

VECTIVBIO HOLDING AG

INVESTMENT POLICY

APPROVED BY THE BOARD OF DIRECTORS
MARCH 17, 2021

GENERAL

This Investment Policy (this “*Policy*”) of VectivBio Holding AG (“*VectivBio*”) is intended to govern the investment of company funds, whether managed internally or externally.

INVESTMENT OBJECTIVES

The objectives of this Policy are to:

- Preserve principal;
- Achieve liquidity requirements;
- Safeguard funds; and
- Deliver competitive returns subject to prevailing market conditions.

Accordingly, this Policy is designed to limit exposure to risk and avoid inappropriate concentration of investments, while permitting VectivBio to earn an attractive rate of return on its investments. This Policy shall be implemented in a fashion such that VectivBio will not be an “investment company” under the U.S. Investment Company Act of 1940, as amended (the “*Investment Company Act*”).

INVESTMENT RESPONSIBILITY

The Chief Financial Officer of VectivBio (the “*CFO*”) or, in the CFO’s absence, the Chief Executive Officer of VectivBio (the “*CEO*”), is responsible for overseeing the management of VectivBio’s investment portfolio, including: (1) monitoring the investment portfolio for suitability and compliance with this Policy; (2) proposing alterations to this Policy; and (3) carrying out this Policy and designating individuals who may carry out this Policy on behalf of VectivBio. The officer of VectivBio responsible for overseeing the management of VectivBio’s investment portfolio is referred to herein as the “*Responsible Officer*”.

AMENDMENT

This Policy is subject to amendment from time to time with the approval of VectivBio’s Board of Directors (the “*Board*”).

INVESTMENT PARAMETERS

All investments shall be denominated in U.S. dollars, meet the minimum credit ratings listed below and have a liquid secondary market. Investments may be made directly by instrument or investments may be purchased through mutual fund or money market share purchases or through a managed account. Interest rates may be fixed, or variable, per instrument. Further, all investments shall be made in accordance with the following guidelines:

A. Safekeeping of Securities

- Assets are to be held in a segregated third-party custodial account with separate custody agreement executed between the custodian and VectivBio. The SOC 1 report of the custodian will be provided annually.

B. Eligible Investments, Restrictions and Permissible Range

Investment Type	Description	Specific Investment Restrictions	Permissible Range of Total Investments
Money Market Fund	SEC-registered money market funds that are rule SEC 2a-7 compliant with a minimum of \$5 billion in assets.	Must be rated AAA by Moody's, Aaa by S&P, Aaa by Fitch.	0-100%
Bank Debt Obligations	Bank debt obligations including certificate of deposits	Financial institutions must meet or exceed the following short term ratings for their debt: P-1 by Moody's, A-1 by S&P, F1 by Fitch	0-75%
U.S. Government Issued Securities	U.S. Treasury bills, notes, and bonds	None noted	0-100%
Municipal and Government-Sponsored Enterprise Debt Obligations	Taxable, tax-exempt, and tax-advantaged municipal or government sponsored enterprise debt obligations	Tax-exempt and tax-advantaged municipal debt obligations are preferred when VectivBio is a full tax-paying entity. Municipal debt ratings: i) A3 by Moody's, A- Standard & Poor's, A- by Fitch or ii) MIG1 or VMIG1 by Moody's, SP1 by Standard & Poor's, F1 by Fitch, or iii) P1 by Moody's, A1 by Standard & Poor's, F1 by Fitch	0-25%
Corporate Bonds and Asset Backed Commercial Paper	Corporate debt obligations including commercial paper	Credit ratings must meet or exceed by at least 1 out of 3 rating agencies, namely Moody's Investors Service, Standard & Poor's and Fitch, at the time of purchase: <ul style="list-style-type: none"> Long-term debt ratings (direct purchased): A3 by Moody's - A- by Standard & Poor's, A- by Fitch Short-term debt ratings (all issuers, direct purchased): P-1 by Moody's, A-1 by S&P, F1 by Fitch Issue size must be greater than or equal to \$50 million for corporate bonds.	0%-40%

C. General Investment Constraints

- Borrowing for investment purposes is prohibited.
- Investment in securities with underlying leverage risk or esoteric structures is prohibited.
- Investments in equity securities are prohibited (other than any such investments made by VectivBio as part of a business transaction approved by the Board). Investments in derivative securities are also prohibited, with the exception of floating-rate notes and asset-backed securities.
- With the above exception of U.S. Treasury debt obligations, U.S. government agencies, money market funds, or certificates of deposit fully insured by the FDIC, the per issuer limit must be 5% at the time of purchase. Money market funds may not have a position of more than 5% of the total assets of the funds after the first 180 days from the day this Policy

is approved.

D. Liquidity and Duration

1. The weighted average maturity of the portfolio will be no greater than 130% of the agreed-upon benchmark's target duration. The maximum maturity of any single instrument in the portfolio shall not exceed 30 months.
2. For securities that have put, reset, or expected average maturity dates, the put, reset, or expected average maturity dates will be used, instead of the final maturity dates, for maturity limit purposes.

E. Prohibition Against Speculative Investments

1. VectivBio is prohibited from engaging in any non-business related investment activity that would be considered speculative according to the principles of conservative investment management, whether or not that activity is specifically prohibited elsewhere in this Policy.

F. Investment Performance

1. Any individual employed by VectivBio or third-party investment management firm designated by the CFO or, in the CFO's absence, the CEO, pursuant to this Policy who carries out this Policy on behalf of VectivBio, if any (the "**Investment Advisor**") will issue a semi-annual investment performance analysis using time-weighted measures.
2. A semi-annual meeting will be held with the Investment Advisor and the Responsible Officer under this Policy to review performance figures and any updated liquidity needs.

G. Credit Quality

1. Trends for a given company or industry must be reviewed periodically by the Investment Advisor and adjustments in percentage positions made accordingly.
2. Should any investment held in VectivBio's portfolio fall short of prescribed guidelines, notification must be made within two business days by the Investment Advisor to the Responsible Officer under this Policy.

H. Marketability

1. All securities must be purchased through investment banking and brokerage firms of high quality and reputation, with a history of making markets for the securities in which VectivBio invests.
2. In the unlikely event that securities must be sold before their maturity, the securities must be easily remarketed. To accomplish this, the securities must be conventional products with strong name recognition.

I. Trading Guidelines

1. Normal investing practice is to reinvest the funds on the day a security matures, to minimize

lost interest.

2. A daily transaction log is to be maintained and available for review at any time.
3. All trading firms must generate a hard copy document for each transaction that is mailed to the Investment Advisor, if any, or, in the alternative, to VectivBio. These documents are then matched to the transaction log by the Investment Advisor, if any, or, in the alternative, VectivBio.
4. Should an exception need to be made, the CFO has authority to approve in writing. Any formal modifications or updates to the Policy must be approved by the Board.
5. For accounting purposes, all investments will be designated as “Available for Sale” as defined by FASB Accounting Codification ASC320, “Investments-Debt and Equity Securities.” Thus, investments may be sold prior to maturity to preserve capital, to provide required liquidity or for other reasons determined by the Responsible Officer. In addition, trading of securities is permitted by investment managers to realize capital gains or losses within the context of maximizing total return.

J. Communication & Reporting

Unless otherwise specified by the Responsible Officer, the following provisions shall apply in the event VectivBio designates an Investment Advisor:

1. The Investment Advisor will meet with the Responsible Officer no less than annually and will be available for regular telephone contact. Investment performance for the portfolio will be measured against the agreed-upon benchmark.
2. Monthly, the Investment Advisor will provide statements of transactions and market valuation of portfolio assets on a security-by-security and portfolio basis including:
 - Investment policy compliance verification reporting
 - Risk analytics including duration analysis (by security and portfolio), sector exposure, credit ratings and comparisons relative to policy parameters
 - Balance sheet, income statement and statement of cash flows summaries
 - Interest accrual and amortization/accretion reporting
 - Balance sheet classification per ASC 320 and ASC 230, and ASC 820 reporting
 - Unrealized and realized gain/loss summaries, including applicable ASC 320 impairment disclosures
 - Yield to maturity on cost and market
 - Portfolio total return performance versus the agreed-upon benchmark

3. The Investment Advisor must be able to claim compliance with the CFA Institute's Global Investment Performance Standards (GIPS[®]) and provide an independent verification of that compliance upon request. Furthermore, the investment manager must provide annually a copy of their SOC 1 report.
4. The Responsible Officer will report to the Audit Committee on the condition of the investment portfolio at least on a semi-annual basis.

K. Investment Company Act Compliance

The Responsible Officer shall be responsible for assuring that VectivBio's investments in securities are consistent with VectivBio being excluded from the definition of "investment company" under the Investment Company Act. To the extent appropriate to assure that VectivBio is not an investment company, VectivBio's investment of cash and cash equivalents and short term investments shall be limited to cash, demand deposit accounts, \$1.00 per share constant value money market funds that are compliant with Rule 2a-7 under the Investment Company Act and U.S. Government securities (as defined in the Investment Company Act). The Responsible Officer shall review VectivBio's investments at least semi-annually to assure compliance with this requirement and shall consult with counsel to the extent determined to be appropriate.

Effective: on the day on which the U.S. Securities and Exchange Commission first declares effective the Company's Registration Statement on Form F-1