

Annex 3 to the Organizational Regulations

**CHARTER
OF
THE REMUNERATION AND NOMINATION COMMITTEE (RNC)
OF
THE BOARD OF DIRECTORS OF POLYPEPTIDE GROUP AG**

10 March 2022

1. BASIS AND DEFINITIONS

- (a) This charter (the "**Charter**") of the Remuneration and Nomination Committee (the "**RNC**") has been adopted as set forth in clause 1.2(b) of the organizational regulations of the Board of Directors of 10 March 2022 (the "**Organizational Regulations**").
- (b) Unless defined otherwise herein, capitalized terms have the same meaning as in the Organizational Regulations. In this Charter, the following capitalized terms have the following meaning:

Covered Persons	Board Members, the CEO, members of the Executive Committee (EC) and other employees whom the RNC deems appropriate to cover in light of its powers and duties under this Charter.
Related Matters	<ul style="list-style-type: none"> • Remuneration principles strategy and policy, including structure, instruments, funding, allocations, and pay-outs; • Contracts, mandates, loans and other agreements with Covered Persons; • Policies for business and non-business travel, entertainment and other expenses of Covered Persons, including any travel or other benefits for family or companions; • Remuneration governance, including appropriate processes, controls and reporting, and the alignment of Remuneration with performance, behavior and compliance; and • Compliance by Covered Persons with the policies, rules and guidance relating to Remuneration.
Remuneration	Any type of remuneration or benefits, including salaries, fees, entitlements, daily and other allowances, bonuses, pensions, sign-on payments, termination payments, special payments, and fringe benefits, whether past, current or future.

2. MISSION

- (a) The purpose of the RNC is to support the Board in relation to remuneration, succession, nomination and corporate governance matters by exercising the duties assigned to it under the Articles of Association, the Organization Regulations, this RNC Charter and applicable laws and regulations. In particular, the RNC shall

support the Board in (i) establishing and reviewing the compensation strategy of the Group, (ii) preparing the proposals to the shareholders' meeting regarding the compensation of the Board and the Executive Committee, (iii) the succession planning for and nomination of Board Members and the Executive Committee, (iv) the corporate governance of the Company and the Group and (v) performing such other duties as set forth in the Articles of Association, the Organizational Regulations and this Charter.

- (b) In carrying out its duties under this Charter, the RNC shall be guided by the principle that the Company's remuneration system shall be designed and operated to:
 - (i) be consistent with sound financial, performance management, compliance, and governance principles, as well as applicable laws and regulations; and
 - (ii) attract, motivate and retain world-class talent.
- (c) The RNC consists of at least two Board Members. The chairman of the RNC shall be independent. The members of the RNC are elected annually and individually by the AGM for a one-year period until the next AGM. One member of the RNC will be appointed as chairman of the RNC by the Board in accordance with clause 2.1.1(b)(ii) of the Organizational Regulations.
- (d) Each member of the RNC shall have the necessary qualifications, skills, experience and time in order to be able to effectively fulfil its duties as member of the RNC.

3. DUTIES, RESPONSIBILITIES AND AUTHORITY

- (a) The RNC shall have the following duties in accordance with in the Articles of Association:
 - (i) prepare and periodically review of the Group's compensation policy, compensation strategy and principles and the performance criteria related to compensation and periodical review of their implementation as well as submission of proposals and recommendations to the Board of Directors;
 - (ii) make proposals to the Board of Directors regarding the principles and structure of the compensation plans for the Executive Committee;
 - (iii) support the Board of Directors in preparing the proposals to the AGM regarding the approval of the maximum aggregate compensation of the Board of Directors as well as the maximum aggregate compensation of the Executive Committee;
 - (iv) prepare the proposals to the Board of Directors for the individual compensation levels for each of the Chairman of the Board, Board Members, the CEO and the members of the Executive Committee;

- (v) submission of the compensation report to the Board of Directors for approval;
 - (vi) inform the Board of Directors about policies, programs and key decisions as well as comparisons of compensation levels at key competitors;
 - (vii) regularly report to the Board of Directors on the recommendations and deliberations of the RNC; and
 - (viii) further duties and responsibilities as provided for in the Articles of Association.
- (b) The RNC shall have the following duties with respect to succession and nomination planning matters regarding the Board of Directors:
- (i) assure a long-term planning to facilitate appropriate appointments to the Board of Directors;
 - (ii) review the composition, membership qualifications and size of the Board of Directors to ensure appropriate expertise, diversity and independence of the Board of Directors, and make recommendations to the Board of Directors for any change in the composition and size of the Board of Directors;
 - (iii) establish criteria for the selection of new members to serve on the Board of Directors;
 - (iv) identify, screen and propose to the Board of Directors the candidates to be proposed by the Board of Directors for (re-)election as Board Members, as Chairman or as members of the RNC at each AGM, based on an assessment of each candidate's particular experience, qualifications, attributes or skills and potential to contribute to diversity of the Board as well as their independence;
 - (v) propose to the Board of Directors the individuals to be (re-)appointed as vice-chairman, lead independent director or as members of the Board Committees (other than the RNC) or chairman of the Board Committees, or to fill vacancies on the Board Committees; and
 - (vi) assess, in accordance with applicable laws, regulations and industry standards, the independence and any potential conflicts of interest of the members of the Board of Directors for a recommendation to the Board of Directors.
- (c) The RNC shall have the following duties with respect to succession and nomination planning matters regarding the CEO and Executive Committee:
- (i) assure a long-term planning to facilitate appropriate appointments for the position of CEO as well as other members of the Executive Committee;

- (ii) establish criteria for the selection and succession planning for the CEO and, upon proposal of the CEO, the other members of the Executive Committee, and supervise the searches for qualified individuals and the succession planning; and
 - (iii) assess and propose to the Board of Directors for appointment, candidates for the position of the CEO and for the other positions as members of the Executive Committee.
- (d) The RNC shall have the following duties with respect to corporate governance matters:
 - (i) periodically review and recommend any proposed changes to the Organizational Regulations;
 - (ii) periodically review and approve the responsibilities of each Board Committee as set forth in the Committee charters;
 - (iii) establish and oversee the performance evaluation criteria and process for the annual self-assessments of the Board, each of its Committees and the individual Board Members, including determining the evaluation format, reviewing the results and making appropriate recommendations to the Board for enhancing the Board and each Committee's effectiveness;
 - (iv) develop and oversee procedures for Board Member orientation and continuing education and periodically review and update the procedures as necessary;
 - (v) review the Company's engagement with shareholders and other stakeholders on governance matters and review and advise the Board with respect to any shareholder proposals received in connection with the AGM;
 - (vi) periodically review emerging corporate governance trends, best practices and regulatory developments applicable to the Company, and report and make recommendations to the Board regarding such developments, as appropriate; and
 - (vii) oversee risks related to the Company's corporate governance structure, policies and processes.
- (e) In addition to the matters referred to above, the RNC shall provide the Board with:
 - (i) a yearly report on the activities of the RNC;
 - (ii) a report on individual remuneration amounts paid to Covered Persons including a breakdown of remuneration elements;
 - (iii) a review of the remuneration process on an annual basis; and

- (iv) any other extraordinary remuneration, succession, nomination and/or corporate governance related matters as deemed appropriate by the RNC.
- (f) The RNC may further perform such other tasks in relation to Remuneration and Related Matters, as well as succession and nomination planning matters and/or governance matters, as deemed appropriate in view of its duties under this Charter, the Organizational Regulations, the Articles of Association, and applicable law and regulations. In particular, the RNC shall oversee the overall Remuneration approach of the Group and all aspects of the Remuneration to Covered Persons and Related Matters as set out in this Charter.
- (g) The RNC shall conduct its duties in a manner mindful of the responsibilities of the RNC, the Board, the ARC and the Company's management. In the event of a conflict between the RNC's recommendations and the resolutions of the Board, the Board must, if so requested by the RNC, include in its meeting minutes a summary of the relevant recommendations of the RNC and the reasons for not adopting such recommendations.
- (h) The RNC shall:
 - (i) be informed in advance of any matter bearing on its areas of responsibility that comes before the Board or the AGM, and to provide its input thereto;
 - (ii) request and receive reports from the Executive Committee on matters which the RNC deems necessary to perform its duties and responsibilities;
 - (iii) have unrestricted access to all data, documents and records of the Company and the Group that the RNC deems necessary to perform its duties and responsibilities;
 - (iv) have unrestricted access to the Executive Committee, Board Members, consultants, employees, and relevant providers of services to the Company and the Group, all of whom shall cooperate fully with the RNC and answer promptly and fully any questions submitted by the RNC and attend any meetings as requested by the RNC;
 - (v) organize itself and its work in the manner it deems appropriate, consistent with the Articles of Association, the Organizational Regulations and this Charter, including establishing subcommittees or working groups; and
 - (vi) bring any matter at its sole discretion to the attention of the Board and may present reports to the Board regarding its work and any issues related to it.
- (i) The RNC may retain the services of independent counsel and other advisers as deemed appropriate, to request full and detailed information for any party within the Group or from the external auditor, and to conduct or authorize investigations (including inspection of any relevant documents) into any matters within the scope of its duties.

4. MEETINGS AND REPORTING

- (a) The RNC shall meet at such frequency as it deems necessary to fulfill its duties, normally ahead of ordinary Board meetings, which are expected to take place four times per year. Additional meetings may be held and may be convened at the request of either the Board or any RNC member.
- (b) RNC meetings shall be convened by the chairman of the RNC. Meetings of the RNC will be chaired by the chairman of the RNC or in his absence by another member elected as chairman of the day by the present members.
- (c) The RNC may invite to meetings and shall communicate periodically with the CEO, the CFO and the Chief Human Resources Officer, as well as such other persons as the RNC deems appropriate. Such individuals may attend meetings without the right to vote as guests, except where not appropriate (e.g., if particular matters relating to their performance or remuneration are discussed).
- (d) Unless specifically stated otherwise in this Charter, the organizational rules applicable to Board meetings as set out in clause 2.1.2 (*Meetings, Calling of Meetings and Agenda*), 2.1.3 (*Quorum, Passing of Resolutions and Minutes*), and 2.1.4 (*Information and Reporting*) of the Organizational Regulations apply by analogy to meetings of the RNC.

4.2 MISCELLANEOUS

- (a) The RNC shall annually:
 - (i) review its own performance and assess whether it is functioning effectively and efficiently;
 - (ii) review and reassess the adequacy of the provisions applicable to it; and
 - (iii) take or propose the Board to take, the appropriate measures to cure any deficiencies detected and to implement possible improvements.
- (b) The RNC shall ensure that it has appropriate timely training, both in the form of an induction program for new members and on an ongoing basis for all members.
- (c) Unless provided specifically otherwise in this Charter, Clauses 9.2 (*Confidentiality, Return of Documents*), 9.3 (*Conflicts of Interest*), and 9.4 (*Other Offices or investments*) of the Organization Regulations shall apply by analogy.
- (d) In case of any conflict between this Charter on the one hand and the Articles of Association, the Organizational Regulations or any applicable laws or regulations on the other hand, the latter prevail.

Approved upon recommendation of the RNC by the Board on the date set forth on the cover page with immediate effect.