



ARYZTA AG
Annual General Meeting

Tuesday, 2 December 2014

Attachment to Agenda Item 3:
Revision of the Articles of Association due to Changes in
Company Law

Articles Of Association of ARYZTA AG (ARYZTA Ltd) (ARYZTA SA) – Synoptic comparasion

This is a free translation of the German version of the Articles of Association. The German version of the Articles of Association is the governing version



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Remark: The Ordinance against Excessive Compensation at Listed Companies (VegüV) which came into effect on January 1, 2014, will implement the provisions of article 95 paragraph 3 of the Federal Constitution. Listed companies need to meet its requirements by amending their Articles of Association ("Articles or each "Article") and regulations within 2 years after the VegüV has come into force. With the proposed revision, ARYZTA complies with the legal requirement to adapt its Articles of Association. At the same time, it proposes several additional amendments to its Articles. Only the Articles to be amended are shown below (with the exeception of changes to article numbering and headings).

Current Version (version December 2013)	New version (proposal to the 2014 AGM)	Comments
<h3>III. ORGANISATION</h3>	<h3>III. ORGANISATION</h3>	
<h4>A. GENERAL SHAREHOLDERS' MEETING</h4>	<h4>A. GENERAL SHAREHOLDERS' MEETING</h4>	
<p>Article 8: Powers</p> <p>The supreme body of the Company is the General Shareholders' Meeting. It shall have the following non-transferable powers:</p> <ol style="list-style-type: none"> 1. Creation and amendment of the Articles of Association; 2. Election and dismissal of the members of the Board of Directors and the auditor; 3. Approval of the annual business report, and the financial statements and adoption of a resolution on the appropriation of net profit for the year, in particular setting the dividend; 4. Discharge of the members of the Board of Directors; 5. Resolution on the items which are reserved to the General Shareholders' Meeting by law or the Articles of Association or are submitted to it by the Board of Directors. 	<p>Article 8: Powers</p> <p>The supreme body of the Company is the General Shareholders' Meeting. It shall have the following non-transferable powers:</p> <ol style="list-style-type: none"> 1. Creation and amendment of the Articles of Association; 2. Election of the members of the Board of Directors, its Chairman, the members of the Remuneration Committee, the Independent Proxy and the External Auditor; 3. Approval of the management report, the consolidated financial statements and the unconsolidated financial statements and adoption of a resolution on the appropriation of net profit for the year, in particular setting the dividend; 4. Discharge of the members of the Board of Directors and the Executive Management; 5. Approval of the remuneration of the Board of Directors and Executive Management pursuant to Article 23 of the Articles of Association; 6. Resolution on the items which are reserved to the General Shareholders' Meeting by law or the Articles of Association or are submitted to it by the Board of Directors 	<p>With the entry into effect of the VegüV, the General Meeting has been granted new, inalienable duties. Now the General Meeting has to elect the Chairman of the Board of Directors and the members of the Remuneration Committee from among the members of the Board and the Independent Proxy. Further, the General Meeting has to vote on the compensation of the Board and the Executive Committee.</p> <p>The amendments in Article 8 para. 3 are of technical-legal nature and without material impact.</p>

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Article 10: Invitation

The General Shareholders' Meeting shall be convened by the Board of Directors, or if necessary by the auditor. The liquidators are also entitled to convene the meeting.

The invitation must be issued at least 20 days prior to the meeting by publication in the Swiss Trade Gazette. The invitation must include the date, time and place of the meeting as well as the items for discussion and the motions of the Board of Directors and the shareholders who have called for a General Shareholders' Meeting or who have asked for an agenda item to be included.

The annual report and the auditor's report must be made available for inspection at the Company's registered office no later than 20 days prior to the Ordinary Shareholders' Meeting. The invitation to the Ordinary Shareholders' Meeting must indicate that these are available and must point out the right of shareholders to request that these documents be sent to them.

New version (proposal to the 2014 AGM)

Article 10: Invitation

The General Shareholders' Meeting shall be convened by the Board of Directors, or if necessary by the **External Auditor**. The liquidators are also entitled to convene the meeting.

The invitation must be issued at least 20 days prior to the meeting by publication in the Swiss Trade Gazette. The invitation must include the date, time and place of the meeting as well as the items for discussion and the motions of the Board of Directors and the shareholders who have called for a General Shareholders' Meeting or who have asked for an agenda item to be included.

The annual report and the **External Auditor's** report must be made available for inspection at the Company's registered office no later than 20 days prior to the Ordinary Shareholders' Meeting. The invitation to the Ordinary Shareholders' Meeting must indicate that these are available and must point out the right of shareholders to request that these documents be sent to them.

Comments

Standardisation of syntax.

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Article 13 – Proxies

a) Each shareholder may have his shares represented in a General Shareholders' Meeting by a third person who does not need to be a shareholder. The members of the Board of Directors and the Executive Management are allowed to represent shareholders provided that this does not constitute an institutionalized representation of shareholders. Custodians may represent shareholders and shall not be deemed depositary representatives (in the sense of Art. 689d of the Swiss Code of Obligations), provided that they act based on a written proxy and in accordance with specific or general instructions of the relevant shareholder.

b) The Board of Directors shall specify the requirements regarding powers of attorney and instructions and the modalities and other aspects of the proxy in a separate set of regulations. It shall ensure that the shareholders may grant powers of attorney and issue instructions to the Independent Proxy by electronic means; in doing so, the Board of Directors may admit electronic powers of attorney and instructions to the Independent Proxy without qualified electronic signature. The Chairman of the General Shareholders' Meeting shall decide whether a proxy will be accepted.

c) A general or implied instruction from a shareholder to the Independent Proxy to vote according to the proposals of the Board of Directors on:

Pursuant to article 11 VegüV, the appointment of directors or officers, or of the custodian bank, as institutional proxy is no longer permitted. The only form of institutionalized voting representation now permitted is that of representation by the Independent Proxy.

In this context, the Board has to assure that the shareholders can provide powers of attorney and instructions to the Independent Proxy by electronic means (article 9 para. 1 al.3 VegüV). Finally, the validity of instructions to the Independent Proxy will be clarified in certain special situations.

The appointment of a legal representative or of another shareholder as proxy remains possible.

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(i) matters for which no proper notice was given in the invitation to the General Shareholders' Meeting but on which a valid resolution can be passed pursuant to article 700 paragraph 3 CO, or (ii) proposals for additions or amendments to matters for which proper notice was given in the invitation but which are submitted after the invitation has been sent or at the General Shareholders' Meeting, shall be deemed to be a valid instruction for exercising the voting right.

d) The Independent Proxy may be represented at the General Shareholders' Meeting by an auxiliary person. The Independent Proxy remains fully responsible for fulfilling its duties.

e) If the Independent Proxy is not able to continue to hold office, if the Board of Directors lawfully suspends the Independent Proxy from its office, or if the Company does not have an Independent Proxy capable of acting for other reasons, then the Board of Directors shall appoint an Independent Proxy for the next General Meeting. Proxies and voting instructions that were already issued remain valid for the new Independent Proxy as long as a shareholder does not explicitly direct otherwise.

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Article ~~14~~: Quorum

A resolution of the General Shareholders' Meeting passed by at least two thirds of the votes represented and the absolute majority of the nominal share values represented is required for:

1. the cases specified in Article 704 (1) Code of Obligations [OR] and Art. 18 and 64 in the Federal Law on Merger, Demerger, Conversion and Transfer of Assets and Liabilities (Merger Act);
2. the easing or cancellation of the restriction on transferability of the registered shares;
3. the conversion of bearer shares to registered shares;
4. an amendment to this Article ~~14~~ of the Articles of Association.

New version (proposal to the 2014 AGM)

Article **15**: Quorum

A resolution of the General Shareholders' Meeting passed by at least two thirds of the votes represented and the absolute majority of the nominal share values represented is required for:

1. the cases specified in Article 704 (1) Code of Obligations [OR] and Art. 18 and 64 in the Federal Law on Merger, Demerger, Conversion and Transfer of Assets and Liabilities (Merger Act);
2. the easing or cancellation of the restriction on transferability of the registered shares;
3. the conversion of bearer shares to registered shares;
4. an amendment to this Article **15** of the Articles of Association.

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B. BOARD OF DIRECTORS

Article ~~15~~: Election, term of office, formation

The Board of Directors shall consist of at least ~~three~~ but no more than 15 members. ~~The term of office of the Board of Directors shall correspond to the statutorily permitted maximum term but shall not exceed three years. The first term of office for each member when first elected shall be determined by the Board of Directors in such a way that the same number of board members must be newly elected or reelected each year and after no later than three years all members of the Board of Directors must have run for reelection. In this regard a year means the period between two consecutive Ordinary Shareholders' Meetings. In the case of an increase or decrease in the number of members of the Board of Directors, the Board of Directors shall determine the new reelection sequence. As a result the term of office of individual members of the Board of Directors may be less than three years. The term of office shall expire on the date of the next Ordinary Shareholders' Meeting. If board members are replaced prior to the expiry of this term of office for whatever reason the term of office of the newly elected members shall expire at the normal end of the term of office of their predecessors.~~

~~The Board of Directors shall form itself. It shall designate its chair and the secretary, who does not have to be either a shareholder or a member of the Board of Directors.~~

B. BOARD OF DIRECTORS

Article **16**: Election, term of office, formation

a) The Board of Directors shall consist of at least **six** but no more than 15 members.

b) The Term of office for each member of the Board of Directors including its Chairman shall be one year. Re-election is possible. In each case, the term of office ends at the end of the next Ordinary Shareholders' Meeting.

c) The Board of Directors shall organize itself subject to the elections by the General Shareholders Meeting. It shall appoint a secretary who need not be a member of the Board of Directors.

d) If the Chairman is not able to continue to hold office or if the Company does not have a Chairman capable of acting and of holding office for other reasons, then the Board of Directors shall appoint one of its members as Chairman until the next ordinary General Meeting; the calling of a General Meeting in accordance with Art. 726 paragraph 2 of the Swiss Code of Obligations is reserved.

The minimum number of Board members will be increased from three to six.

Pursuant to article 3 VegüV, the General Meeting has to elect annually all members of the Board individually.

The principle of self-constitution of the Board is limited by the mandatory election of the Chairman of the Board by the General Meeting pursuant to article 2 para. 1 VegüV.

In case of a vacancy of the Chairman the Board may elect for the remaining Term a new Chairman.

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Article 16: Top management, delegation

The Board of Directors shall be responsible for the top management of the Company and for supervising management. It represents the Company in relation to third parties and deals with all matters which are not delegated to another executive body of the Company under law, or under the Articles of Association or the ~~bylaws~~ of the Company.

~~The Board of Directors may delegate some or all of the management and representation of the Company to one or more individuals, members of the Board of Directors or third parties, who do not have to be shareholders. It shall enact the bylaws and arrange the corresponding contracts.~~

New version (proposal to the 2014 AGM)

Article 17: Top management, delegation

a) The Board of Directors shall be responsible for the top management of the Company and for supervising management. It represents the Company in relation to third parties and deals with all matters which are not delegated to another executive body of the Company under law, or under the Articles of Association or the **organisational regulations** of the Company.

b) Subject to the Article 18 of the Articles of Association and mandatory law, the Board of Directors may delegate duties or responsibilities wholly or in part to individual members of the Board of Directors, to Committees of the Board of Directors or to third persons in accordance with the organisational regulations that the Board of Directors may enact; in particular, it may delegate the management of the business to individual members of the Board of Directors or to other natural persons (Executive Management).

Comments

Already article 716b para. 1 of the Swiss Code of Obligations stated, that the Articles of Association may authorize the Board of Directors to delegate the management of the company's business to individual members or third parties in accordance with its organizational regulations. Under the new regime of VegüV, the management can only be delegated to natural persons (article 6 para. 1 VegüV).

Article 17: Duties

The Board of Directors shall have the following non-transferable and irrevocable duties:

1. Top management of the Company and issuing of the necessary instructions;
2. Establishing the organisational structure;

Article 18: Duties

The Board of Directors shall have the following non-transferable and irrevocable duties:

1. Top management of the Company and issuing of the necessary instructions;
2. Establishing the organisational structure;

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3 Designing the accounting system, the internal control system (ICS), financial control and financial planning and the performance of a risk assessment;

4 Appointing and dismissing the individuals responsible for management and representation and arranging the signing powers;

5 Oversight of the individuals responsible for management, specifically in relation to compliance with the law, the Articles of Association, ~~bylaws~~ and instructions;

6 Preparing the annual report and preparing for the General Shareholders' Meeting and implementing its resolutions;

7 Notifying the judge in the event of insolvency;

8 Passing resolutions on subsequent payment of contributions for shares that are not fully paid up;

9 Passing resolutions on determining capital increases and resulting amendments of the Articles of Association;

10 Verifying compliance with the statutory provisions regarding appointment, election and professional requirements of the ~~auditor~~.

11 Concluding agreements pursuant to Art. 12, 36 and 70 of the Merger Act.

New version (proposal to the 2014 AGM)

3 Designing the accounting system, the internal control system (ICS), financial control and financial planning and the performance of a risk assessment;

4 Appointing and dismissing the individuals responsible for management and representation and arranging the signing powers;

5 Oversight of the individuals responsible for management, specifically in relation to compliance with the law, the Articles of Association, ~~regulations~~ and instructions;

6 Preparing the annual ~~and the remuneration~~ report and preparing for the General Shareholders' Meeting and implementing its resolutions;

7 Notifying the judge in the event of insolvency;

8 Passing resolutions on subsequent payment of contributions for shares that are not fully paid up;

9 Passing resolutions on determining capital increases and resulting amendments of the Articles of Association;

10 Verifying compliance with the statutory provisions regarding appointment, election and professional requirements of the ~~External Auditor~~;

11 Concluding agreements pursuant to Art. 12, 36 and 70 of the Merger Act.

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Pursuant to article 13 para. 1 VegüV, the preparation of the annual report is an intransferable and inalienable duty of the Board.

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Article 20 – Remuneration Committee

a) The Remuneration Committee consists of 3 to 4 members of the Board of Directors. All members of the Remuneration Committee shall be elected by the General Shareholders' Meeting individually. Their term of office shall end after completion of the next Ordinary Shareholders' Meeting. Re-election is possible. The Remuneration Committee organises itself and appoints its Chairperson.

b) The Remuneration Committee has the following responsibilities:

1. to consider and determine, based on their performance and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board and the Chief Executive Officer;
2. to approve the remuneration of other members of the Executive Management;
3. to review and recommend to the Board of Directors on an annual basis a proposal for approval by the Ordinary Shareholders' Meeting of the total remuneration of the Board of Directors and the Executive Management;
4. to prepare and recommend to the Board of Directors the Remuneration Report for approval.

The VegüV requires that the General Meeting annually elects the members of the Remuneration Committee (article 2 para. 2) and that the Articles of Association define the Remuneration Committee's tasks and responsibilities in principle (article 12 para. 1 al. 3). Furthermore, article 7 para. 4 VegüV states, that the Board may appoint, to the extent required, new members of the Remuneration Committee in case the Remuneration Committee is not fully occupied for the remaining term.

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	<p>c) The Board of Directors may assign additional tasks to the Remuneration Committee and specify the responsibilities contained in the Articles of Association, The Board of Directors may define the organisation of the Remuneration Committee in the organisational regulations or the Remuneration Committee charter.</p> <p>d) If the Remuneration Committee consists of less than three members capable of acting and holding office, then the Board of Directors shall appoint among its members, to the extent required, members of the Remuneration Committee until the next Ordinary Shareholders' Meeting; the calling of a General Meeting in accordance with Art. 726 paragraph 2 of the Swiss Code of Obligations is reserved.</p>	

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C. REMUNERATION FOR THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

Article 19: Compensation

~~The members of the Board of Directors are entitled to compensation for the expenses they have incurred in the interest of the Company and to compensation in line with their activity, which the Board of Directors shall unanimously determine itself.~~

Article 21 – Remuneration principles

- a) The remuneration policy and system are designed to attract and retain employees to deliver the Company's strategic plans and sustainable business performance.
- b) The Board of Directors or the Remuneration Committee determines the appropriate remuneration levels for the Board of Directors and the Executive Management, taking into account position, level of responsibility, the achievement of business and individual performance measures and other factors as deemed appropriate.
- c) The total remuneration of the Board of Directors shall consist of an annual base fee and an additional fee for individual assignments to Committees of the Board of Directors. The Board of Directors may at the request of the Remuneration Committee determine that the remuneration of all or individual members of the Board of Directors be paid in part or in full in the form of shares that are either freely tradable or blocked for trading for a specific period. Such shares shall be valued at their fair value at the date of grant as determined by the Remuneration Committee.
- d) The total remuneration of the Executive Management shall consist of fixed and variable

Pursuant to article 18 para. 1 VegüV, the General meeting must annually approve the compensation of the Board and the Executive Committee in separate votes. The Board is bound by the result of the votes, i.e. the "say-on-pay" is binding. The General Meeting will vote on compensation according to the new rules for the first time at the 2015 AGM.

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variable components. The fixed remuneration consists of an annual base salary, plus additional benefits. The variable remuneration may include short-term and long-term incentives, which may be cash and/or equity-based, as further set out in Article 22.

e) Remuneration may be paid by the Company or by any companies directly or indirectly controlled by the Company.

f) In particular, the following items are not deemed remuneration, loans or credits and shall not be added to the amounts that are subject to approval by the General Shareholders' Meeting according to article 23:

1. Reimbursement of expenses and tax deductible lump-sum expenses;
2. premiums for income replacement insurance and other insurances which are in the view of the Remuneration Committee entered into in the interest of the Company;
3. insignificant non-cash benefits, general employee benefits and similar fringe benefits;
4. indemnification, advances and insurances according to paragraph g).

g) To the extent permitted by law, the Company may indemnify members of the Board of Directors and of the Executive Management for any disadvantages suffered in connection with proceedings, suits or settlements relating to their activity, for the Company, may advance the respective amounts and may enter into respective insurances.

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	<p>h) Within this section C, the term "Executive Management" shall also encompass any delegate of the Board of Directors (managing director).</p>	
	<p>Article 22 – Incentive and participation plans</p> <p>a) Short-term and long-term incentives are based on performance measures determined by the Board of Directors or the Remuneration Committee. These measures may include the financial performance of the Group and/or a business segment, performance relative to the market, other companies or similar benchmarks, and/or individual performance.</p> <p>b) The target level for the short-term incentives may be expressed as a percentage of the annual base salary. Depending on achieved performance, this element of remuneration may amount up to a pre-determined multiplier of target level. The Board of Directors or the Remuneration Committee determines performance metrics and target levels, and their achievement.</p> <p>c) The target level for the long-term incentives may be expressed as a fixed amount, as a percentage of the annual base salary, or as a number of equity-based awards. Depending on achieved performance, this element of remuneration may amount up to a pre-determined multiplier of target level. The Board of Directors or the Remuneration Committee determines performance metrics and target levels, and their achievement.</p>	<p>This provision implements article 12 para. 2 al. 2 and 3 VegüV, which states, that a corresponding provision in the Articles is needed, if performance-based compensations, shares, and conversion and option rights are granted to the members of the Board of Directors, the Executive Management and the advisory board.</p>

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d) Equity-based remuneration may include restricted or unrestricted shares, rights to receive shares or purchase shares (options) or other comparable instruments, which are in each case subject to a performance period of at least 3 years and which generally become eligible for vesting no earlier than two years following satisfaction of the performance criteria. Any such equity-based remuneration shall be valued at their fair value at the date of grant as determined by the Remuneration Committee and constitutes a variable remuneration in the financial year in which it has been granted.

e) Short-term and long-term incentives, including terms and conditions of grant, vesting or blocking periods, terms and conditions of exercise, expiry and forfeiture, are governed by separate regulations, which are adopted by the Board of Directors or the Remuneration Committee. Such regulations may in particular provide that certain incentives are paid during garden leave (in which case the payout may be based on the target incentive in respect to individual targets), and that equity-based remuneration will vest and any blocking periods will be waived:

1. in the event of a change in control regarding the Company; and

2. in the event of termination of employment of a member of the Executive Management.

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Article 23 – Approval of Remuneration by the General Shareholders' Meeting

a) The Board of Directors shall submit separately and on an annual basis a proposal for approval by the General Shareholders' Meeting for the maximum aggregate amount of remuneration of the:

1. Board of Directors for the period until the next Ordinary Shareholders' Meeting;
2. Executive Management for the subsequent financial year.

The resolution shall be made with the relative majority of the votes validly cast.

b) If the General Shareholders' Meeting rejects a proposal of the Board of Directors for a maximum aggregate amount pursuant to the preceding paragraph, the decision on how to proceed shall reside with the Board of Directors. The Board of Directors shall in particular have the options to convene an Extraordinary General Meeting of Shareholders to submit a new total remuneration proposal, or to determine the remuneration for the current financial year on an interim basis, subject to approval at the next Annual General Meeting of Shareholders. The Board of Directors may also split proposals for approval by submitting proposals in respect to particular elements of remuneration, shorter periods of time, or a more limited group of persons.

The VegüV provides that the General Meeting must vote each year on the remuneration to be paid to the members of the Board and the Executive Committee (article 2 al. 4). According to the proposed provision, the General Meetings' vote shall be for the compensation of the Board for the period from AGM-to-AGM. For the compensation of the Executive Committee the applicable period is the subsequent financial year.

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- c) The Company or its Group companies may pay out remuneration prior to the approval by the General Meeting of Shareholders subject to subsequent submission and approval.
- d) The General Shareholders' Meeting may at any time approve a subsequent increase of an approved aggregate amount.
- e) The Company is authorized to pay remuneration to such members of the Executive Management who after the General Shareholders' Meeting has approved an maximum aggregate amount (i) join the Executive Management and/or (ii) are promoted from a member of the Executive Management to CEO, even if the total amount already approved by the General Meeting of Shareholders is not sufficient. These supplementary amounts do not need to be approved by the General Meeting, provided that their sum in each relevant period of time does not exceed 40% of the approved maximum aggregate amount (in full and not pro rata temporis) of the remuneration of the members of the Executive Management for such period of time for which approval by the General Shareholders' Meeting has already been obtained. Such supplementary amounts may also be used to compensate new members of the Executive Management for loss of remuneration or financial disadvantages caused by their change of employment.
- f) Any excess of the approved maximum aggregate amounts due to exchange rate fluctuations shall be disregarded.

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	<p>g) This article shall apply the first time at the Ordinary Shareholders' Meeting held in 2015.</p>	
	<p>Article 24 – Retirement Benefits and Pensions</p> <p>a) The Company may establish one or more independent pension funds for occupational pension benefits or may join such funds. Contributions to such pension funds on the part of the employer, but not contributions which are paid out by such pension funds, are deemed part of the remuneration. Retirement benefits accumulated or paid directly by the employer based on country-specific regulations on occupational pension benefits are treated the same way as contributions to and benefits by pension funds.</p> <p>b) Instead or in addition to benefits pursuant to the foregoing paragraph, the Company and its subsidiaries may directly offer retirement benefits (such as pensions, purchase of medical insurances etc.) outside of the scope of occupational pension benefit regulations to members of the Executive Management and may pay them out after retirement. Such retirement benefits shall not exceed the last paid out annual base salary of the respective member per year. In the case of lump-sum settlements, the value of a retirement benefit shall be determined based on recognized actuarial methods.</p>	<p>Article 24 implements art. 12 para. 2 al. 1 VegüV, which states, that a corresponding provision in the Articles of Association is needed, if loans, credits and pension benefits outside the employment pensions area are granted to the members of the Board and the Executive Committee.</p>

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Blue = new in proposed articles

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Article 25 – Additional Mandates

a) The members of the Board of Directors may hold no more than the following number of additional mandates in the supreme executive bodies of companies and organisations outside of the Company:

1. up to three mandates in listed companies;
2. up to three mandates in non-listed companies;
3. up to four mandates in (i) charitable organisations, (ii) associations or foundations and (iii) other non-profit institutions.

b) The members of the Executive Management, subject to the approval by the Chairman of the Board of Directors, may hold no more than the following number of additional mandates in the supreme executive bodies of companies and organisations outside of the Company:

1. none in listed companies;
2. up to two mandates in non-listed companies;
3. up to four mandates upon instruction of the Company in companies that are not directly or indirectly controlled by the Company (such as in pension funds and joint-ventures); and
4. up to four mandates in (i) charitable organisations, (ii) associations or foundations and (iii) other non-profit institutions.

Pursuant to article 12 para.1 al. 1 VegüV, the Articles must specify the maximum number of executive mandates which a member of the Board and/or the Executive Committee may exercise outside of the Company. With the proposed maximum number, an undue absorption of the members of the Board and/or the Executive Committee shall be prevented.

Articles Of Association of ARYZTA AG (ARYZTA Ltd) (ARYZTA SA) – Synoptic comparasion

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c) Several mandates held in different companies of the same group count as one mandate. Mandates within companies under the direct or indirect control of the Company (subsidiaries) or which are not required to be registered in the Swiss Commercial Register or a similar foreign register are not limited by number. A short-term temporary overrun of the limitations set forth above by one mandate is permissible.

Article 26 – Duration and Termination of Employment Contracts

a) Employment or service contracts with members of the Executive Management and, if any, with the members of the Board of Directors are generally concluded for an indefinite term and may provide for notice periods of up to 12 months. Should the Board of Directors or the Remuneration Committee decide to enter into fixed-term employment or service contracts with any such members, such agreements are allowed to provide for a duration of up to 12 months.

b) Employment contracts with members of the Executive Management may provide for compensated non-compete clauses of up to 12 months after termination of the employment, whereby the remuneration is not allowed to exceed the aggregate of the annual base salary and short-term variable remuneration before the termination of the employment relationship (pro rata).

Pursuant to article 12 para. 1 al. 2 VegüV, the Articles must state, the maximum contractual term (contracts of definite duration) or the maximum termination notice period (contracts of indefinite duration), which cannot be longer than 12 months.

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Article 27 – Legal Nature

The provisions of this section are of a company-law nature and do not create individual claims for benefits.

This is a clarification that this provision has a company-law nature and does not create individual claims.

C. AUDITOR

Article 20: Audit obligation, election and appointment of ~~auditor~~

The General Shareholders' Meeting shall elect an ~~auditor~~ pursuant to the provisions of this Article. The ~~auditor~~ must be registered in the Commercial Register.

The Company must have its financial statements duly audited by an ~~auditor~~.

The Board of Directors shall be obligated to monitor compliance with these provisions and put a proposal to the General Shareholders' Meeting for the election of an ~~auditor~~ who meets the corresponding requirements in terms of professional qualifications and independence pursuant to the provisions of the Code of Obligations (Art. 727 ff.) and Audit Oversight Act of 16 December 2005 as amended.

The ~~auditor~~'s term of office shall be 1 year. Its term of office shall end upon approval of the last annual financial statements. The ~~auditor~~ may be reelected or dismissed at any time.

D. EXTERNAL AUDITOR

Article 28: Audit obligation, election and appointment of **External Auditor**

The General Shareholders' Meeting shall elect an **External Auditor** pursuant to the provisions of this Article. The **External Auditor** must be registered in the Commercial Register.

The Company must have its financial statements duly audited by an **External Auditor**.

The Board of Directors shall be obligated to monitor compliance with these provisions and put a proposal to the General Shareholders' Meeting for the election of an **External Auditor** who meets the corresponding requirements in terms of professional qualifications and independence pursuant to the provisions of the Code of Obligations (Art. 727 ff.) and Audit Oversight Act of 16 December 2005 as amended.

The **External Auditor**'s term of office shall be 1 year. Its term of office shall end upon approval of the last annual financial statements. The **External Auditor** may be reelected or dismissed at any time.

Standardisation of syntax

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<p>Article 21: Auditor's duties</p> <p>The auditor shall have the rights and duties pursuant to Art. 728 ff. Code of Obligations.</p> <p>The auditor must be present at the General Shareholders' Meeting that approves the annual financial statements and, where applicable, the consolidated financial statements and decides on the appropriation of annual net profit. The General Shareholders' Meeting may by unanimous resolution waive its right to insist on the presence of the auditor.</p>	<p>Article 29: External Auditor's duties</p> <p>The External Auditor shall have the rights and duties pursuant to Art. 728 ff. Code of Obligations.</p> <p>The External Auditor must be present at the General Shareholders' Meeting that approves the annual financial statements and, where applicable, the consolidated financial statements and decides on the appropriation of annual net profit. The General Shareholders' Meeting may by unanimous resolution waive its right to insist on the presence of the External Auditor.</p>	<p>Standardisation of syntax</p>
<p>Zurich, 10: December 2013</p>	<p>Zurich, [] December 2014</p>	

