

# ARTICLES OF ASSOCIATION<sup>1</sup>

of

**ARYZTA AG**

**(ARYZTA Ltd)**

**(ARYZTA SA)**

## I. BASIS

### **Article 1: Company name, registered office**

A public limited company [Aktiengesellschaft] with the name

**ARYZTA AG**  
**(ARYZTA Ltd)**  
**(ARYZTA SA)**

is hereby formed for an unlimited period of time pursuant to Article 620 ff. Swiss Code of Obligations [OR] with its registered office in Schlieren.

### **Article 2: Corporate object**

The corporate object of the Company is the acquisition, ongoing management and sale of equity holdings in Swiss and foreign businesses of all kinds.

The Company may establish branches and subsidiaries in Switzerland and abroad and acquire, hold and sell real property.

The Company may perform all commercial, financial and other activities which are associated with the corporate object of the Company. In particular, the Company may grant loans, guarantees and other types of financing and security for affiliated and associated companies and accept and invest funds in the money market and capital market.

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<sup>1</sup> 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.

## **II. CAPITAL**

### **Article 3: Share capital**

The Company's share capital is CHF 19,862,114.54 divided into 993,105,727 registered shares with a par value of CHF 0.02 each. The shares are fully paid up.

### **Article 4: Conditional capital**

- a) The share capital of the Company may be increased by a maximum of CHF 993,105.72 by issuing up to 49,655,286 fully paid-up registered shares with a par value of CHF 0.02 each, through the direct or indirect issuance of shares, options or related subscription rights granted to members of the Board of Directors in lieu of cash fees, members of the Executive Management and employees of the Company and its group companies.
- b) The pre-emptive rights and the advance subscription rights of the shareholders are excluded with the issuance of any shares, options or subscription rights therefor.
- c) The direct or indirect acquisition of the newly issued shares by persons listed in para. a) above in connection with an employee participation program, as well as any subsequent transfer of such shares are subject to the transfer restrictions according to Article 7 of the Articles of Association.
- d) Shares, options or subscription rights issued pursuant to this Article 4 of the Articles of Association shall be issued pursuant to one or more regulations to be issued by the Board of Directors. The shares or subscription rights may be issued at a price below the respective market price quoted on the stock exchange.
- e) Up to 14 November 2021, in case of exclusion, withdrawal or limitation of pre-emptive and/or advance subscription rights, the total of new shares issued from (a) conditional capital according to Article 4 of the Articles of Association and/or authorized capital according to Article 5 of the Articles of Association may not exceed 99,310,572 registered shares, and (b) conditional capital according to Article 4 of the Articles of Association and/or authorized capital according to Article 5 para. 3(iii) of the Articles of Association for purposes of employee participation may not exceed 49,655,286 registered shares.

### **Article 5: Authorised capital**

The Board of Directors is authorised to increase the share capital of the Company at any time until 14 November 2021 by a maximum amount of 1,986,211.44 by issuing of up to 99,310,572 fully paid up registered shares with a par value of CHF 0.02 each. A partial increase is permitted.

The Board of Directors shall be authorised to determine the date of issue, the issue price, the

date of dividend entitlement, the allocation of non-exercised pre-emptive rights and the type of contribution to be made, which may also be made, inter alia, by conversion of freely disposable reserves (including capital contribution reserves to the extent they exceed the required minimum amount of legal reserves).

The Board of Directors is authorised to withdraw or limit the pre-emptive rights of the existing shareholders if the newly issued shares are used for the following purposes (i) mergers, acquisitions (including take-overs) of companies, parts of companies or holdings, equity stakes (participations) or new investments planned by the Company, or for the financing or re-financing of such transactions, (ii) broadening the shareholder constituency, or (iii) employee participations. The Board of Directors shall determine the details of the exercise of the pre-emptive rights.

The newly issued shares are subject to the transfer restrictions according to Article 7 of the Articles of Association.

Up to 14 November 2021, in case of exclusion, withdrawal or limitation of pre-emptive and/or advance subscription rights, the total of new shares issued from (a) conditional capital according to Article 4 of the Articles of Association and/or authorized capital according to Article 5 of the Articles of Association may not exceed 99,310,572 registered shares, and (b) conditional capital according to Article 4 of the Articles of Association and/ or authorized capital according to Article 5 para. 3(iii) of the Articles of Association for purposes of employee participation may not exceed 49,655,286 registered shares.

#### **Article 6: Share certificates, intermediated securities**

- a) The Company issues its registered shares in the form of individual certificates, global certificates or uncertificated securities. Subject to applicable law, the Company may convert the registered shares issued in one of these forms at any time and without consent of the shareholders into another form. The Company shall bear the cost associated with any such conversion.
- b) A shareholder has no right to request the conversion of the registered shares issued in one form into another form. Each shareholder may, however, at any time request from the Company a written confirmation of the registered shares held by such shareholder, as reflected in the share register.
- c) Intermediated securities based on registered shares of the Company cannot be transferred by way of assignment. A security interest in any such intermediated securities also cannot be granted by way of assignment.
- d) By way of an amendment of the Articles of Association, the General Shareholders' Meeting may at any time convert registered shares into bearer shares or vice versa.

**Article 7: Share register; restrictions on transferability**

- a) A share register shall be kept for the registered shares. It shall list the owners and usufructuaries with their surname and name, their place of residence, their address and nationality (the registered office in the case of legal entities).
- b) Purchasers of registered shares shall, upon application, be registered without restriction in the share register as shareholders with voting rights if they expressly declare that they have acquired said registered shares on their own behalf and for their own account, and fulfil the reporting obligations pursuant to the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act) of 19 June 2015. The consent of the Company is required for registration in the share register as a shareholder with voting rights. Registration as a shareholder with voting rights may be declined in the cases specified in Article 7 (c), (d) and (e) of the Articles of Association. If the Company does not decline the application for registration of the purchaser as a shareholder with voting rights within 20 days, the latter shall be deemed to be a shareholder with voting rights. Purchasers who are not acknowledged shall be registered as shareholders without voting rights in the share register. The corresponding shares shall be deemed not to be represented at the General Shareholders' Meeting.
- c) Persons who do not expressly declare in the registration application or at the request of the Company that they hold the shares for their own account (hereafter „Nominees“), shall, without more ado, be registered in the share register with voting rights up to a maximum of 1.5% of the outstanding share capital. Above this limit, registered shares of Nominees shall only be registered with voting rights if the relevant Nominee, in the registration application or thereafter at the request of the Company, notifies the names, addresses and shareholdings of those persons on whose account he holds 0.3% or more of the outstanding share capital in each case, and if the reporting obligations pursuant to the Financial Market Infrastructure Act are fulfilled. The Board of Directors is authorised to enter into agreements with Nominees concerning their reporting obligations.
- d) The aforementioned restriction on registration shall also apply to the purchase of shares, which are subscribed or acquired through the exercise of pre-emptive rights, option-rights or convertible rights from shares or other securities issued by the Company or third parties.
- e) Legal entities and partnerships or other bodies of persons or collective bodies of joint ownership which are associated in terms of capital or voting rights, through centralised leadership or otherwise, as well as individuals or legal entities or partnerships which proceed in a coordinated way to circumvent the registration restriction (in particular as a syndicate) shall be deemed to be one shareholder or one Nominee.
- f) The Company may in special cases approve exceptions to the aforementioned restrictions

(Article 7 (c), (d) and (e) of the Articles of Association). After hearing the persons in question, the Company may cancel entries in the share register as a shareholder with voting rights if these were based on false information or if the person in question does not provide the information requested pursuant to Article 7 (c).

- g) Until a purchaser becomes a shareholder with voting rights as defined in Article 7 of the Articles of Association, he cannot exercise the respective voting rights or the rights associated with them.

### **III. ORGANISATION**

#### **A. GENERAL SHAREHOLDERS' MEETING**

##### **Article 8: Powers**

The supreme body of the Company is the General Shareholders' Meeting. It shall have the following non-transferable powers:

1. Adoption and amendment of the Articles of Association;
2. Election of the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Remuneration Committee, the Independent Voting Rights Representative 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 allocation of profit shown on the balance sheet, in particular the determination of dividends;
4. Discharge from liability 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. Adoption of resolutions on matters that are reserved to the General Shareholders' Meeting by law or the Articles of Association or are submitted to it by the Board of Directors.

##### **Article 9: Meetings/Language**

The Ordinary General Shareholders' Meeting shall take place each year within six months of the close of the financial year. The time and place, which may be in Switzerland or abroad, shall be determined by the Board of Directors.

Extraordinary General Meetings of Shareholders shall be convened as often as necessary, particularly in the cases stipulated by law.

The Board of Directors must convene Extraordinary General Meetings of Shareholders within two months if shareholders representing at least ten percent of the share capital request in writing that a meeting be called and give details of the items to be discussed and the motions.

The General Meetings of Shareholders shall be held in English, with a suitable translation service provided.

#### **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 General Shareholders' Meeting.

The invitation must be issued at least 20 days prior to the meeting by publication in the Swiss Official Gazette of Commerce. The invitation must include the date, time and place of the meeting as well as the agenda items 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 General Shareholders' Meeting. The invitation to the General Shareholders' Meeting must indicate that these are available and the right of shareholders to request that these documents be sent to them.

#### **Article 11: Agenda items**

- a) The Board of Directors shall put the items for discussion and decision on the agenda.
- b) One or more registered shareholders with voting rights who, alone or together, represent at least 3% of the share capital of the Company registered in the Commercial Register may call for the Board of Directors to put an item on the agenda. The request to include an agenda item must be submitted in writing to the Chairman of the Board of Directors specifying the agenda item and motions at least 45 days prior to the General Shareholders' Meeting.
- c) No resolutions may be passed concerning agenda items that are not properly announced and that are not associated with an agenda item that is duly put on the agenda, except in the cases stipulated by law.

#### **Article 12: Chair, minutes**

The General Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors. In his absence, another member of the Board of Directors or another interim chair elected by the General Shareholders' Meeting shall chair the General Shareholders' Meeting.

The acting chair shall designate the secretary for the meeting and vote counters who do not have to be shareholders.

The Board of Directors shall ensure that the minutes are kept; these are to be signed by the acting chair and the secretary.

### **Article 13: Representation of shareholders**

- 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 this does not constitute an institutionalized representation of shareholders. Custodians may represent shareholders and shall not be deemed depositary representatives (in the sense of Article 689d Swiss Code of Obligations), provided 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 representation in a separate regulations. It shall ensure that the shareholders may grant powers of attorney and issue instructions to the Independent Voting Rights Representative by electronic means; whereby also electronic powers of attorney and instructions to the Independent Voting Rights Representative without qualified electronic signature may be permitted. The acting chair of the General Meeting of Shareholders shall decide whether a representation will be accepted.
- c) The general or implied instruction from a shareholder to the Independent Voting Rights Representative to vote according to the proposals of the Board of Directors on (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 (3) Swiss Code of Obligations, as well as (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 Voting Rights Representative may be represented at the General Shareholders' Meeting by an auxiliary person. The Independent Voting Rights Representative remains fully responsible for fulfilling its duties.
- e) If the Independent Voting Rights Representative is not able to continue to hold office, if the Board of Directors lawfully suspends the Independent Voting Rights Representative from its office, or if the Company does not have an Independent Voting Rights Representative capable of acting for other reasons, then the Board of Directors shall appoint an Independent Voting Rights Representative for the next General Shareholders'

Meeting. Powers of attorney and voting instructions that were already issued remain valid for the new Independent Voting Rights Representative as long as a shareholder does not explicitly direct otherwise.

#### **Article 14: Adoption of resolutions**

Each share shall confer one vote, subject to the provisions of Article 7.

The General Shareholders' Meeting shall adopt its resolutions and conduct its elections by absolute majority of the votes represented unless otherwise provided by law or the Articles of Association.

If the first round of voting fails to result in an election, a second round of voting shall take place in which a relative majority shall be decisive.

The acting chair shall not have the casting vote.

The acting chair shall determine the voting process. If voting is not electronic, it must be by means of ballot papers if at least 50 shareholders in attendance request this by a show of hands.

#### **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) Swiss Code of Obligations and Articles 18 and 64 of 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 into registered shares;
4. an amendment to this Article 15 of the Articles of Association.

### **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 12 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 General Shareholders' Meeting.
- c) The Board of Directors shall organise 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 Board of Directors 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 Shareholders' Meeting; the calling of a General Shareholders' Meeting in accordance with Article 726 (2) Swiss Code of Obligations is reserved.

### **Article 17: Ultimate management, delegation**

- a) The Board of Directors shall be responsible for the top management of the Company and for supervising the 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, the Articles of Association or the organisational regulations of the Company.
- b) Subject to 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 (the "Executive Management").

### **Article 18: Duties**

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

1. Ultimate management of the Company and issuing of the necessary instructions;
2. Determination of the organisational structure;
3. Structuring of the accounting system, the internal control system (ICS), the financial control and the financial planning and the performance of a risk assessment;
4. Appointing and dismissing of the individuals responsible for management and representation and issuing of rules on the signing powers;
5. Ultimate 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 report and the remuneration report and preparing the General Shareholders' Meeting and implementing its resolutions;
7. Notifying the judge in the event of liabilities exceeding assets;

8. Passing of resolutions on subsequent payment of contributions for shares that are not fully paid up;
9. Passing resolutions on ascertainties of capital increases and resulting amendments of the Articles of Association;
10. Verifying compliance with applicable law regarding the appointment, election and professional requirements of the External Auditor;
11. Concluding of agreements pursuant to Article 12, 36 and 70 of the Merger Act.

### **Article 19: Organisation, minutes**

The conduct of meetings, quorum (attendance) and adoption of resolutions of the Board of Directors are governed by the organisational regulations.

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Minutes must be kept of the discussions and resolutions of the Board of Directors. The minutes must be signed by the Chairman and by the secretary of the Board of Directors.

### **Article 20: Remuneration Committee**

- a) The Remuneration Committee shall consist of 3 to 4 members of the Board of Directors. All members of the Remuneration Committee shall be elected individually by the General Shareholders' Meeting. Their term of office shall end after completion of the next Ordinary Meeting of Shareholders. Re-election is possible. The Remuneration Committee organises itself and appoints its Chairperson.
- b) The Remuneration Committee has the following responsibilities:
  1. Considering and determining, based on their performance and such other factors as the Remuneration Committee shall deem appropriate, all elements of the remuneration of the members of the Board of Directors and the Chief Executive Officer;
  2. Approving the remuneration of other members of the Executive Management;
  3. Reviewing and recommending to the Board of Directors on an annual basis a proposal regarding the total remuneration amount of the Board of Directors and the Executive Management to be approved by the Ordinary General Shareholders' Meeting of;
  4. Preparation and recommendation for approval of the Remuneration Report to the Board of Directors.

- 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.
- 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 and to the extent required, members of the Remuneration Committee until the next Ordinary General Shareholders' Meeting; the calling of a General Shareholders' Meeting in accordance with Article 726 (2) Swiss Code of Obligations is reserved.

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

### **Article 21: Remuneration principles**

- a) The remuneration system and its respective principles are designed to attract and retain employees, to to implement the Company's strategic plans and to ensure 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 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, advance the respective amounts and enter into respective insurances.
- h) Within this section C, the term "Executive Management" shall also encompass any delegate of the Board of Directors (managing director).

## **Article 22: Incentive and participation plans**

- 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 single business segments, performance relative to the market, other companies or similar benchmarks, and/or individual performance.
- b) The target value 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 the target value. The Board of Directors or the Remuneration Committee determines performance metrics and target values, and their achievement.
- c) The target value 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 the target value. The Board of Directors or the Remuneration Committee determines performance metrics and target values, and their achievement.

- d) Equity-based remuneration may include restricted or unrestricted shares, rights to receive shares or pre-emptive rights to shares (options) or 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 granting, 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 and the Remuneration Committee. Such regulations may, in particular, provide that certain remunerations are paid during garden leave (in which case the pay-out 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.

### **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 Meeting of Shareholders;
  - 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 option to convene an Extraordinary General Shareholders' Meeting 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 Ordinary General Shareholders' Meeting. 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.

- c) The Company or its group companies may pay out the remuneration prior to the approval by the General Shareholders' Meeting 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 authorised to pay remuneration to such members of the Executive Management who, after the General Shareholders' Meeting has approved a maximum aggregate amount, (i) join the Executive Management and/or (ii) are promoted to CEO, even if the aggregate amount already approved by the General Shareholders' Meeting is not sufficient. These supplementary amounts do not need to be approved by the General Shareholders' Meeting, provided that their sum (in full or pro rata temporis), in each relevant period of time, does not exceed 40% of the approved maximum aggregate amount of the remuneration of the members of the Executive Management for such period of time for which approval by the General Meeting of Shareholders 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.
- g) This article shall apply the first time at the Meeting of Shareholders held in 2015.

#### **Article 24: Retirement benefits and pensions**

- 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 from pension funds.
- 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 pay them out after resignation. 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.

**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 four mandates in listed companies;
  2. up to five 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 may hold no more than the following number of additional mandates in the supreme executive bodies of companies and organisations outside of the Company, subject to the approval by the Chairman of the Board of Directors:
1. up to one mandate 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.
- c) Several mandates held in different companies under common control count as one mandate. Mandates within companies under the direct or indirect control of the Company (group companies) or which are not required to be registered in the Commercial Register or a similar foreign register are not limited by number.

**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, the maximum duration of such agreements is 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 may not exceed the aggregate of the annual base salary and short-term variable remuneration before the termination of the employment relationship (pro rata).

#### **Article 27: Legal nature**

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

### **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 the External Auditor.

The Board of Directors is 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 particular, in terms of professional qualifications and independence pursuant to the provisions of Article 727 ff. Swiss Code of Obligations and the Audit Oversight Act of 16 December 2005, each 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 re-elected or dismissed at any time.

#### **Article 29: External Auditor's duties**

The External Auditor shall have the rights and duties pursuant to Article 728 ff. Swiss Code of Obligations.

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 the annual net profit. The General Shareholders' Meeting may by unanimous resolution waive the obligation of the presence of the External Auditor.



## **IV. ACCOUNTING**

### **Article 30: Financial statements**

The financial statements, consisting of the profit and loss account, the balance sheet and notes, shall be prepared pursuant to the provisions of the Swiss Code of Obligations, in particular Articles 957 ff., and in accordance with generally accepted commercial principles and principles customary for the sector.

The start and end of the financial year shall be determined by the Board of Directors.

### **Article 31: Profit distribution**

Subject to the statutory provisions concerning profit distribution, in particular Article 671 ff. Swiss Code of Obligations, the net annual profit is available for distribution to the General Shareholders' Meeting.

The dividend must not be set until the allocations to statutory reserves stipulated by law have been deducted. Any dividends which have not been paid within five years after their due date shall accrue to the Company.

## **V. TERMINATION**

### **Article 32: Dissolution and liquidation**

The General Shareholders' Meeting may at any time resolve to dissolve and liquidate the Company in accordance with the statutory provisions and the provisions in the Articles of Association.

The liquidation shall be performed by the Board of Directors, unless delegated to other parties by the General Shareholders' Meeting.

The Company shall be liquidated in accordance with Article 742 ff.. Swiss Code of Obligations. The liquidators are also authorised to sell assets (including real property) by direct agreement.

After the debts have been repaid, the assets shall be distributed among the shareholders in accordance with the amounts contributed.

## **VI. NOTIFICATION**

### **Article 33: Notices and announcements**

The official means of publication of the Company is the Swiss Official Gazette of Commerce [Schweizerisches Handelsamtsblatt].

Notices of the Company to the shareholders and other announcements shall be made by publication in the Swiss Official Gazette of Commerce.

## **VII. CONTRIBUTIONS IN KIND, ASSET TRANSFERS AND SPECIAL BENEFITS**

**Article 34: [deleted]**

Zurich, November 14, 2019

Member of the Board:

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Gary McGann