ecublens/Lausanne can be cancelled within a 6 month notice period. As of December 31, 2015, rental contracts for CHF 169 thousand were committed for 2016.

18. Earnings per share

in CHF thousands except for share and per share data	For the Years Ended December 31,	
	2015	2014
Net income attributable to owners of the Company	20,270	10,744
Earnings per share (EPS):		
Basic, income for the period attributable to equity holders	0.47	0.25
Diluted, income for the period attributable to equity holders	0.44	0.24
Weighted-average number of shares used to compute EPS basic	43,412,250	42,684,750
Weighted-average number of shares used to compute EPS fully diluted	46,043,198	45,552,500

For the years ended December 31, 2015 and 2014 basic and diluted earnings per share is based on the weighted average number of shares issued and outstanding.

19. Sensitivity analysis

Foreign currency

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arises. Exchange rate exposures are managed by matching its cash holdings to the currency structure of its expenses.

As of December 31, 2015, if the CHF had strengthened/weakened by 10% against the EUR and the USD with all other variables held constant, the net loss for the period would have been lower/higher by CHF 5'613 thousand (2014: CHF 16 thousand), mainly as a result of foreign exchange gains/losses on transaction of EUR/USD denominated assets and liabilities.

Interest rates

The Company is not materially exposed to any interest rates fluctuations.



Notes to the Financial Statements (IFRS) (in CHF thousands)

20. Financial instruments and risk management

The Company's activities expose it to the following financial risks: market risk (currency risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The following table shows the carrying amounts of financial assets and financial liabilities:

Foreign exchange risk

The Company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the EUR, USD and to a lesser extent to GBP, DKK and SEK. The currency exposure is not hedged. However, the Company has the policy of matching its cash holdings to the currency structure of its expenses, which means that the Company holds predominately CHF, EUR and USD (see also Notes [8] and [19]).

Credit risk

The majority of the cash and cash equivalents is held within one bank. However, the credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The maximum amount of credit risk is the carrying amount of the financial assets. Trade and other receivables are fully performing, not past due and not impaired (see Note [7]).

Liquidity risk

Inherent in the Company's business are various risks and uncertainties, including its limited operating history and the high uncertainty that new therapeutic concepts will succeed. AC Immune's success may depend in part upon its ability to (i) establish and maintain a strong patent position and protection, (ii) enter into collaborations with partners in the biotech and pharmaceutical industry, (iii) acquire and keep key personnel employed, and (iv) acquire additional capital to support its operations.

The Company's approach of managing liquidity is to ensure sufficient cash to meet its liabilities when due. Therefore, management closely monitors the cash position on rolling forecasts based on expected cash flow to enable the Company to finance its operations for at least 24 months.

Based on the current cash position, the Company is well financed until the end of 2017.

The table below shows the maturities of the liquidity relevant financial liabilities as of December 31, 2015:

in CHF thousands	For the Years Ended December 31,	
	2015	2014
Financial assets		
Loans and receivables		
Cash and cash equivalents	76'522	3'306
Other receivables	269	25'863
Total financial assets	76'791	29'169
Financial liabilities		
Trade and other accounts payable	1'719	1'584
Total financial liabilities	1'719	1'584



Notes to the Financial Statements (IFRS) (in CHF thousands)

21. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to preserve the capital on the required statutory level in order to succeed in developing a cure against the AD.

22. Segment and geographic reporting

The Company has one Segment. The Company currently focuses all of its resources on discovering and developing therapeutic and diagnostic products targeting misfolded proteins which are present in a broad range of neurodegenerative diseases.

As a result, management considers that there is only one operating segment under the requirements of IFRS 8, Operating Segments.

The Company's geographic information is worldwide.

23. Post balance sheet events

On April 14, 2016, AC Immune entered into an exclusive research collaboration agreement with Biogen covering the research and early clinical development of our alpha-synuclein PET Tracer program for Parkinson's disease, and a second discovery collaboration to identify novel PET ligands against the neurodegeneration-associated protein, TDP-43. Under the agreement, AC Immune is entitled to a technology access fee and will receive significant funding covering its research and development activities on the PET imaging programs. ACI will retain all intellectual property rights to any PET product developed for further commercialization.

On April 15, 2016, AC Immune completed a private placement of Series E preferred shares, each with a nominal value of CHF 0.02 per share (the "Series E Private Placement Extension"). An aggregate 1,401,792 Series E preferred shares were issued at a price of \$9.6384 per preferred share to certain strategic investors, individuals and existing shareholder in the Series E Private Placement Extension for an aggregate subscription amount of approximately \$13.5 million. The Series E preferred shares have substantially the same terms as the Series A, B, C and D preferred shares and will be as accounted for as equity on AC Immune's balance sheet.



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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of AC Immune SA

We have audited the accompanying balance sheets of AC Immune SA as of December 31, 2015 and 2014, and the related income statements, statements of other comprehensive income, statements of changes in equity and statements of cash flows for each of the two years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AC Immune SA at December 31, 2015 and 2014, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2015, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Ernst & Young Ltd

/s/ Mark Hawkins
Mark Hawkins
Licensed audit expert
(Auditor in charge)

/s/ Christopher Roberts
Christopher Roberts
Licensed audit expert

Lancy, Switzerland

April 21, 2016



AC IMMUNE SA

2016 STOCK OPTION AND INCENTIVE PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the AC Immune SA 2016 Stock Option and Incentive Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of AC Immune SA (the "Company") and its Subsidiaries upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its businesses to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"*Administrator*" means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

"*Award*" or "*Awards*," except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Units, Restricted Stock Awards, Unrestricted Stock Awards, Performance Share Awards and Dividend Equivalent Rights.

"*Award Certificate*" means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Certificate is subject to the terms and conditions of the Plan.

"*Board*" means the Board of Directors of the Company.

"*Consultant*" means any natural person that provides bona fide services to the Company, and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

"*Covered Employee*" means an employee who is a "Covered Employee" within the meaning of Section 162(m) of the US Tax Code or is a member of the Board of Directors or executive committee and thus subject to approval requirement pursuant to art. 18 of the Swiss Ordinance against excessive compensation in listed stock corporations (*Ordonnance contre les rémunérations abusives dans les sociétés anonymes cotées en bourse*).

"*Dividend Equivalent Right*" means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

"*Effective Date*" means the date on which the Plan becomes effective as set forth in Section 20.

"Fair Market Value" of the Stock on any given date means the fair market value of the Stock determined in good faith by the Administrator; provided, however, that if the Stock is admitted to quotation on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), NASDAQ Global Market or another national securities exchange, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations; provided further, however, that if the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus relating to the Company's Initial Public Offering.

"Incentive Stock Option" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the US Tax Code.

"Initial Public Offering" means the first underwritten, firm commitment public offering pursuant to an effective registration statement under the US Securities Act covering the offer and sale by the Company of its equity securities, or the listing of the shares of the Company at a recognized stock exchange, or such other event as a result of or following which the Stock shall be publicly held.

"Non-Employee Director" means a member of the Board who is not also an employee of the Company or any Subsidiary.

"Non-Qualified Stock Option" means any Stock Option that is not an Incentive Stock Option.

"Option" or *"Stock Option"* means any option to purchase shares of Stock granted pursuant to Section 5.

"Performance-Based Award" means any Restricted Stock Award, Restricted Stock Units, or Performance Share Award granted to a Covered Employee that is intended to qualify as "performance-based compensation" under Section 162(m) of the US Tax Code and the regulations promulgated thereunder.

"Performance Criteria" means the criteria that the Administrator selects for purposes of establishing the Performance Goal or Performance Goals for an individual for a Performance Cycle. The Performance Criteria (which shall be applicable to the organizational level specified by the Administrator, including, but not limited to, the Company or a unit, division, group, or Subsidiary of the Company) that will be used to establish Performance Goals are limited to the following: total shareholder return, earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of the Stock, economic value-added, funds from operations or similar measure, sales or revenue, developmental, clinical or regulatory milestones, acquisitions or strategic transactions, including licenses, collaborations, joint ventures or promotion arrangements, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of Stock, sales or market shares and number of customers, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. The Committee may appropriately adjust any evaluation performance under a Performance Criterion to exclude any of the following

events that occurs during a Performance Cycle: (i) asset write-downs or impairments, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reporting results, (iv) accruals for reorganizations and restructuring programs, and (v) any item of an unusual nature or of a type that indicates infrequency of occurrence, or both, including those described in the Financial Accounting Standards Board's authoritative guidance and/or in management's discussion and analysis of financial condition of operations appearing the Company's annual report to stockholders for the applicable year.

"Performance Cycle" means one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Criteria will be measured for the purpose of determining a grantee's right to and the payment of a Restricted Stock Award, Restricted Stock Units, or Performance Share Award, the vesting and/or payment of which is subject to the attainment of one or more Performance Goals. Each such period shall not be less than 12 months.

"Performance Goals" means, for a Performance Cycle, the specific goals established in writing by the Administrator for a Performance Cycle based upon the Performance Criteria.

"Performance Share Award" means an Award entitling the recipient to acquire shares of Stock upon the attainment of specified performance goals.

"Restricted Shares" means the shares of Stock underlying a Restricted Stock Award that remain subject to a risk of forfeiture or the Company's right of repurchase.

"Restricted Stock Award" means an Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"Restricted Stock Units" means an Award of stock units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"Sale Event" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

"Sale Price" means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

"Section 409A" means Section 409A of the US Tax Code and the regulations and other guidance promulgated thereunder.

“*Stock*” means the Common Stock, par value CHF 0.02 per share, of the Company, subject to adjustments pursuant to Section 3.

“*Stock Appreciation Right*” means an Award entitling the recipient to receive shares of Stock having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

“*Subsidiary*” means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

“*Ten Percent Owner*” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the US Tax Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation.

“*Unrestricted Stock Award*” means an Award of shares of Stock free of any restrictions.

“*US Exchange Act*” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“*US Securities Act*” means the U.S. Securities Act of 1933, as amended, and the rules and regulations thereunder.

“*US Tax Code*” means the U.S. Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, or Unrestricted Stock Awards, Performance Share Awards and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of shares of Stock to be covered by any Award;

(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the forms of Award Certificates;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award in circumstances involving the grantee's death, disability, retirement or termination of employment, or a change in control (including a Sale Event);

(vi) subject to the provisions of Section 5(c), to extend at any time the period in which Stock Options may be exercised;

(vii) to cancel any Award provided that a fair compensation is given to the holder whereby the fairness of the compensation shall be determined by the Administrator in its reasonable judgment; and

(viii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Awards. Subject to applicable law, the Administrator, in its discretion, may delegate to the Chief Executive Officer of the Company all or part of the Administrator's authority and duties with respect to the granting of Awards to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the US Exchange Act and (ii) not Covered Employees. Any such delegation by the Administrator shall include a limitation as to the amount of Stock underlying Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Certificate. Awards under the Plan shall be evidenced by Award Certificates that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) Compliance with Laws or Practices. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws or practices in countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Swiss Ordinance against excessive compensation in listed stock corporations (*Ordonnance contre les rémunérations abusives dans les sociétés anonymes cotées en bourse*), the US Exchange Act or any other applicable United States securities law, the US Tax Code, or any other applicable United States governing statute or law.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN: MERGERS: SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be 2,057,740 shares, subject to adjustment as provided in Section 3. For purposes of this limitation, the shares of Stock underlying any Awards under the Plan or any shares of Stock underlying any awards under the Company's 2015 Stock Option and Grant Plan that are forfeited, canceled, held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan. In the event the Company repurchases shares of Stock on the open market, such shares shall not be added to the shares of Stock available for issuance under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award; provided, however, that Stock Options or Stock Appreciation Rights with respect to no more than 2,000,000 shares of Stock may be granted to any one individual grantee during any one calendar year period, and no more than 2,057,740 shares of the Stock may be issued in the form of Incentive Stock Options. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

(b) Maximum Awards to Non-Employee Directors. Notwithstanding anything to the contrary in this Plan, the value of all Awards awarded under this Plan and all other cash compensation paid by the Company to any Non-Employee Director in any calendar year shall not exceed (i) \$300,000 in total value or (ii) in the event such Non-Employee Director is first appointed or elected to the Board during such calendar year, \$400,000 in total value. For the purpose of this limitation, the value of any Award shall be its grant date fair value, as determined in accordance with ASC 718 or successor provision but excluding the impact of estimated forfeitures related to service-based vesting provisions.

(c) Reserved.

(d) Changes in Stock. Subject to Section 3(e) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum number of shares that may be issued in the form of Incentive Stock Options, (ii) the number of Stock Options or Stock Appreciation Rights that can be granted to any one individual grantee and the maximum number of shares that may be granted under a Performance-Based Award, (iii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iv) the repurchase price, if any, per share subject to each outstanding Restricted Stock Award, and (v) the exercise price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(e) Mergers and Other Transactions. In the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree. To the extent the parties to such Sale Event do not provide for the assumption, continuation or substitution of Awards, upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate. In such case, except as may be otherwise provided in the relevant Award Certificate, all Options and Stock Appreciation Rights that are not exercisable immediately prior to the effective time of the Sale Event shall become fully exercisable as of the effective time of the Sale Event, all other Awards with time-based vesting, conditions or restrictions shall become fully vested and nonforfeitable as of the effective time of the Sale Event, and all Awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a Sale Event in the Administrator's discretion or to the extent specified in the relevant Award Certificate. In the event of such termination, (i) the Company shall have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding Options and Stock Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of shares of Stock subject to outstanding Options and Stock Appreciation Rights (to the extent then exercisable at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Stock Appreciation Rights; or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Stock Appreciation Rights (to the extent then exercisable) held by such grantee. The Company shall also have the option (in its sole discretion) to make or provide for a payment, in cash or in kind, to the grantees holding other Awards in an amount equal to the Sale Price multiplied by the number of vested shares of Stock under such Awards.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, Non-Employee Directors and Consultants of the Company and its Subsidiaries as are selected from time to time by the Administrator in its sole discretion.

SECTION 5. STOCK OPTIONS

(a) Award of Stock Options. The Administrator may grant Stock Options under the Plan. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the US Tax Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

Stock Options granted pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable. If the Administrator so determines, Stock Options may be granted in lieu of cash compensation at the optionee's election, subject to such terms and conditions as the Administrator may establish.

(b) Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the option price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date.

(c) Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the date of grant.

(d) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Stock Option. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(e) Method of Exercise. Stock Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods except to the extent otherwise provided in the Option Award Certificate:

- (i) In cash, by certified or bank check or other instrument acceptable to the Administrator;
- (ii) Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of shares of Stock that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;
- (iii) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Company shall prescribe as a condition of such payment procedure; or
- (iv) With respect to Stock Options that are not Incentive Stock Options, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. The transfer to the optionee in the share register or the register in book entry form of uncertified securities (*titres intermédies*) of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Option Award Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(f) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the US Tax Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

SECTION 6. STOCK APPRECIATION RIGHTS

(a) Award of Stock Appreciation Rights. The Administrator may grant Stock Appreciation Rights under the Plan. A Stock Appreciation Right is an Award entitling the recipient to receive shares of Stock having a value equal to the excess of the Fair Market Value of a share of Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

(b) Exercise Price of Stock Appreciation Rights. The exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant.

(c) Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator independently of any Stock Option granted pursuant to Section 5 of the Plan.

(d) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined on the date of grant by the Administrator. The term of a Stock Appreciation Right may not exceed ten years. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator may grant Restricted Stock Awards under the Plan. A Restricted Stock Award is any Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee shall have the rights of a stockholder with respect to the voting of the Restricted Shares and receipt of dividends; provided that if the lapse of restrictions with respect to the Restricted Stock Award is tied to the attainment of performance goals, any dividends paid by the Company during the performance period shall accrue and shall not be paid to the grantee until and to the extent the performance goals are met with respect to the Restricted Stock Award. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation in the share register or the register in book entry form of uncertified securities (*titres intermédifiés*) or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 7(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Certificate. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 17 below, in writing after the Award is issued, if a grantee's employment (or other service relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Shares that have not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other service relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a stockholder.

Following such deemed reacquisition of Restricted Shares that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Shares. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested."

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Administrator may grant Restricted Stock Units under the Plan. A Restricted Stock Unit is an Award of stock units that may be settled in shares of Stock upon the satisfaction of such restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Except in the case of Restricted Stock Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, the Restricted Stock Units, to the extent vested, shall be settled in the form of shares of Stock. Restricted Stock Units with deferred settlement dates are subject to Section 409A and shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

(b) Election to Receive Restricted Stock Units in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of an award of Restricted Stock Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of Restricted Stock Units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any Restricted Stock Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Award Certificate.

(c) Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of Restricted Stock Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the stock units underlying his Restricted Stock Units, subject to the provisions of Section 10 and such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 17 below, in writing after the Award is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 9. UNRESTRICTED STOCK AWARDS

Grant or Sale of Unrestricted Stock. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Stock Award under the Plan. An Unrestricted Stock Award is an Award pursuant to which the grantee may receive shares of Stock free of any restrictions under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 10. PERFORMANCE SHARE AWARDS

(a) Nature of Performance Share Awards. The Administrator may grant Performance Share Awards under the Plan. A Performance Share Award is an Award entitling the grantee to receive shares of Stock upon the attainment of performance goals. The Administrator shall determine whether and to whom Performance Share Awards shall be granted, the performance goals, the periods during which performance is to be measured, which may not be less than one year except in the case of a Sale Event, and such other limitations and conditions as the Administrator shall determine.

(b) Rights as a Stockholder. A grantee receiving a Performance Share Award shall have the rights of a stockholder only as to shares of Stock actually received by the grantee under the Plan and not with respect to shares subject to the Award but not actually received by the grantee. A grantee shall be entitled to receive shares of Stock under a Performance Share Award only upon satisfaction of all conditions specified in the Performance Share Award Certificate (or in a performance plan adopted by the Administrator).

(c) Termination. Except as may otherwise be provided by the Administrator either in the Award agreement or, subject to Section 17 below, in writing after the Award is issued, a grantee's rights in all Performance Share Awards shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 11. PERFORMANCE-BASED AWARDS TO COVERED EMPLOYEES

(a) Performance-Based Awards. The Administrator may grant one or more Performance-Based Awards in the form of a Restricted Stock Award, Restricted Stock Units, or Performance Share Awards payable upon the attainment of Performance Goals that are established by the Administrator and relate to one or more of the Performance Criteria, in each case on a specified date or dates or over any period or periods determined by the Administrator. The Administrator shall define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any Performance Cycle. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. Each Performance-Based Award shall comply with the provisions set forth below.

(b) Grant of Performance-Based Awards. With respect to each Performance-Based Award granted to a Covered Employee, the Administrator shall select, within the first 90 days of a Performance Cycle (or, if shorter, within the maximum period allowed under Section 162(m) of the US Tax Code) the Performance Criteria for such grant, and the Performance Goals with respect to each Performance Criterion (including a threshold level of performance below which no amount will become payable with respect to such Award). Each Performance-Based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Administrator may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Performance-Based Awards to different Covered Employees.

(c) Payment of Performance-Based Awards. Following the completion of a Performance Cycle, the Administrator shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to also calculate and certify in writing the amount of the Performance-Based Awards earned for the Performance Cycle. The Administrator shall then determine the actual size of each Covered Employee's Performance-Based Award.

(d) Maximum Award Payable. The maximum Performance-Based Award payable to any one Covered Employee under the Plan for a Performance Cycle is 2,000,000 shares of Stock (subject to adjustment as provided in Section 3(d) hereof).

(e) Compliance with Swiss Law. Any grant to a Covered Employee must be within the limits approved by the Shareholders' Meeting and thus be in compliance with the Swiss Ordinance against excessive compensation in listed stock corporations (*Ordonnance contre les rémunérations abusives dans les sociétés anonymes cotées en bourse*).

SECTION 12. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an award of Restricted Stock Units or Performance Share Award or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Certificate. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of an Award of Restricted Stock Units or Performance Share Award shall provide that such Dividend Equivalent Right shall be settled only upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award.

(b) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 17 below, in writing after the Award is issued, a grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 13. Transferability of Awards

(a) Transferability. Except as provided in Section 17(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 13(a), the Administrator, in its discretion, may provide either in the Award Certificate regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Non-Qualified Stock Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award. In no event may an Award be transferred by a grantee for value.

(c) Family Member. For purposes of Section 13(b), "family member" shall mean a grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

SECTION 14. TAX and social security WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for income tax and, if applicable, social security purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. Subject to approval by the Administrator, a grantee may elect to have the Company's minimum required tax and, if applicable, social security withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due. The Administrator may also require Awards to be subject to mandatory share withholding up to the required withholding amount. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Stock includible in income of the Participants.

SECTION 15. Section 409A awards

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any such Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 16. TERMINATION OF EMPLOYMENT, TRANSFER, LEAVE OF ABSENCE, ETC.

(a) Termination of Employment. If the grantee's employer ceases to be a Subsidiary, the grantee shall be deemed to have terminated employment for purposes of the Plan.

(b) For purposes of the Plan, the following events shall not be deemed a termination of employment:

(i) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another; or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

SECTION 17. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the holder's consent. Except as provided in Section 3(d) or 3(e), without prior stockholder approval, in no event may the Administrator exercise its discretion to reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights or effect repricing through cancellation and re-grants or cancellation of Stock Options or Stock Appreciation Rights in exchange for cash or other Awards. To the extent required under the rules of any securities exchange or market system on which the Stock is listed, to the extent determined by the Administrator to be required by the US Tax Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the US Tax Code, or to ensure that compensation earned under Awards qualifies as performance-based compensation under Section 162(m) of the US Tax Code,

Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 18 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(d) or 3(e).

SECTION 18. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 19. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) No Delivery of Stock Certificates. No Stock certificates to grantees under the Plan shall be delivered, as all shares are recorded in the Company's share register or in book entry form as uncertified securities (*titres intermédies*).

(c) Stockholder Rights. Until a grantee has been recorded in the Company's share register, no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(f) Clawback Policy. Awards under the Plan shall be subject to the Company's clawback policy, as in effect from time to time.

SECTION 20. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon the date immediately preceding the date of the Company's Initial Public Offering. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date and no grants of Incentive Stock Options may be made hereunder after the tenth anniversary of the date the Plan is approved by the Board.

SECTION 21. GOVERNING LAW AND JURISDICTION

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the internal laws of Switzerland, and exclusive place of jurisdiction shall be Lausanne, Switzerland.

DATE APPROVED BY BOARD OF DIRECTORS: 7 October 2016

DATE APPROVED BY STOCKHOLDERS:
