

Annex 2: Authority Levels for PolyPeptide Group AG

These Authority Levels have been approved by the Board of Directors of PolyPeptide Group AG in accordance with clause 1.2(b) of the Organizational Regulations of PolyPeptide Group AG.

Definitions:

A	Approval
AGM/EGM	Annual (extraordinary) general shareholders' meeting
ARC	Audit and Risk Committee
BoD	Board of Directors of PolyPeptide Group AG
CEO	Chief Executive Officer
CFO	Chief Financial Officer
EC	Executive Committee of PolyPeptide Group AG
Group	PolyPeptide Group AG together with its subsidiaries
IA	Internal Audit (as defined in the Internal Audit Charter)
ITC	Innovation and Technology Committee
OrgRegs	Organizational regulations of PolyPeptide Group AG
P	Proposal
RNC	Remuneration and Nomination Committee
R	Recommendation

The below table specifies certain key approval authorities of the BoD and the EC as delegated pursuant to the Articles of Association and the Organizational Regulations. In addition, see the specific authority levels in the Organizational Regulations, in particular clause 2.2.3 thereof.

The EC under the leadership of the CEO is authorized to further specify powers and authorities for all lower management levels as long as it is consistent with these Authority Levels.

	Authorization Process					
Area of Decision Power	BoD	Chair/ BoD Commit- tees	CEO	EC ¹	AGM/EGM	Remarks*
Organizational Structure						
Articles of Association	P				A	To be submitted to AGM / EGM for approval
Organizational Regulations	A					
Committee Charters	A	P: RNC / ARC / ITC(as applicable)				
Creation of new committees of the Board	A					
General non-transferable and inalienable duties of the Board (Art. 2.2.2 OrgRegs)						
See all matters under Art. 2.2.2 OrgRegs	P				A	
Strategy, Operation and Finance (Art. 2.2.3 OrgRegs)						
Overall business strategy and mission statement	A		P			
Budgets and business plans	A	R: ARC	P*			On behalf of EC
Significant changes to principles for accounting, financial and risk control	A	R: ARC	P*			In consultation with CFO
Financial objectives and means to achieve them	A	R: ARC	P*			In consultation with CFO
Entering into substantial new business areas or exiting from a substantial existing business area	A*		P			Insofar as not covered by current approved strategic framework

¹ If no specific member of the EC is mentioned, entire EC must decide, otherwise the person mentioned (in each case subject to the CEO's power to overrule the EC). Where the P lies with the CEO this includes, where practicable, consultation with the EC.

	Authorization Process					
Area of Decision Power	BoD	Chair/ BoD Commit- tees	CEO	EC ¹	AGM/EGM	Remarks*
Unbudgeted capital expenditures	A*	R: ARC	P*			In consultation with CFO >20% of EBITDA of preceding financial year per individual item
Entering into or termination of any agreements with value over the term of the contract >20% EBITDA of the preceding financial year or 20% EBITDA of the preceding financial year per annum	A*		P*			In consultation with CFO Unless covered by budget and excluding supply, distribution and delivery agreements in the ordinary course and other agreements specifically addressed elsewhere in the OrgRegs
Unbudgeted acquisitions, including land acquisitions or acquisitions of companies and participations in companies, as well as divestments	A*		P			>20% of EBITDA of preceding financial year
Entering into, creating or terminating any joint venture, partnership or similar business association involving an investment commitment by the Group	A*		P			Unless covered by budget and >20% of EBITDA of preceding financial year

	Authorization Process					
Area of Decision Power	BoD	Chair/ BoD Commit- tees	CEO	EC ¹	AGM/EGM	Remarks*
Loans, credit lines, other financial indebtedness (including any security) or leases which would result in the debt / EBITDA ratio raising by more than 0.5 or the debt / EBITDA ratio exceeding the threshold of 2.0	A*		P*			In consultation with CFO Excluding inter-company transactions
Issuance of securities or other capital market transactions	A*		P*			In consultation with CFO
Guarantees, suretyships, liens, performance bonds and pledges and other types of charge or security exceeding 20% of the EBITDA of the preceding financial year	A*		P*			To the extent not covered by Art. 2.2.3(j) Or-gRegs Excluding inter-company transactions as well as charges and security arising in the ordinary course of business, mandatorily arising and subsisting by operation of law, or customarily granted pursuant to the general terms and conditions of banks in relation to bank accounts
All matters and business decisions exceeding the authority delegated by the Board to the Board Committees, the CEO or the Executive Committee	A					

	Authorization Process					
Area of Decision Power	BoD	Chair/ BoD Commit- tees	CEO	EC ¹	AGM/EGM	Remarks*
Full year and interim financial statements of the Company and the Group as a whole	A	R: ARC	P*			In consultation with the CFO
Annual report (including any proposed dividend) and remuneration report	A*	R: ARC	P*			In consultation with the CFO Prior to its submission to the AGM
Organization and Remuneration (Art. 2.2.4 OrgRegs)						
Governance principles and management structures	A	R: RNC				
Internal regulations and directives	A					
Appointment and removal of: – Board Committees (except Compensation Committee*) – CEO – CFO – Other EC members – Head of Internal Audit	A A A A	R: RNC A: ARC	P P	P		*to be submitted to general shareholders' meeting for approval

	Authorization Process					
Area of Decision Power	BoD	Chair/ BoD Commit- tees	CEO	EC ¹	AGM/EGM	Remarks*
Individual and total amount of fixed and variable compensation payable to the Board Members and EC	P	R: RNC			A	
Individual and total amount of fixed and variable compensation payable to the Head of Internal Audit		A: ARC	P			
Approve the remuneration policy (including any related short and long term incentive plans) of the Company and the Group	A					
Election, re-election or removal of external auditors	P	R: ARC			A	
Transactions between the Company and/or subsidiaries and Board Members or members of EC	A					
Litigation						
Initiating, settling or otherwise terminating any litigation or other legal or administrative proceedings with an amount in dispute or settlement value >20% EBITDA of the preceding financial year or otherwise prejudicial or material to the Group's business or reputation	A		P			
Other						
Finance strategy of the Group (Art. 6.6(b)(i) OrgRegs)				A: CFO		

	Authorization Process					
Area of Decision Power	BoD	Chair/ BoD Commit- tees	CEO	EC ¹	AGM/EGM	Remarks*
Designation of Compliance Officer (Art. 8.1(a) OrgRegs)			A			