

**Minutes of the  
2022 ARYZTA AGM**

**Wednesday, November 30, 2022, 11.00 a.m.**

**at the Kongresshaus Zurich Gotthardstrasse  
5, 8002 Zurich**

## 1. Welcome

Urs Jordi, Chairman of the Board of Directors (the **Chairman**), welcomes the participants to the Ordinary General Meeting 2022 (the **General Meeting**) of ARYZTA AG (the **Company**).

The Chairman begins by introducing the other members of the Board of Directors of the Company (the **Board**):

- Hélène Weber-Dubi;
- Gordon Hardie;
- Heiner Kamps;
- Jörg Riboni; and
- Alejandro Legarda Zaragüeta.

The Chairman also welcomed the members of the Executive Committee who were present on the podium alongside him:

- Rhona O'Brien, Group General Counsel and Secretary to the Board of Directors;  
and
- Martin Huber, Group Chief Financial Officer.

The Chairman pointed out that this year's General Assembly would be held in German due to last year's amendment to the Articles of Association.

## 2. Constitution, invitation and announcement

The Chair continued with the constitution of the meeting and called attention to the following items:

1. As Chairman of the Board of Directors, he will chair the Annual General Meeting.
2. The General Meeting of Shareholders was convened in accordance with the statutory and legal requirements by publication of the invitation in the Swiss Official Gazette of Commerce on November 7, 2022. The invitation was sent to all shareholders who were entered in the share register with voting rights as of October 30, 2022. The record date for the present General Meeting was November 18, 2022, i.e. all shareholders registered between October 30, 2022 and November 18, 2022 had also received an invitation. The invitation to the Annual General Meeting contains the agenda items and the proposals of the Board of Directors (one **agenda item** each). The documents relating to the invitation can be viewed at the speakers' registration desk.

3. The annual report 2022, consisting of the management report, the corporate governance report, the compensation report, the annual financial statements of ARYZTA AG and the consolidated financial statements of the ARYZTA Group as well as the report of the auditors, had been uploaded to the Company's website on October 3, 2022 and had been available for inspection at the Company's registered office since November 7, 2022.
4. No requests for additions to the agenda had been submitted.
5. As representatives of the auditors, Ernst & Young, Olivier Manage, Dermot Daly and Jenny Mathias were present at the General Meeting. The Chairman thanked the entire Ernst & Young team for their ongoing support.
6. Patrick O'Neill, attorney-at-law, LANTER, Attorneys-at-law & Tax Consultants, Zurich, was present as independent proxy. He had been elected at the Annual General Meeting 2021 and represented the shareholders with voting rights who were not present at the Annual General Meeting.
7. Rhona O'Brien acted as Recording Secretary of the Annual General Meeting.
8. The Chairman appointed Yves Ackermann from Computershare AG as scrutineer.

The Chairman further stated that the General Meeting had been convened and announced in compliance with the law and regulations. It was therefore authorized to pass resolutions on the proposed agenda items.

### **3. Speech of the Chairman**

Before moving on to the formal part of the General Meeting, the Chairman reviews the past financial year and provides an outlook for the coming financial year. He also explains that, as a result of the amendment to the Articles of Association adopted at last year's Annual General Meeting, this year's Annual General Meeting will be held in German.

First of all, the Chairman explains the 2022 results, highlighting the increased sales of € 1,756.1 million, which showed an organic sales growth of 17.9%. He then points to the EBITDA of € 218.8 million and the EBITDA margin of 12.5%, which has increased by 110 basis points. The Chairman then discusses the operating free cash flow of € 109.7 million, the recounting of the Euro Hybrid Bond in the amount of € 50 million and the net profit of € 45.6 million.

The Chairman then clarifies that the inflation-related challenges will remain in the future. He goes on to draw attention to the supply chain bottlenecks and uncertainties that still exist, particularly in connection with Brexit, the Covid 19 pandemic, the situation in Ukraine and the energy crisis. Ukraine is a major wheat producer, he said, and the lack

of supplies is leading to an increase in the price of wheat and impacting the availability of flour. He said that there is no relief in sight in the short and medium term and further price increases are expected in 2023. The Chairman then went into more detail about the challenges posed by the increased costs and the lack of energy availability. For example, energy costs amounted to 3.8% of sales in 2022, compared to only 3.1% in the previous year. Furthermore, the Chairman makes clear that due to the shortage of energy resources, a diversification of energy sources had taken place and the company had reduced its dependence on gas in particular. There has also been increased investment in renewable energies. As an example, the Chairman mentions the photovoltaic systems on the roofs of the ARYZTA bakeries.

The Chairman then explained that the ARYZTA Group is well positioned in the current market environment. The market for bakery products is stable and bread consumption in Europe remains stable (72 kilograms per capita per year) and is even growing in Asia (21 kilograms per capita per year). Furthermore, bread has a decisive competitive advantage over other staple foods, as it is the cheapest calorie and is also environmentally sustainable. With regard to the medium-term targets for the financial years 2023 to 2025, the Chairman stated that the company intends to stick to these. The aim is to continue to grow organically.

Finally, the Chairman summarized the results of the first quarter of the financial year 2023, emphasizing that good organic sales growth had been recorded and that this had been roughly equal in Europe (22.1%) and the other regions (21.4%). Finally, the Chairman confirms that continued organic growth, supported by volume and price increases, will also be targeted in fiscal year 2023.

#### **4. Speech by Martin Huber**

The Chairman then passed the floor to Martin Huber, who, in his function as CFO, shed more light on the figures for the financial year 2022. He explains that the recorded organic growth of 17.9% is driven by double-digit volume growth (12.0%) and price increases (5.2%). Sales growth was roughly in line with the size of the Swiss business. Both Europe and the Rest of the World (**ROW**) region reported double-digit organic growth, with France in particular showing organic growth of 48.8%. In addition, all channels ("Retail", "QSR" and "Other Foodservice") also achieved double-digit sales growth. Furthermore, price and efficiency gains would have helped to compensate for rising input costs, e.g. due to more expensive packaging material. The EBITDA margin could also have been increased as a result of the sales growth and the increased management of the cost structure. In addition, the operating free cash flow more than doubled, supported by the margin improvement and lower non-recurring cash expenses. Furthermore, an increase in the return on invested capital was achieved, which was due to the positive business development and the more efficient use of working capital. Martin Huber points out that the company is well positioned in this respect and that the level achieved forms a solid

basis for further value creation in the future. With regard to hybrid financing, the ARYZTA Group had made significant progress in line with the medium-term plan, in particular due to the payment of hybrid compound interest of € 172 million and a hybrid capital repayment of € 50 million at a 4% discount. Although interest costs had increased, the ARYZTA Group could build on a solid base as a result of its improved capital structure. Furthermore, he added, there have also been significant improvements in the capital structure and a lower leverage ratio. In summary, the ARYZTA Group presented very strong figures in fiscal year 2022 and the implementation of the "Turn Around Plan" is on track.

Finally, Martin Huber goes into the figures for the first quarter of the 2023 financial year. Here, too, there was an acceleration in organic growth, supported by price increases, among other things. Organic growth was in double digits in both regions and in all sales channels.

## **5. Presence notification and voting procedure**

The Chairman thanked Martin Huber for his contribution and then continued with the roll call. The Chairman announced that 443,955,263 registered shares were represented by the independent proxy and that, in addition, shareholders representing 24,309,564 registered shares were either present in person or represented by other shareholders. The total share capital of the Company amounts to CHF 19,862,114.54 and is divided into 993,105,727 registered shares with a par value of CHF 0.02. Thus, the total number of voting shares represented amounts to 468,264,827, representing a total share capital of CHF 9,365,296.54, which corresponds to 47.15% of the total registered share capital.

The Chairman explained the voting procedure and pointed out that, in accordance with Articles 14 and 15 of the Articles of Association, all resolutions on the agenda of the General Meeting were passed by an absolute majority of the votes represented. Abstentions and blank or invalid votes would count as "no" votes. Furthermore, he pointed out that each registered share entitled to one vote. The Chairman also explained the voting procedure to the shareholders. Thus, shareholders can cast their votes during the voting period of 10 seconds displayed on the screen. For agenda items 4.1.1 to 4.1.6 and agenda items 4.2.1 to 4.2.3, a joint voting session would be held and the voting period would therefore be extended accordingly.

As none of the shareholders wishes to comment on the Chairman's remarks, the Chairman moves on to the formal part of the General Meeting.

## **6. Agenda**

### **agenda item 1: annual report 2022 and consultative vote on the compensation report 2022**

The Chairman pointed out that the auditors, Ernst & Young, Zurich, had submitted a written report on the annual report and that the auditors' report had been published together with the annual report. In response to a corresponding question, the Ernst & Young team present confirmed that they had no further comments and that they also recommended that the annual report be approved.

#### **agenda item 1.1: approval of the annual report 2022**

The Chairman explained that the Board of Directors proposed under agenda item 1.1 to approve the management report, the annual financial statements of ARYZTA AG and the consolidated financial statements of the ARYZTA Group for the financial year 2022, taking note of the auditor's report.

Mr. Willy Tschopp, Effretikon, spoke and noted that he had nothing to say on agenda item 1.1, but that he appreciated the fact that the General Meeting was held in German. The Chairman thanked him for his vote and proceeded with the vote.

After receiving the voting results, the Chairman stated that the General Meeting had approved the management report, the annual financial statements of ARYZTA AG and the consolidated financial statements of the ARYZTA Group for the financial year 2022 with 99.52% (with 0.16% "no" votes and 0.32% abstentions) of the share votes represented, taking note of the auditor's report.

#### **ITEM 1.2: Consultative vote on the Compensation Report 2022**

The Chairman explained that under agenda item 1.2, the Board of Directors proposed to approve the Compensation Report 2022 in a non-binding advisory vote.

As no shareholder wishes to comment on the Chairman's remarks, the Chairman proceeds with the vote.

Upon receipt of the voting results, the Chairman noted that the Annual General Meeting had approved the Compensation Report 2022 in a non-binding advisory vote with 83.43% (with 10.65% "no" votes and 5.92% abstentions) of the share votes represented.

### **agenda item 2: appropriation of the balance sheet result for 2022**

The Chairman explained that the Board of Directors proposed under agenda item 2 to allocate the net loss of CHF 36,461,000 to the loss carried forward.

As no shareholder wishes to comment on the Chairman's remarks, the Chairman proceeds with the vote.

After receiving the voting results, the Chairman stated that the General Meeting had approved the proposal of the Board of Directors with 99.20% (with 0.17% "no" votes and 0.63% abstentions) of the votes represented.

### **ITEM 3: Discharge of the members of the Board of Directors**

The Chairman explained that under agenda item 3, the Board of Directors proposed to grant discharge to the members of the Board of Directors for the financial year 2022. In addition, the Chairman points out that the members of the Board of Directors may not exercise their voting rights on this agenda item.

As no shareholder wishes to comment on the Chairman's remarks, the Chairman proceeds with the vote.

After receiving the voting results, the Chairman stated that the General Meeting had approved the proposal of the Board of Directors with 98.89% (with 0.73% "no" votes and 0.38% abstentions) of the votes represented.

### **agenda item 4: re-election**

#### **agenda item 4.1: Board of Directors**

The Chairman continued with agenda items 4.1.1 to 4.1.6. He explained that under agenda items 4.1.1 to 4.1.6, the Board of Directors proposed to re-elect himself as member and Chairman of the Board of Directors and Gordon Hardie, Heiner Kamps, Jörg Riboni, Hélène Weber-Dubi and Alejandro Legarda Zaragüeta as members of the Board of Directors for the period from this Annual General Meeting until the conclusion of the next Annual General Meeting.

Mr. Willy Tschopp, Effretikon, takes the floor again and states that the Swiss Confederation prescribes a women's quota of 30% and that the Company still has some catching up to do in this respect on the Board of Directors. The Chairman states that there is indeed a need to catch up with regard to the quota of women on the Board of Directors of the ARYZTA Group. However, he clarified that, due to the difficult times the company was currently going through, a conscious decision had been made in favor of continuity and stability. The Chairman then held out the prospect that the request would be met at the next Ordinary General Meeting. The Chairman also pointed out that one third of the members of the Executive Board were already women and that women were also well represented in management positions in the individual national companies.

After receiving the voting results, the Chairman stated that all members of the Board of Directors standing for re-election and he as Chairman had been re-elected for a term of office of one year until the next Annual General Meeting.

The detailed results are as follows: Urs Jordi is re-elected with 73.61% (with 26.26% "no" votes and 0.13% abstentions) of the votes represented, Gordon Hardie is re-elected with 77.71% (with 22.07% "no" votes and 0.22% abstentions) of the votes represented, Heiner Kamps is re-elected with 99.28% (with 0.49% "no" votes and 0.23% abstentions) of the votes represented, Jörg Riboni is re-elected with 99.11% (with 0.69% "no" votes and 0.20% abstentions) of the votes represented, H el ene Weber-Dubi was re-elected with 95.17% (with 4.64% "no" votes and 0.19% abstentions) of the votes represented and Alejandro Legarda Zarag eta was re-elected with 92.47% (with 7.22% "no" votes and 0.31% abstentions) of the votes represented. The Chairman, on behalf of the re-elected Board of Directors, expresses his thanks for the continued confidence.

Mr. Willy Tschopp, Effretikon, spoke again and asked the Chairman why the results of the Chairman and Gordon Hardie had not been so good? The Chairman explained that it was impossible for certain institutional investors to agree to a dual mandate due to their Articles of Association. The Chairman further affirmed that nobody had wanted the dual mandate, but that the Board of Directors had unanimously decided to continue it on a temporary basis until the end of 2024. In these difficult times, the Board of Directors had opted for continuity. There were large institutional investors who would like to see more women on the Board and therefore could not vote for the election of Gordon Hardie as a result of his position as Chairman of the Nomination Committee. The Company knows these institutional investors and they support the entire Board of Directors in principle, but for statutory reasons they cannot vote accordingly.

#### **agenda item 4.2: compensation committee**

The Chairman continued with agenda item 4.2 and explained that under this agenda item the Board of Directors proposed the re-election of Gordon Hardie, Heiner Kamps and H el ene Weber-Dubi as members of the Compensation Committee.

As no shareholder wishes to comment on the Chairman's remarks, the Chairman proceeds with the vote.

After receiving the voting results, the Chairman states that the Annual General Meeting has re-elected all members of the Compensation Committee standing for re-election for a term of office of one year until the next Annual General Meeting.

The detailed results are as follows: Gordon Hardie is re-elected with 78.08% (with 21.64% "no" votes and 0.28% abstentions) of the share votes represented, Heiner Kamps is re-elected with 96.95% (with 2.75% "no" votes and 0.30% abstentions) of the



share votes represented, and H el ene Weber-Dubi is re-elected with 94.80% (with 4.88% "no" votes and 0.32% abstentions) of the share votes represented. On behalf of the re-elected members, the Chairman thanked them for their continued trust.

#### **agenda item 4.3: Re-election of the auditors**

The Chairman continued with agenda item 4.3 and explained that, in accordance with Article 28 of the Articles of Association, the auditors had to be re-elected for the financial year 2023 ending on July 30, 2023. Therefore, under agenda item 4.3, the Board of Directors proposes the re-election of Ernst & Young Ag, Zurich, as auditors for the financial year 2023 ending on July 30, 2023.

As no shareholder wishes to comment on the Chairman's remarks, the Chairman proceeds with the vote.

After receiving the voting results, the Chairman stated that the Annual General Meeting had re-elected Ernst & Young Ltd, Zurich, as auditors for the financial year 2023 ending July 30, 2023, with 99.31% (with 0.31% "no" votes and 0.38% abstentions) of the share votes represented.

#### **agenda item 4.4: Re-election of the independent proxy holder**

The Chairman explained that under agenda item 4.4, the Board of Directors proposed the re-election of Patrick O'Neill, Attorney at Law, LANTER Attorneys at Law & Tax Consultants, Zurich, as independent proxy until the conclusion of the next Annual General Meeting.

After receiving the voting results, the Chairman recorded that the General Meeting had re-elected Patrick O'Neill, Attorney at Law, LANTER Attorneys & Tax Advisors, Zurich, as Independent Proxy until the conclusion of the next Ordinary General Meeting, with 99.44% (with 0.16 "no" votes and 0.40% abstentions) of the share votes represented.

### **ITEM 5: Compensation of the Board of Directors and Executive Committee**

#### **ITEM 5.1 Compensation of the Board of Directors**

The Chairman continued with agenda item 5. He explained that under this agenda item, the Board of Directors proposed to approve a maximum total amount of compensation of the Board of Directors for the period from today's Annual General Meeting to the next Annual General Meeting in the amount of CHF 1,300,000.

As no shareholder wishes to comment on the Chairman's remarks, the Chairman proceeds with the vote.

After receiving the voting results, the Chairman stated that the Annual General Meeting had approved the proposal of the Board of Directors to approve a maximum total amount of compensation for the Board of Directors for the period from today's Annual General Meeting to the next Annual General Meeting in the amount of CHF 1,300,000 with 93.56% (with 5.86% "no" votes and 0.58% abstentions) of the share votes represented.

### **ITEM 5.2: Compensation of the Executive Board**

The Chairman explained that under agenda item 5.2, the Board of Directors proposed to approve a maximum total amount of compensation for the Executive Committee of CHF 8,750,000 for the financial year 2024.

A shareholder [he does not give his name] takes the floor and first thanks the Chairman that the Annual General Meeting is being held in person. He then suggests that the individual remunerations be explained in more detail at the Annual General Meeting. In addition, he asks whether the Chairman receives a salary both for his activities as Chairman of the Board of Directors and for his activities as CEO of the ARYZTA Group. Furthermore, he inquires whether the amount of CHF 8,750,000 only takes into account the salaries of the three members of the Executive Committee of the ARYZTA Group or also those of the members of the extended "Leadership Team". The Chairman first explained that the amount only included the salaries of the Executive Committee of the ARYZTA Group, but that this was a maximum framework which was not necessarily exhausted. He emphasizes that none of the members of the Executive Board receives a fixed salary component of more than CHF 1 million. With regard to his salary, the Chairman explains that he receives a fee for his activities as Chairman of the Board of Directors and a reduced salary for his activities as CEO of the ARYZTA Group. Furthermore, the Chairman emphasizes that the individual remunerations can be discussed in more detail at the next General Meeting, if so desired. Finally, he thanks the shareholders for their vote and notes that no "Gipfeli" and no coffee can be offered to the shareholders virtually.

Mr. Tschopp, Effretikon, then spoke again and pointed out that many of the shareholders only have a low salary and that the remuneration of the Executive Board seemed very high to him. Although the Chairman reiterated that no one earned more than CHF 1 million, the Board of Directors had a lot of leeway. He could therefore not approve the remuneration. The Chairman explained that the amount was a maximum amount in the event that the Executive Committee was expanded. The Chairman affirmed that he had grown up in a bakery and therefore knew what it meant to earn little money. However, he also makes it clear that the management and the Board of Directors are taking a certain risk. In addition, the salary structure has been lowered and the Board of Directors now believes that although it is a lot of money, the compensation is moderate compared to other companies. Moreover, by reducing debt, the ARYZTA Group has helped to ensure that the money not only stays with the employees, but is also passed on to the

shareholders. Mr. Tschopp interjected that his share had lost a lot of money. The Chairman indicated that he understood the frustration. He was aware that the share price had once been at CHF 18 per share and was now at about CHF 1. Nevertheless, the current Board of Directors had started at about CHF 0.28 and in the meantime the share price had approximately quadrupled. In addition, the share had not lost any value in the course of the past year, which was a rarity compared to other shares. As no further requests to speak were received, the Chairman continued with the vote.

After receiving the voting results, the Chairman stated that the Annual General Meeting had approved the proposal of the Board of Directors to approve a maximum total compensation of CHF 8,750,000 for the members of the Executive Committee for the financial year 2024 with 82.35% (with 17.13% "no" votes and 0.52% abstentions) of the share votes represented.

Mr. René Wolf, Zurich, then took the floor and stated that he was very pleased that the ARYZTA Group had been rebranded from ARYZTA to Hiestand. The Chairman specified that only the Swiss business had been rebranded to Hiestand and stated that the national companies in the respective countries were known by their national names. Local brands continue to be promoted. A change of name of the Group could be considered when the Group was again on a secure footing.


Finally, Mr. Tobias Scheit, Uetikon, took the floor and stated with regard to the remuneration of the Executive Board that the last Executive Board had earned considerably more, although it had driven the ARYZTA Group close to bankruptcy. The new management has made the company profitable again. Primarily, the company needs stability and sustainability in the management. He thanked the management for their good work and wished them all the best. The Chairman thanks them for their vote and promises to pass on the compliments to the people in the national companies. He also promises that the shareholders can be sure that the people responsible must be worth their money and are.

As no further requests to speak were received, the Chairman then declared the Ordinary General Meeting 2022 closed and thanked everyone for their participation and continued support.

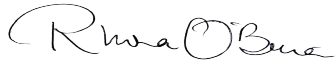
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Zurich, [date]

The chairman

  
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Urs Jordi

The secretary

  
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Rhona O'Brien