

# Annual Report and Accounts 2021

## Corporate Governance Report

### ARYZTA Board and Executive Management

There were a significant number of changes to the Board of Directors (the 'Board') and Executive Management in the 2021 financial period (1 August 2020-31 July 2021).

On 16 September 2020, ARYZTA held an Extraordinary General Meeting ('EGM') upon the requisition of Cobas Asset Management, SGIIC, S.A., acting in its capacity as fund manager for COBAS SELECCION, FI and COBAS INTERNACIONAL, FI, and VERAISON SICAV (together, the 'Shareholder Group'), where the Shareholder Group and the Board proposed a number of resolutions to the ARYZTA shareholders which resulted in further changes to the composition of the Board and Committees of the Board.

Prior to the EGM, Gary McGann, Dan Flinter, Rolf Watter and Annette Flynn announced their respective resignations as members of the Board with effect from the conclusion of the EGM. As a result, Gary McGann also resigned as Chair of the Board. Gary McGann, Dan Flinter and Rolf Watter each resigned as members of the Remuneration Committee and Annette Flynn resigned as a member and chair of the Audit Committee. In addition, Kevin Toland (Group CEO) was not re-elected as a member of the Board at the EGM.

At the EGM, Urs Jordi, Armin Bieri and Heiner Kamps were each elected by the shareholders as non-executive directors to the Board. Armin Bieri and Heiner Kamps were each elected as members of the Remuneration Committee, and Urs Jordi was elected as Chair of the Board.

With effect from the conclusion of the EGM on 16 September 2020, the Board of ARYZTA was comprised as follows: Urs Jordi (Chair), Mike Andres, Armin Bieri, Luisa Delgado, Greg Flack, Heiner Kamps, Jim Leighton, Tim Lodge, and Alejandro Legarda Zaragüeta, all of whom are non-executive directors.

On 6 November 2020 ARYZTA announced that Armin Bieri had stepped down from the Board for private reasons.

At the ARYZTA 2020 Annual General Meeting ('AGM') on 15 December 2020, Mike Andres, Greg Flack, Jim Leighton and Tim Lodge retired without seeking re-election. Gordon Hardie, Jörg Riboni and Héléne Weber-Dubi were elected to the Board. Urs Jordi was re-elected member and as Chair of the Board and Luisa Delgado, Heiner Kamps and Alejandro Legarda Zaragüeta were re-elected as members of the Board. Heiner Kamps was re-elected as a member of the Remuneration Committee and Héléne Weber-Dubi and Gordon Hardie were both elected as members of the Remuneration Committee.

With effect from the conclusion of the AGM, the Board of ARYZTA is comprised as follows: Urs Jordi (Chair), Luisa Delgado (Lead Independent Director), Gordon Hardie, Heiner Kamps, Jörg Riboni, Héléne Weber-Dubi and Alejandro Legarda Zaragüeta. Full biographical details of each director is set out on pages 36 to 38.

We believe that ARYZTA has the requisite expertise and skills in place at Board level to oversee and support senior management's implementation of our multi-local turnaround plan.

As of 1 August 2020, the Executive Management was comprised as follows: Kevin Toland (Group CEO); Frederic Pflanz (Group CFO); Gregory Sklikas (CEO Europe); Tyson Yu (CEO

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## Corporate Governance Report (continued)

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North America); Claudio Gekker (COO Latin America); Chris Plüss (COO APMEA); John Heffernan (President and Chief Commercial Officer North America); Tony Murphy (Chief People Officer); and Rhona Shakespeare (nee O'Brien) (General Counsel and Company Secretary).

On 19 November 2020, Kevin Toland ceased his role as CEO and the Board appointed Urs Jordi as interim CEO. Additionally, the Board appointed Jonathan Solesbury as interim CFO in view of the previously announced resignation of Frederic Pflanz who ceased his role on 30 November 2020. On 9 December 2020, Gregory Sklikas, CEO Europe ceased his role with the Group.

On 1 December 2020, ARYZTA announced plans to restructure its business model into a multi-local, lean and agile structure. As part of these restructuring plans, ARYZTA announced that Tony Murphy, Chief People Officer and John Heffernan, President and Chief Commercial Officer, ARYZTA North America, ceased their roles with immediate effect and would not be replaced.

On 13 January 2021 announced the appointment of Chris Plüss as Managing Director ARYZTA Germany commencing 1 March 2021.

On 4 May 2021 ARYZTA completed the sale of its North America business and Tyson Yu (CEO North America) remained with the disposed business.

As of 1 August 2021, the Executive Management was comprised as follows: Urs Jordi (Interim Group CEO); Martin Huber (Group CFO) and Rhona Shakespeare (nee O'Brien) (General Counsel and Company Secretary).

The Board believes that ARYZTA is in a strong position in terms of the range of talented leaders within the organisation who have the skills and commitment to deliver on its new multi-local strategy.

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### Governance Framework

Details of the corporate governance framework adopted by ARYZTA (namely the Articles of Association, Organisational Regulations and Terms of Reference for the Committees of the Board) are available on the ARYZTA website at [www.aryzta.com/about-aryzta/corporate-governance](http://www.aryzta.com/about-aryzta/corporate-governance).

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### Leadership

#### The Board

The Board is responsible for stewardship, governance and oversight, and for setting the strategic direction of ARYZTA, in order to deliver sustainable value. The Board is also responsible for defining risk appetite and risk mitigation/management. The Board is committed to the highest standards of corporate governance in its management of ARYZTA and its accountability to shareholders and other stakeholders. Strong leadership and strong corporate governance are integral parts of our corporate culture and the Board recognises its obligation to lead by example. Biographical details of the directors are provided on pages 36 to 38.

## Corporate Governance Report (continued)

When assessing its composition, as well as the composition of its main Committees, the Board continuously reviews international best-practice standards and global corporate governance developments.

### Board Independence

All non-executive directors are considered by the Board to be independent in character and judgement within the meaning of the Swiss Code of Best Practice ('Swiss Code') and none of the non-executive directors are party to relationships or circumstances with ARYZTA which, in the Board's opinion, are likely to affect their independence or judgement. All of the current Board members are independent non-executive directors, with the exception of the Chair who is Interim CEO. The Chairman's role as interim CEO will not exceed a total 24 month duration and will therefore end no later than 19 November 2022. The Governance and Nomination Committee is progressing its search for the new CEO in line with this timeline.

To ensure the effective oversight of financial reporting, risk management, remuneration and the future leadership of the business, the Board delegates certain functions to three main Board Committees. Further details on the role of these key Committees are provided on pages 40 to 45.

### The Chair

The Chair is responsible for the effective leadership, operation and governance of the Board and its Committees. It is the Chair's responsibility to ensure that all directors contribute effectively in the development and implementation of the Group's strategy whilst ensuring that the nature and extent of the significant risks the Group is willing to embrace in the implementation of its strategy, are assessed, challenged, justified and where appropriate, accepted.

### Lead Independent Director

In line with the Swiss Code of Best Practice for Corporate Governance ("the Code") guidance, the Board appointed a Lead Independent Director ("LID") in November, 2020. The Code recommends a LID if there is a dual role of Chair and CEO. The Organizational Regulations were amended in November, 2020 to establish the role and responsibilities of the LID. Luisa Delgado was reappointed in the role as LID post the AGM in December, 2020. Please see our organisation regulations on our website: <https://www.aryzta.com/about-aryzta/corporate-governance/>

### Governance and Culture

As a Board, we are committed to ensuring we adhere to best-practice corporate governance principles and apply them in a pragmatic way that adds value to ARYZTA. Continually enhancing our corporate governance is central to our aim of ensuring the stability of ARYZTA and returning the business to a satisfactory level of performance and growth.

An inclusive culture and the fostering of a performance-based organisation are key focus areas for us as part of our wider governance framework. The Board will continue to work to ensure that ARYZTA's revised strategy, operating model and remuneration framework are aligned with our cultural focus. The success of our strategy is dependent on developing a culture across ARYZTA that supports the pursuit of teamwork and excellence. We continue to focus on ensuring ARYZTA's core vision and values are

## Corporate Governance Report (continued)

developed and clearly understood by all our stakeholders, particularly our colleagues in all parts of the organisation. We recognise that the Board and Senior Executives must lead by example to ensure these values are embedded not just in the boardroom, but are shared and understood throughout the business and form an integral part of interaction with all stakeholders.

A unifying culture embraced by the entire organisation leads to success for the business and pride for our people. At ARYZTA we are proud of our rich baking heritage and seek to passionately fulfil the needs and ambitions of our customers, our people and the environment in which we operate in an increasingly sustainable fashion. We will continue to foster a culture that: delivers on our commitments; is focused on our customers and operational excellence; relentlessly prioritizes food safety and quality; and creates a safe, accepting and inspired workplace.

### Board Renewal

The past year has seen significant change on the Board, with a new Chair and five new non-executive directors elected, which reflects an ongoing programme of refreshment and renewal as well as the changes driven by the 2020 EGM. Board refreshment is a fundamental aspect of fostering and sharing diverse perspectives in the boardroom and generating new ideas and business strategies while maintaining an appropriate level of bakery and financial knowledge and expertise.

Central to effectively setting and overseeing ARYZTA's refocused strategy and determining our approach to risk is our Board's thorough understanding of our business and industry. Throughout the 2021 financial period, led by the Governance & Nomination Committee, the Board continued to review its composition to ensure it meets our objective of having the diversity of skills, experience, gender and geographic background relevant to ARYZTA's strategy and business profile. In the context of the challenges facing the business, the priority was to recruit directors who would add to the existing skills and experience of the Board. With the help of international recruitment firms, significant emphasis was placed on the diversity of skills and expertise required for new appointments and the importance of a strong cultural fit with ARYZTA, as it pursues its future strategy and objectives. A cornerstone of the recruitment process was the identification of individuals with relevant industry experience, but also focusing on candidates who had success in implementing business transformations or turnaround plans.

Given the level of recent Board refreshment in 2021, a particular focus for the Chair and the Board will be the induction and development of non-executive directors to ensure the Board and its main Committees continue to evolve in line with our strategy and business.

### Shareholder Engagement

The Board is committed to ongoing dialogue with shareholders to enable clear communication of ARYZTA's objectives and to foster mutual understanding of what is important to the Board and the shareholders. In addition, the Board is continually apprised of shareholder interaction by the Chair and Interim Group CEO, the Group CFO and the Investor Relations team, consistent with the obligation to develop an understanding of the views and concerns of major shareholders.

## Corporate Governance Report (continued)

### Risk Management

The Board is and will continue to be focused on ensuring that the Group's risk management and internal control systems are effective in identifying, managing and mitigating potential risks, and thereby underpinning robust decision-making on all capital allocation decisions. The Board has continued to debate and develop its understanding of risk, including appetite, tolerance and testing of risks and how to maximise business opportunities. Supported by the Audit Committee, the Board continues to strive for a better understanding of the risks the Group faces and the actions taken to mitigate them.

### Compensation Report

At the 2020 AGM, shareholders ratified the 2020 Compensation Report through an advisory vote. Further, in line with Swiss law, shareholders approved the maximum aggregate amount of remuneration of the Board for the period ending at the 2021 AGM and for the Executive Management for the 2022 financial period end.

### ARYZTA Corporate Governance Report format

The ARYZTA Corporate Governance Report follows the SIX Swiss Exchange Directive on Information relating to Corporate Governance and takes into account the Swiss Code.

The ARYZTA Group consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') and the requirements of Swiss law. The ARYZTA AG company financial statements are prepared in accordance with the requirements of Swiss Law and the Company's Articles of Association. Where necessary, the financial statement disclosures have been extended to comply with the requirements of the SIX Swiss Exchange Directive on Information relating to Corporate Governance.

In this report, the terms 'ARYZTA' and the 'Company' refer to ARYZTA AG, whereas the 'Group' and the 'ARYZTA Group' refer to ARYZTA AG and its subsidiaries.

To avoid duplication in some sections, cross-references are made to the 2021 Financial Statements (comprising the Group consolidated financial statements and company financial statements of ARYZTA AG), as well as to the Articles of Association of ARYZTA AG (available on the ARYZTA website at [www.aryzta.com/about-aryzta/corporate-governance](http://www.aryzta.com/about-aryzta/corporate-governance))

## 1 Group structure and shareholders

### 1.1 Group structure

The ARYZTA General Meeting is the ultimate governing body of the Group and the Board is accountable and reports to the shareholders, by whom it is elected. The Board, while entrusted with the ultimate direction of ARYZTA, as well as the supervision of management, has delegated responsibility for the day-to-day management of the Group, to the extent allowed under Swiss law, through the Group Chief Executive Officer ('CEO'), to Executive Management. The Group's management and organisational structure corresponds to its current segmental reporting lines: ARYZTA Europe, ARYZTA Rest of World and Discontinued Operations. Please refer to the section 'Segmental Reporting' in note 2 to the ARYZTA Group Consolidated financial statements on pages 107 to 111, for further details regarding the Group's reporting segments.

## Corporate Governance Report (continued)

Each segment's management team is responsible for the day-to-day activities of their segment and reports to Executive Management, which in turn reports through the CEO to the Board.

### 1.1.1 Listed companies of the ARYZTA Group ARYZTA AG

Name and domicile:	ARYZTA AG, 8952 Schlieren, Switzerland
Primary listing:	SIX Swiss Exchange, Zurich, Switzerland
Swiss Security number:	4 322 836
ISIN:	CH0043228366
Cedel/Euroclear common code:	037252298
SEDOL Code:	B39VJ74
Swiss Stock Exchange symbol:	ARYN

Stock market capitalisation as of 31 July 2021  
CHF 1,198,076,542 based on 991,785,217 registered shares outstanding (i.e. disregarding 1,320,510 treasury shares) and closing price of CHF 1.208 per share.

Stock market capitalisation as of 1 August 2020  
CHF 572,374,008 based on 991,123,823 registered shares outstanding (i.e. disregarding 1,981,904 treasury shares) and closing price of CHF 0.5775 per share.

### 1.1.2 Non-listed companies of the ARYZTA Group

Details of the significant subsidiaries and associated companies of ARYZTA (being their company names, domicile, share capital, and the Company's participation therein) as well as the basis for classifying such subsidiaries as significant are set out in note 34 of the 2021 ARYZTA Group consolidated financial statements on page 162.

## 1.2 Significant shareholders

As at 31 July 2021, the Company has been notified of the following shareholdings or voting rights, which amount to 3% or more of the Company's issued ordinary share capital:

	Number of shares 2021	Number of shares % 2021
Francisco Garcia Parames and Maria Angeles Leon Lopez <sup>1</sup>	93,332,990	9.40%
Credit Suisse Funds AG	30,703,083	3.09%
Lodbrok Capital, LLP	30,181,273	3.04%

<sup>1</sup> Francisco Garcia Parames and Maria Angeles Leon Lopez, direct shareholder: Cobas Asset Management, SGIIC, S.A.

Any significant shareholder notifications during the period, and since 31 July 2021, are available from the ARYZTA website at: [www.aryzta.com/investor-centre/shareholder-notifications](http://www.aryzta.com/investor-centre/shareholder-notifications) and also on the SIX Exchange Regulation's website at: [www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html](http://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html)

## Corporate Governance Report (continued)

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### 1.3 Cross-shareholdings

The ARYZTA Group has no interest in any other company exceeding 5% of voting rights of that other company, where that other company has an interest in the ARYZTA Group exceeding 5% of the voting rights in ARYZTA.

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## 2 Capital structure

### 2.1 Capital

The registered share capital of the Company, as at financial period end 2021, amounts to CHF 19,862,115.54 and is divided into 993,105,727 (inclusive of treasury shares) registered shares with a par value of CHF 0.02 per share. The share capital is fully paid-up.

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### 2.2 Authorised and conditional capital

At the 2019 AGM, the shareholders voted in favour of the amendment of the Articles of Association of the Company, to introduce a new Article 4 to create conditional share capital for issuance of shares, options or subscription rights to employees.

The registered share capital may be increased in an amount not to exceed 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 (representing 5% of the currently issued share capital) through the direct or indirect issuance of shares, options or related subscription 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. For further details, refer to Article 4 of the Articles of Association, which is available on the ARYZTA website at [www.aryzta.com/about-aryzta/corporate-governance](http://www.aryzta.com/about-aryzta/corporate-governance).

Pursuant to Article 5 of the Articles of Association (governing authorised share capital), the Board is currently authorised to increase the share capital of the Company by an amount not exceeding CHF 1,986,211.44 through the issue of up to 99,310,572 registered shares (representing 10% of the existing issued share capital of the Company) to be paid up in full with a par value of CHF 0.02 per share. Authority for this purpose expires on 14 November 2021.

The Board has the power to determine the issue price, the date of issue, the date of entitlement to dividends, the allocation of non-exercised pre-emptive rights and the type of contribution to be made in respect of the issue of new shares in the Company. The Board may withdraw or limit the pre-emptive rights in the event of the use of those shares: (1) for acquisitions, (2) to broaden the shareholder constituency, or (3) for the purposes of employee participation.

For further details, refer to Article 5 of the Articles of Association, which is available on the ARYZTA website at [www.aryzta.com/about-aryzta/corporate-governance](http://www.aryzta.com/about-aryzta/corporate-governance).

## Corporate Governance Report (continued)

### 2.3 Changes in capital

Changes in share capital, treasury shares and the allocation of treasury shares to awards granted in connection with the ARYZTA Long-Term Incentive Plans (performance share units, restricted stock units, options and option equivalents) over the last three financial periods are as follows:

	Nominal value		Shares		Treasury shares	Performance share unit and restricted stock unit award allocation	Option and option equivalent allocation	Unallocated Treasury shares
	CHF	Shares in issue	outstanding					
<b>FY 2018</b>	<b>0.02</b>	<b>92,920,787</b>	<b>89,933,679</b>	<b>2,987,108</b>	<b>90,281</b>	<b>1,560,500</b>	<b>1,336,327</b>	
Issuance of shares	0.02	900,184,940	900,184,940	–	–	–	–	
Exercise of LTIP awards	–	–	84,815	(84,815)	(84,815)	–	–	
Release of treasury shares as restricted shares	–	–	383,888	(383,888)	–	–	(383,888)	
Modification of LTIP awards	–	–	–	–	20,241	5,777,930	(5,798,171)	
Granting of LTIP awards	–	–	–	–	13,098,422	19,133,076	(32,231,498)	
Forfeitures of LTIP awards	–	–	–	–	(69,506)	(60,140)	129,646	
<b>FY 2019</b>	<b>0.02</b>	<b>993,105,727</b>	<b>990,587,322</b>	<b>2,518,405</b>	<b>13,054,623</b>	<b>26,411,366</b>	<b>(36,947,584)</b>	
Exercise of LTIP awards	–	–	25,684	(25,684)	(25,684)	–	–	
Release of treasury shares as restricted shares	–	–	510,817	(510,817)	–	–	(510,817)	
Granting of LTIP awards	–	–	–	–	15,299,880	464,067	(15,763,947)	
Forfeitures of LTIP awards	–	–	–	–	(1,640,431)	(4,264,665)	5,905,096	
<b>FY 2020</b>	<b>0.02</b>	<b>993,105,727</b>	<b>991,123,823</b>	<b>1,981,904</b>	<b>26,688,388</b>	<b>22,610,768</b>	<b>(47,317,252)</b>	
Exercise of LTIP awards	–	–	167,902	(167,902)	(167,902)	–	–	
Release of treasury shares as restricted shares	–	–	493,492	(493,492)	–	–	(493,492)	
Forfeitures of LTIP awards	–	–	–	–	(17,186,923)	(17,964,585)	35,151,508	
<b>FY 2021</b>	<b>0.02</b>	<b>993,105,727</b>	<b>991,785,217</b>	<b>1,320,510</b>	<b>9,333,563</b>	<b>4,646,183</b>	<b>(12,659,236)</b>	

Of the 993,105,727 registered shares, 991,785,217 are outstanding and 1,320,510 are classified as treasury shares.

### 2.4 Shares and participation certificates

ARYZTA's capital is composed of registered shares only. As at 31 July 2021, ARYZTA has 993,105,727 fully paid-up, registered shares (including 1,320,510 treasury shares) with a nominal value of CHF 0.02 each. Each share entered in the share register with voting rights entitles the holder to one vote at the General Meeting and all shares have equal dividend rights. ARYZTA has not issued any participation certificates<sup>1</sup>.

### 2.5 Profit-sharing certificates

ARYZTA has not issued any profit-sharing certificates<sup>1</sup>.

<sup>1</sup> Participation and profit-sharing certificates are instruments which have similar features to shares, but may differ with regard to their entitlement to dividend payments, voting rights, preferential rights to company assets or other similar rights.



## Corporate Governance Report (continued)

### 2.6 Restrictions on transferability and nominee registrations

Article 7 of the Articles of Association deals with the Shareholders' Register and Restrictions on Transferability, and is available on the ARYZTA website at [www.aryzta.com/about-aryzta/corporate-governance](http://www.aryzta.com/about-aryzta/corporate-governance).

#### 2.6.1 Limitations on transferability

Pursuant to Article 7 b) of the Articles of Association, persons acquiring registered shares are, on application, entered in the share register without limitation as shareholders with voting power, provided they comply with the disclosure requirement stipulated by the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (Financial Market Infrastructure Act) of 19 June 2015 ('FMIA') and expressly declare that they have acquired the shares in their own name and for their own account. Pursuant to Article 7 f) of the Articles of Association, the Company may in special cases approve exceptions to the regulations described in section 2.6 above. The decision to grant exceptions is at the Board's discretion.

#### 2.6.2 Exceptions granted in the period under review

As part of the establishment of ARYZTA, former holders of IAWS Group plc shares and options received ARYZTA registered shares, delivered initially in the form of Capita Depository Interests and since replaced by CREST<sup>1</sup> Depository Interests ('CDIs')<sup>2</sup>. A CDI represents an entitlement to an ARYZTA registered share. CDI holders are not the legal owners of the shares represented by the CDIs. They are not in a position to directly enforce or exercise rights like a shareholder. However, CDI holders do maintain an interest in the shares represented by the CDIs. On 1 March 2021 ARYZTA cancelled its secondary listing on The Euronext Dublin Exchange. The CDIs continue to represent an entitlement to an ARYZTA registered share.

<sup>1</sup> The CREST system, operated by Euroclear UK and Ireland, is the system for the holding and settlement of transactions in uncertificated (UK, Irish and Channel Island) securities.

<sup>2</sup> ARYZTA shares are held in trust by Euroclear UK and Ireland for the benefit of CREST members who have been issued with dematerialised interests representing entitlements to ARYZTA registered shares in the form of CDIs.

#### 2.6.3 Admissibility of nominee registrations

Pursuant to Article 7 c) of the Articles of Association, nominee shareholders are entered in the share register with voting rights without further inquiry up to a maximum of 1.5% of the outstanding share capital available at the time. Above this 1.5% limit, registered shares held by nominees are entered in the share register with voting rights only if the nominee in question (at the application for registration or thereafter upon request by the Company) discloses the names, addresses and shareholdings of the persons for whose account the nominee holds 0.3% or more of the outstanding share capital available at that time, and provided that the disclosure requirement stipulated by the FMIA is complied with. The Board has the right to conclude agreements with nominees concerning their disclosure requirements.

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## Corporate Governance Report (continued)

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Pursuant to Article 7 d) of the Articles of Association, the limit of registration in Article 7 c) of the Articles of Association described above also applies to the subscription for, or acquisition of, registered shares by exercising option or convertible rights arising from registered or bearer securities issued by the Company, as well as by means of purchasing pre-emptive rights arising from either registered or bearer shares.

Pursuant to Article 7 e) of the Articles of Association, legal entities, or partnerships, or other associations or joint ownership arrangements, which are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships that act in concert with intent to evade the entry restriction, are considered as one shareholder or nominee.

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### **2.6.4 Procedure and conditions for cancelling transferability privileges**

After due consultation with the person concerned, the Company is authorised to delete entries in the share register as a shareholder with voting rights, with retroactive effect, if they were effected on the basis of false information, or if the respective person does not provide the information pursuant to Article 7 c) described in section 2.6.3 above.

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### **2.7 Convertible bonds, warrants and options**

As of 31 July 2021, ARYZTA has not issued any convertible bonds or warrants.

As of 31 July 2021, a total of 9,333,563 Performance Share Unit and Restricted Stock Unit awards and 4,646,183 option and Option Equivalent Plan awards were outstanding, subject to fulfilment of predefined vesting conditions in connection with the ARYZTA Long Term Incentive Plan.

Please refer to the Compensation Report on pages 56 to 72 of this Annual Report for further information pertaining to any Long Term Incentive Plan awards granted as an element of Executive Management compensation.

## Corporate Governance Report (continued)

### 3 Board of Directors

#### 3.1 Members of the Board of Directors

The composition of the Board has changed significantly since the start of the 2021 financial period, which reflects an ongoing programme of refreshment and renewal as well as the changes driven by the 2020 EGM.

On 16 September 2020, ARYZTA held an EGM upon the requisition of the Shareholder Group, where the Shareholder Group and the Board proposed a number of resolutions to the ARYZTA shareholders which resulted in changes to the composition of the Board. Prior to the EGM, Gary McGann, Dan Flinter, Rolf Watter and Annette Flynn announced their respective resignations as members of the Board with effect from the conclusion of the EGM. At the EGM, Urs Jordi, Armin Bieri and Heiner Kamps were elected as non-executive directors to the Board and Armin Bieri and Heiner Kamps were elected as members of the Remuneration Committee with Urs Jordi being elected as Chair of the Board. Kevin Toland was not re-elected as a member of the Board at the EGM.

With effect from the conclusion of the EGM, the Board of ARYZTA was comprised as follows: Urs Jordi (Chair), Mike Andres, Armin Bieri, Luisa Delgado, Greg Flack, Heiner Kamps, Jim Leighton and Alejandro Legarda Zaragüeta.

On 6 November 2020 ARYZTA announced that Armin Bieri had stepped down from the Board for private reasons.

At the ARYZTA 2020 AGM on 15 December 2020, Mike Andres, Greg Flack, Jim Leighton and Tim Lodge retired without seeking re-election. Gordon Hardie, Jörg Riboni, Hélène Weber-Dubi were elected to the Board. Urs Jordi was re-elected as member and as Chair of the Board, while Luisa Delgado, Heiner Kamps and Alejandro Legarda Zaragüeta were all re-elected as members of the Board.

With effect from the conclusion of the AGM, the Board of ARYZTA comprised of the Chair and six non-executive directors as follows: Urs Jordi (Chair), Luisa Delgado (Lead Independent Director), Gordon Hardie, Heiner Kamps, Jörg Riboni, Hélène Weber-Dubi and Alejandro Legarda Zaragüeta. Full biographical details of each of the directors is set out on pages 36 to 38.

Board policy is that a majority of its membership consists of independent non-executive Directors, as determined in accordance with the Swiss Code. The Board confirms that it is fully compliant with the Swiss Code.

The Chair also holds the position of Interim Group CEO. All six other non-executive directors are considered by the Board to be fully independent in character and judgement and none of these non-executive directors are party to relationships or circumstances with ARYZTA which, in the Board's opinion, are likely to affect their judgement.

## Corporate Governance Report (continued)

With effect from the conclusion of the 2020 AGM, the Board of ARYZTA was comprised as follows:



**Urs Jordi** (1965, Swiss)

**Chair and Executive member**

*Business economist, NKS (Aarau, Baden)*

Urs Jordi has more than 25 years of experience in various national and international food companies at management and board level. He held various management positions within the Hiestand and ARYZTA Group, most recently as CEO of the listed Hiestand Holding AG (from 2008 within ARYZTA AG), and from 2010 to 2013 as CEO ARYZTA Food Europe & Asia Pacific. Since 2014, Urs Jordi has been involved in various own investments. For this purpose, he serves on the boards of Schweizer Zucker AG and Unipektin Ingredients AG. Urs Jordi is a trained baker and confectioner. Urs became a member and Chair of the ARYZTA Board in September 2020 and was appointed by the ARYZTA Board as interim CEO on 19 November 2020.



**Luisa Deplazes de Andrade Delgado** (1966, Swiss)

**Non-executive member**

**Lead Independent Director**

*License en droit lic.iur. from University of Geneva; Master of Laws LL.M from Kings College University of London; Postgraduate Diploma European Studies Universiade Lusíada Lisbon*

Luisa Delgado has nearly 30 years of international executive experience across multiple industries including luxury retail, optical, IT and particularly FMCG. Luisa brings significant B2B commercial experience, especially in Europe, having worked in a variety of roles with Procter & Gamble ('P&G') over a 20-year international career. Luisa initially held HR leadership roles in Portugal, UK and Belgium, most recently as Vice President of Europe through a business transformation (2002 to 2007). From 2007 to 2012 she spent 5 years as General Manager/Vice President for the Nordics region at P&G, also in a turnaround transformation. In 2012, Luisa joined SAPAG as an executive board member and Chief Human Resources Officer (CHRO) and also became a Non-Executive Director at SAFILO Group, the Milan listed global luxury eyewear leader. In 2013 she was appointed CEO of SAFILO Group, and led until 2018 the worldwide Group's transformation of its end-to-end product design and engineering, manufacturing, B2B distribution in optical stores, chains and travel retail, license partnership management and multichannel marketing. Luisa is currently a member of the supervisory board of INGKA Holding BV (the holding company of IKEA) and Zertus Group. She is a board member of Barclays Bank Suisse SA and AO World plc, where she is also Chair of the Remuneration Committee. Luisa is also an investor and entrepreneur in the luxury and retail sector. Luisa became a member of the Board in November 2019 and was appointed Lead Independent Director in November 2020.

## Corporate Governance Report (continued)



**Gordon Hardie** (1964, Dual Irish & Australian)

**Non-executive member**

*BA in languages and psychology and a higher diploma in education from University College Cork, as well as a MBA from University College Dublin's Smurfit Graduate School of Business*

Gordon Hardie has had a 30 year career in the global food & ingredients and fast moving consumer goods industries. Most recently, he was President of Bunge Food & Ingredients, Bunge Ltd, a global agri-food business from 2011 until 2018. Prior to Bunge Ltd, Mr. Hardie served as Managing Director of Goodman Fielder Bakeries Australia / New Zealand. Since 2015, Mr. Hardie serves as a Non-Executive Director at Owens-Glass Inc., the global leader in glass packaging for the food and beverage industries and is Chair of its Risk Oversight Committee. He is also a Non-Executive Director of Greencore Plc and is a member of Greencore's Nomination & Governance Committee and of its Remuneration Committee. He previously served as Chairman of Bunge Lodgers Croklaan B.V, Chairman of Walter Rau Neusser AG, Non-Executive Director of Z.T Kruszewicz and Non-Executive Director of Foodbank New South Wales. Mr. Hardie also is a member on the North American Advisory Board of the Smurfit Graduate School of Business. Mr. Hardie serves as a Strategic Advisor to Temasek Holdings and Lodbrok Capital. His role at Lodbrok specifically precludes involvement in their ARYZTA AG investment. Mr. Hardie has completed the Advanced Management Programme at INSEAD and the Corporate Board Effectiveness program at Harvard Business School. Gordon became a member of the Board in December 2020.



**Heiner Kamps** (1955, German)

**Non-executive member**

*Masterbaker and Business Degree*

Heiner Kamps is a successful food entrepreneur with over 40 years of industrial experience. He founded the bakery chain Kamps AG, which he led as CEO until 2002. Since 2003, Heiner Kamps has held shares in various companies. From 2005 to 2018, he and other investors, owned a majority stake in the Nordsee GmbH fast food chain. From 2011 to 2015, he was CEO of the Müller Milch Group and from 2015 to 2018 chairman of its supervisory board. Heiner Kamps founded the charitable foundation Brot gegen Not (Bread against misery), which supports training in the bakery trade in needy regions. He is a trained baker and confectioner. Heiner became a member of the ARYZTA Board in September 2020.



**Jörg Riboni** (1957, Swiss)

**Non-executive member**

*Masters in economics from the University of St. Gallen (lic. oec. HSG) and is a certified public accountant*

From 2013 to 2019, Jörg Riboni was CFO of the Emmi Group, Lucerne. Prior to that, he was CFO of the Forbo Group (2005 to 2012). His previous roles include CFO of the Sarna Group, Sarnen (1997 to 2005) and CFO of Jelvoli, Zurich (1995 to 1997). He is a professional Board Director since May 2019. He was deputy chair of the Board of Directors of Hochdorf until June 2020. Today Jörg is Chairman of the Board of the privately held company Rothorn Group AG. He is also a member of the Board of Directors of privately held companies, Glas Trösch Holding AG, HERITAGE B Group, Erni Group Holding AG, Dr. Pirmin Hotz Vermögensverwaltungen AG and Raiffeisenbank Cham-Steinhausen. Jörg became a member of the Board in December 2020.

## Corporate Governance Report (continued)

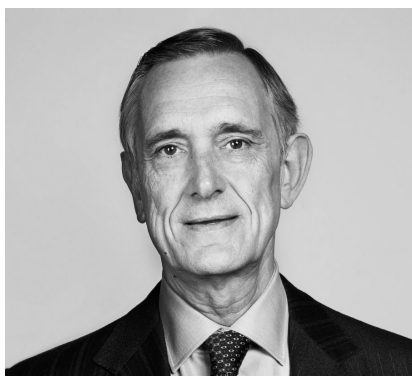


**Hélène Weber-Dubi** (1955, Swiss)

**Non-executive member**

*Masters in Economics from the University of St. Gallen (lic. oec. HSG)*

Hélène Weber-Dubi has over 20 years' experience in the food industry with a focus on Finance and Accounting, as well as Management Buy-Out, Mergers and Acquisitions and IPO. From 1999-2015, Ms. Weber-Dubi was CFO of the ORIOR-Group, a major Swiss food company and was a member of the Group Management Board. In 1996, Ms. Weber-Dubi accepted a position as financial controller with Bally. That same year, she was promoted to Managing Director of Bally Switzerland, Bally Italy and Bally Spain with a seat on the international Executive Board. In 1999 she was put in charge of financial control of Bally International and was primarily tasked with executing the sale of Bally to Texas Pacific Group. From 1982 to 1995 she held various management positions with Unilever in Switzerland and the UK, mostly in auditing and finance. Ms. Weber-Dubi is a member of the Board of Directors of Medela Holding AG in Baar (CH), Medela AG in Baar (CH) and Ospelt Anstalt in Bendorf (FL). Hélène became a member of the Board in December 2020.



**Alejandro Legarda Zaragüeta** (1956, Spanish)

**Non-executive member**

*Graduate in Mechanical Engineering, Master in Business Administration from IESE University of Navarra, Spain, PhD in Economics and Innovation Management from Polytechnic University, Madrid*

Alejandro Legarda Zaragüeta is a highly experienced senior executive with significant management and non-executive director experience within various sectors, including transport, gas and food related industries. From 1994 to 2004 he was managing director of Construcciones y Auxiliar de Ferrocarriles S.A. ('CAF'), a listed group which manufactures railway vehicles and signalling equipment and stayed on as a director of the non-executive board until 2019. His responsibilities were the management of the company's global business. From 2006 to 2018, Alejandro was an independent director of Viscofan S.A., a listed group and the world leader in the manufacturing of casings for meat products, with commercial presence in over 100 countries around the world. He was independent director for Pescanova and Nueva Pescanova, a multinational fishing, farming and processing group from 2014 to 2017. Amongst the boards he has served on, Alejandro was executive chairman of the board of Nortegas Energía y Distribución S.A. from 2017 to 2019 and an independent director of Duro Felguera S.A. from 2018 to 2019. Alejandro became a member of the Board in November 2019.

### Retired Board Members (2016-2020)

Armin Bieri resigned from the Board on 6 November 2020 for private reasons. His biographical details are available in the 2020 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2020/10/Corporate-Governance-Report.pdf>

Mike Andres retired from the Board without seeking re-election at the 2020 AGM. His biographical details are available in the 2020 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2020/10/Corporate-Governance-Report.pdf>

Greg Flack retired from the Board without seeking re-election at the 2020 AGM. His biographical details are available in the 2020 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2020/10/Corporate-Governance-Report.pdf>

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## Corporate Governance Report (continued)

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Jim Leighton retired from the Board without seeking re-election at the 2020 AGM. His biographical details are available in the 2020 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2020/10/Corporate-Governance-Report.pdf>

Tim Lodge retired from the Board without seeking re-election at the 2020 AGM. His biographical details are available in the 2020 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2020/10/Corporate-Governance-Report.pdf>

Gary McGann retired from the Board without seeking re-election at the 2020 EGM. His biographical details are available in the 2020 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2020/10/Corporate-Governance-Report.pdf>

Dan Flinter retired from the Board without seeking re-election at the 2020 EGM. His biographical details are available in the 2020 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2020/10/Corporate-Governance-Report.pdf>

Annette Flynn retired from the Board without seeking re-election at the 2020 EGM. Her biographical details are available in the 2020 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2020/10/Corporate-Governance-Report.pdf>

Rolf Watter retired from the Board without seeking re-election at the 2020 EGM. His biographical details are available in the 2020 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2020/10/Corporate-Governance-Report.pdf>

Kevin Toland was not re-elected to the Board at the 2020 EGM. His biographical details are available in the 2020 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2020/10/Corporate-Governance-Report.pdf>

Andrew Morgan retired from the Board without seeking re-election at the 2019 AGM. His biographical details are available in the 2019 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2019/10/Corporate-Governance-Report.pdf>

Chuck Adair retired from the Board without seeking re-election at the 2018 AGM. His biographical details are available in the 2018 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2018/10/Corporate-Governance-Report.pdf>

Wolfgang Werlé retired from the Board without seeking re-election at the 2017 AGM. His biographical details are available in the 2017 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2017/10/Corporate-Governance-1.pdf>

Owen Killian retired from the Board in March 2017. His biographical details are available in the 2017 Corporate Governance Report: [Report: https://www.aryzta.com/wp-content/uploads/2016/10/Corporate-Governance-Report.pdf](https://www.aryzta.com/wp-content/uploads/2016/10/Corporate-Governance-Report.pdf)

Denis Lucey and Shaun B. Higgins retired from the Board without seeking re-election at the 2016 AGM. Their biographical details are available in the 2016 Corporate Governance Report: <https://www.aryzta.com/wp-content/uploads/2016/10/Corporate-Governance-Report.pdf>

## Corporate Governance Report (continued)

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### 3.2 Other activities and functions

None of the non-executive members of the Board has fulfilled any operational management functions for companies of the ARYZTA Group in the three years immediately preceding the period. Related-party transactions with any members of the Board or Executive Management did not exceed €100,000 in aggregate during the years ended 31 July 2021 and 1 August 2020.

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### 3.3 Number of activities permitted outside the Group

Pursuant to Article 25 of the Articles of Association, the members of the Board currently may hold no more than the following number of additional mandates in the supreme executive bodies of companies and organisations outside of the Company:

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

For further details, refer to Article 25 of the Articles of Association, which is available on the ARYZTA website at [www.aryzta.com/about-aryzta/corporate-governance](http://www.aryzta.com/about-aryzta/corporate-governance).

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### 3.4 Elections and terms of office

The General Meeting has the competence to appoint and remove the members of the Board. All directors are subject to individual annual election by the General Meeting.

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### 3.5 Internal organizational structure

#### 3.5.1 Allocation of tasks within the Board of Directors

The Board has adopted Organizational Regulations that define the essential roles and responsibilities of the Board, the Chair, the Committees of the Board and the Executive Management. By virtue of Swiss law, the office of Chair and the members of the Remuneration Committee are subject to annual election by the General Meeting. The Chair of the Remuneration Committee and membership of the Audit Committee, the Governance and Nomination Committee and the respective Chairs thereof, are determined annually by the Board, following the Annual General Meeting, in accordance with the Organizational Regulations, which are available on the ARYZTA website at [www.aryzta.com/about-aryzta/corporate-governance](http://www.aryzta.com/about-aryzta/corporate-governance).

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#### 3.5.2 Tasks and areas of responsibility for each Committee of the Board of Directors

ARYZTA has an Audit Committee, a Governance and Nomination Committee, a Remuneration Committee and a Strategy Committee which was dissolved in December 2020. The powers and responsibilities of each Committee are set out in their respective Terms of Reference, as approved by the Board and which are available on the ARYZTA website at [www.aryzta.com/about-aryzta/corporate-governance](http://www.aryzta.com/about-aryzta/corporate-governance).



## Corporate Governance Report (continued)

As of 1 August 2020, these Board Committees were comprised as follows:

	Governance and Nomination Committee	Audit Committee	Remuneration Committee
Gary McGann (Chair)	X		X
Mike Andres			X
Luisa Delgado		X	
Greg Flack		X	
Dan Flinter	X <sup>1</sup>		X
Annette Flynn		X <sup>1</sup>	
Tim Lodge		X	
Rolf Watter	X		X <sup>1</sup>
Jim Leighton	X		
Alejandro Legarda Zaragüeta	X		

As of 16 September 2020, the Board Committees were comprised as follows:

	Governance and Nomination Committee	Audit Committee	Remuneration Committee	Strategy Committee
Urs Jordi (Chair)	X			X
Mike Andres				
Armin Bieri			X	X <sup>1</sup>
Luisa Delgado		X		X
Greg Flack		X		
Heiner Kamps			X <sup>1</sup>	X
Tim Lodge		X <sup>1</sup>		
Jim Leighton	X			
Alejandro Legarda Zaragüeta	X <sup>1</sup>			X

As of 15 December 2020, the Board Committees were comprised as follows:

	Governance and Nomination Committee	Audit Committee	Remuneration Committee
Urs Jordi (Chair)			
Heiner Kamps			X
Luisa Delgado	X <sup>1</sup>	X	
Gordon Hardie		X	X
Jörg Riboni		X <sup>1</sup>	
Hélène Weber-Dubi	X	X	X <sup>1</sup>
Alejandro Legarda Zaragüeta	X		

X denotes that the Board Member is on the applicable Committee.

1 denotes the Board Member who chairs the applicable Committee.

### Audit Committee

From 1 August 2020 until the EGM on September 2020, the Audit Committee was comprised of four non-executive directors, namely Annette Flynn (Chair), Greg Flack, Tim Lodge and Luisa Delgado. At the 2020 AGM, Annette Flynn resigned from the Board. From the EGM on 16 September 2020, the Audit Committee was comprised of three non-executive Directors, namely Tim Lodge (Chair), Luisa Delgado and Greg Flack. From the date of the AGM on 15 December 2021, the Audit Committee was comprised of three

## Corporate Governance Report (continued)

newly non-executive Directors, namely Jörg Riboni (Chair), Gordon Hardie and H el ene Weber-Dubi as well as Luisa Delgado. Each of these directors is considered by the Board to be independent in judgment and character. In the financial year ending on 31 July 2021, the Audit Committee met 10 times and the average duration of the meetings was approximately three hours.

The Audit Committee's role includes reviewing the Group consolidated financial statements and Company financial statements, the interim and full-year results and the significant financial reporting judgements contained therein. The Audit Committee reports its recommendations to the Board and any decision is made by the entire Board. The Audit Committee also reviews the Group's internal controls, and the scope and effectiveness of the Group's Internal Audit function. The Head of Internal Audit has access to the Audit Committee at all times and he, as well as the Group CFO, attend meetings of the Audit Committee by invitation. The Head of Internal Audit meets regularly with the Chair of the Audit Committee for interim updates and he participated in all Audit Committee meetings during the 2021 financial period and has regular meetings with the Group.

In the financial period 2021 the Audit Committee, operating under its Terms of Reference, discharged its responsibilities by reviewing:

- the draft financial statements and interim results statement prior to Board approval and reviewing the external auditor's reports thereon;
- the appropriateness of the Group's accounting policies;
- the audit and non-audit fees payable to the external auditor;
- the external auditor's plan for the audit of the Group's accounts, which included key areas of extended scope work, key risks to the accounts, confirmations of the external auditor independence and the proposed audit fee, and approving the terms of engagement for the audit;
- the tender process and appointment of the external auditor;
- the Group's financial controls and risk systems;
- the Internal Audit function's terms of reference, resources and work programme and reports on its work during the year;
- the arrangements by which, and the effectiveness of how, members of staff may, in confidence, raise matters of concern, including potential fraud; and
- the quality of underlying earnings reported by ARYZTA.

### Remuneration Committee

From 1 August 2020 to the EGM, the Remuneration Committee was comprised of four non-executive Directors, namely Rolf Watter (Chair), Mike Andres, Dan Flinter and Gary McGann. With effect from the conclusion of the EGM until the AGM on 15 December, the Remuneration Committee was comprised of three non-executive Directors, namely Heiner Kamps (Chair), Mike Andres, and Armin Bieri.

Following the resignation from the Board of Armin Bieri and the election of new non-executive directors at the AGM, the Remuneration Committee was comprised of three non-executive Directors, namely H el ene Weber-Dubi (Chair), Gordon Hardie and Heiner Kamps. Each of these directors is considered by the Board to be independent in judgment and character. In the 2021 financial period, the Remuneration Committee met nine times and the average duration of the meetings was approximately two hours.

The Remuneration Committee is responsible for determining all elements of the remuneration of the members of the Board and the Group CEO, and for approving the

## Corporate Governance Report (continued)

remuneration of other members of the Executive Management, upon the recommendation of the Group CEO. The Remuneration Committee also reviews and makes recommendations to the Board on an annual basis regarding the proposed total remuneration of the Board and the Executive Management for future financial periods for approval at the Annual General Meeting of shareholders. The Group's remuneration policy for executive and non-executive directors and details of directors' remuneration are contained in the Compensation Report on pages 56 to 72 of this Annual Report, in accordance with the Swiss Code of Obligations ('CO') and the SIX Directive on Information relating to Corporate Governance.

### Governance and Nomination Committee

From 1 August 2020 to the EGM, the Governance and Nomination Committee was comprised of four non-executive directors, namely Dan Flinter (Chair), Jim Leighton, Gary McGann and Rolf Watter. Following the resignations of Dan Flinter, Gary McGann and Rolf Watter from the Board with effect from the conclusion of the EGM and until the AGM, the Governance and Nomination Committee was comprised of three non-executive directors, namely Alejandro Legarda Zaragüeta (Chair), Jim Leighton and Urs Jordi. From the AGM on 15 December 2020 the committee comprised of three non-executive directors, Luisa Delgado (Chair), Hélène Weber-Dubi and Alejandro Legarda Zaragüeta. Each of these directors is considered by the Board to be independent in judgement and character. In the 2020 financial period, the Governance and Nomination Committee met 15 times and the average duration of the meetings was approximately two hours. The Board as a whole also discussed matters relating to the Governance and Nomination Committee on a number of occasions in the 2021 financial period in relation to the election of new directors to the Board.

The Governance and Nomination Committee is responsible for identifying and nominating, for approval by the Board and ultimately the shareholders, candidates to fill Board vacancies and for the continuous review of senior management succession plans. In addition, the Governance and Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board and making appropriate recommendations to the Board in order to ensure an adequate size and a well-balanced composition of the Board. The Governance and Nomination Committee is also responsible for making determinations regarding the independence of members of the Board. The Governance and Nomination Committee (together with other directors) engaged in a number of interviews over the course of financial period 2020 to identify and recommend for approval to the full Board, Jörg Riboni, Gordon Hardie and Hélène Weber-Dubi for election by shareholders at the 2020 AGM as part of the Board renewal programme.

The Governance and Nomination Committee is charged with monitoring the Company's compliance with corporate governance best practices and with applicable legal, regulatory and listing requirements and recommending to the Board such changes or actions as it deems necessary. The Chair of the Governance and Nomination Committee is responsible for reviewing the performance and effectiveness of the Chair in consultation with each member of the Board, and of the full Board. In the financial period 2021, the Governance and Nomination Committee worked collaboratively with the Remuneration Committee on matters which were of common interest and relevance.

### Strategy Committee

Post the EGM, the Board formed a new Committee which focused on the plan to change ARYZTA. The Strategy Committee comprised Armin Bieri (Chair), Luisa Delgado, Urs Jordi, Heiner Kamps and Alejandro Legarda Zaragüeta. The committee met four times to review the Group strategic plans. On 18 December 2020, the Board announced its strategic plan to focus on Europe and APAC markets and to dispose of ARYZTA's businesses in both North America and Latin America. The Committee was thereafter dissolved.

## Corporate Governance Report (continued)

### Ad hoc Committee

In addition, in the financial period 2021 the Board from time to time delegated authority to an ad hoc committee comprising chiefly, Urs Jordi, Luisa Delgado, Jörg Riboni and Gordon Hardie to prepare announcements to be made on behalf of the Company to comply with the Company's disclosure and other obligations under the EU Market Abuse Regime and certain Swiss securities laws, including the Swiss Financial Market Infrastructure Act and the Listing Rules of the SIX Stock Exchange.

### 3.5.3 Work methods of the Board and its Committees

A total of 34 Board meetings and update calls were held during the 2021 financial period. These included meetings held in person and, as a result of travel and social distancing restrictions imposed by COVID-19 related regulations, by conference and video call. Board and Committee meetings were attended by members of the senior management team on the invitation of the Board when the Board discussed matters in relation to their respective responsibilities. External subject matter experts were invited to attend Board and Committee meetings when appropriate. Furthermore, both the external auditor and the Head of ARYZTA Internal Audit participated in the Audit Committee meetings. The increased volume of Board meetings and update calls held during the 2021 financial period was directly related to (i) the conditional offer from Elliott Advisors (UK) to acquire all publicly held shares in ARYZTA; (ii) the new multi-local strategy review initiated by the Board in December 2020; (iii) the disposal of the North American business completed in May 2021 and (iv) the continued significant impact of COVID-19 on the business. The average duration of the Board meetings (i) held in person was approximately six hours, and (ii) held by conference or video call was approximately three hours. At the Board meetings, the Chairs of the Committees reported to the Board on their activities and recommendations to the Board. Details of the remit of the Committees are set out in section 3.5.2. The attendance rates for the Board and Committee meetings held during the 2021 financial period are set out below and on page 45:

#### Board of Directors<sup>1</sup>

	Eligible to attend	Attended
Urs Jordi (Chair)	30	30
Heiner Kamps	30	30
Jörg Riboni	11	11
Gordon Hardie	11	11
Hélène Weber-Dubi	11	11
Luisa Delgado	34	33
Alejandro Legarda Zaragüeta	34	33
Armin Bieri	10	10
Gary McGann	3	3
Mike Andres	23	23
Greg Flack	23	23
Dan Flinter	3	3
Annette Flynn	3	3
Jim Leighton	23	23
Tim Lodge	23	23
Kevin Toland	3	3
Rolf Watter	3	3

1. There were 34 Board meetings

## Corporate Governance Report (continued)

### Audit Committee<sup>2</sup>

	Eligible to attend	Attended
Jörg Riboni (Chair)	4	4
Luisa Delgado	10	10
Gordon Hardie	4	4
Hélène Weber-Dubi	4	4
Tim Lodge	6	6

2. There were 10 Audit Committee meetings

### Governance and Nomination Committee<sup>3</sup>

	Eligible to attend	Attended
Luisa Delgado (Chair)	9	9
Hélène Weber-Dubi	9	9
Alejandro Legarda Zaragüeta	15	15
Jim Leighton	6	6
Urs Jordi	6	6

3. There were 15 Governance and Nomination Committee meetings

### Remuneration Committee<sup>4</sup>

	Eligible to attend	Attended
Hélène Weber-Dubi (Chair)	4	4
Heiner Kamps	9	9
Gordon Hardie	4	4
Armin Bieri	5	5

4. There were 9 Remuneration Committee meetings

### Strategy Committee<sup>5</sup>

	Eligible to attend	Attended
Armin Bieri (Chair)	4	4
Luisa Delgado	4	4
Heiner Kamps	4	4
Urs Jordi	4	4
Alejandro Legarda Zaragüeta	4	4

5. There were 4 Strategy Committee Meetings

## 3.6 Definition of areas of responsibility

The Board is the ultimate governing body of ARYZTA AG. It has the power and competencies afforded by Swiss law (art. 716a of the CO) including in particular:

- 1) to approve the strategic objectives, annual budget and capital allocations;
- 2) to appoint and remove executive management; and
- 3) to act as the ultimate supervisory authority.

The following matters fall within the exclusive competency of the Board of Directors:

- To ultimately direct the Company and issue necessary directives;
- To determine the organisation of the Company;
- To organise the accounting, the internal control system, the financial control and the financial planning system, as well as perform a risk assessment;
- To appoint and remove the persons entrusted with the management and the representation of the Company and to grant signatory power;

## Corporate Governance Report (continued)

- To ultimately supervise the persons entrusted with the management, in particular with respect to compliance with the law and with the Articles of Association, regulations and directives;
- To prepare the business report, as well as to convene the General Meeting and to implement its resolutions;
- To inform the judge in the event of over-indebtedness;
- To pass resolutions regarding the subsequent payment of capital with respect to non-fully paid-up shares;
- To pass resolutions confirming increases in share capital and the amendments to the Articles of Association entailed thereby;
- To examine compliance with the legal requirements regarding the appointment, election and the professional qualifications of the external auditors; and
- To execute the agreements pursuant to art. 12, 36 and 70 of Swiss merger law.

The Board has delegated responsibility for the day-to-day management of the Group, through the Group CEO, to Executive Management, to the extent allowed by Swiss law.

### 3.7 Information and control instruments pertaining to Group Executive Management

The Executive Management reports in a structured manner to the Board through the Group CEO and Group CFO. In particular, at each Board meeting, the Group CEO informs the Board of the status of current business operations, significant developments and major business transactions and the Group CFO reports on financial performance across the Group and on key financial figures and parameters. In addition, other executives within the Group deliver presentations directly to the Board as and when appropriate.

As detailed in the Group Risk Statement, on pages 75 to 76, the Group has formal risk assessment processes in place through which risks are identified that could prevent the Group from achieving its strategic objectives and associated mitigating controls are evaluated. The Board of Directors is ultimately responsible for risk management with the Audit Committee taking ownership for monitoring the risk assessment process. Group Risk work with business unit, regional and Executive Management to identify and assess the risks faced by the Group and determine appropriate risk mitigation strategies and controls for each. The Group Risk Statement details the principal risks and uncertainties faced by the Group.

The Board approves the formal Risk Assessment, as well as the design, implementation and maintenance of the Internal Control System on an annual basis. The Internal Control System risk control matrices details the required controls across a range of defined financial, operational and IT processes to minimize and/or mitigate risk in each of these areas. The risk control matrices are updated annually or as material business/process changes necessitate. All business units and Group functions are required to maintain completed risk control matrices and associated documentation to evidence controls operating effectively. Internal Control System and associated documentation are subject to review by both Internal and External Audit with results presented to the Audit Committee.

The ARYZTA Internal Audit function reports directly to the Audit Committee and to the Group CFO. Internal Audit may audit all Group activities and meets with the Group CEO and also with the other members of the Executive Management team at least twice annually. Internal Audit discusses audit plans with the Audit Committee on at least an annual basis, but may discuss them more frequently should circumstances require. The external auditors Ernst & Young AG,

## Corporate Governance Report (continued)

Zurich (the external auditors of the ARYZTA Group consolidated financial statements and the company financial statements of ARYZTA AG), conduct their audits in compliance with the auditing standards referenced in their respective opinions. Ernst & Young AG were appointed as external auditors by the shareholders of the Company at the 2019 AGM.

### 4.1 Group Executive Management

As of August 1, 2020, Executive Management comprised as follows: Kevin Toland (Group CEO); Frederic Pflanz (Group CFO); Gregory Sklikas (CEO Europe); Tyson Yu (CEO North America); Claudio Gecker (COO Latin America); Chris Plüss (COO APMEA); John Heffernan (President and Chief Commercial Officer North America); Tony Murphy (Chief People Officer); and Rhona Shakespeare (nee O'Brien) (General Counsel and Company Secretary).

On 19 November 2020, ARYZTA announced that Kevin Toland ceased his role as CEO effective immediately. The Board appointed Urs Jordi (Chair), as Interim Group CEO.

The Board also appointed Jonathan Solesbury as interim CFO due to the previously announced departure of Frederic Pflanz on 30 November 2020. Jonathan Solesbury has extensive senior international finance experience, latest as Group CFO of C&C Group plc, and before as Director of Group Finance of SABMiller plc and previously as CFO for the Latin American and the Asian regions. Jonathan had recently retired from C&C Group plc, but agreed to support and advise ARYZTA pending the appointment of a permanent Chief Financial Officer, following the resignation of Frederic Pflanz.

On 1 December 2020, ARYZTA announced plans to restructure its business model into a multi-local, lean and agile structure. As part of these restructuring plans, ARYZTA announced that two members of the Executive Committee, Tony Murphy, Chief People Officer and John Heffernan, President and Chief Commercial Officer, ARYZTA North America, ceased their roles with immediate effect.

On 9 December 2020, ARYZTA announced that Gregory Sklikas, CEO Europe and a member of the Executive Committee, ceased his role with immediate effect. On 13 January 2021 the Company announced the appointment of Chris Plüss as Managing Director ARYZTA Germany commencing 1 March 2021.

On 4 May 2021, ARYZTA announced the completion of the disposal of its ARYZTA North American business. Tyson Yu remained as part of the disposed business and ceased his role with ARYZTA AG.

On 1 June 2021, the Board announced the appointment of Martin Huber as Group CFO, effective 1 August 2021. This appointment followed a rigorous process led by the Governance and Nomination Committee and advised by an international recruitment firm, to select and recruit a world-class CFO with the necessary blend of skills and expertise.

At the conclusion on FY 2021, in line with the new multi-local strategy focused on Europe and Asia Pacific region, Chris Plüss and Claudio Gecker both stepped down from the Executive Committee.

Full biographical details of former members of the Executive Committee (Kevin Toland, Frederic Pflanz, John Heffernan, Tony Murphy, Gregory Sklikas, Chris Plüss, Claudio Gecker

## Corporate Governance Report (continued)

and Tyson Yu) are set out in the 2020 ARYZTA Corporate Governance Report available on the ARYZTA website at:

<https://www.aryzta.com/wp-content/uploads/2020/10/Corporate-Governance-Report.pdf>.

As of 1 August 2021, Executive Management comprised as follows: Urs Jordi (Interim Group CEO); Martin Huber (Group CFO); and Rhona Shakespeare (General Counsel and Company Secretary).



**Urs Jordi** (1965, Swiss)

**Interim Chief Executive Officer**

*Business economist, NKS (Aarau, Baden)*

Urs Jordi has more than 25 years of experience in various national and international food companies at management and board level. He held various management positions within the Hiestand and ARYZTA Group, most recently as CEO of the listed Hiestand Holding AG (from 2008 within ARYZTA AG), and from 2010 to 2013 as CEO ARYZTA Food Europe & Asia Pacific. Since 2014, Urs Jordi has been involved in various own investments. For this purpose, he serves on the boards of Schweizer Zucker AG and Unipektin Ingredients AG. Urs Jordi is a trained baker and confectioner. Urs became a member and Chair of the ARYZTA Board in September 2020.



**Martin Huber** (1970, Swiss)

**Group Chief Financial Officer**

*Lic. Oec HSG in Business Administration, Finance and Accounting from University of St. Gallen*

Martin Huber joins ARYZTA with a wealth of finance and controlling expertise and a strong track record in driving value creation in both turn around and growth business situations. Martin is a highly experienced multinational executive having lived and worked in Switzerland, Germany, Venezuela, Colombia, Mexico, and Brazil. Over the last 20 years at Nestlé, he has held senior finance and controlling positions as market CFO, Head of Group Control at Nestlé S.A. and since 2018, as the CFO for the globally managed business of Nespresso.



**Rhona Shakespeare (nee O'Brien)** (1974, Irish)

**General Counsel and Company Secretary**

*Solicitor, Law Society of Ireland; Law (LLB Hons), Trinity College Dublin; Masters (LLM Hons) in Commercial Law from University College Dublin; Diploma in Notarial Law & Practice (Dip. Not.) (F.N.P.I.), Faculty of Notaries Public in Ireland*

Rhona has served as a senior legal and regulatory advisor with over 20 years of legal and governance experience. Rhona joined ARYZTA on 11 September 2018 from DCC Vital Ltd (part of the DCC plc business) where she held the role of Senior Counsel, Legal & Compliance. Prior to joining DCC Vital, Rhona was Senior Director of Legal and Risk Management at Parexel International (IRL) Limited. Rhona was General Counsel and a member of the Executive Senior Management Team from 2013 to 2016 and Director of Regulation, Public Policy, Compliance and Equivalence from 2014 to 2016 at eir (formerly eircom). Rhona trained with Arthur Cox and is a qualified solicitor admitted in Ireland by the Law Society of Ireland and in England and Wales by the Law Society of England and Wales. Rhona is also a voluntary unpaid non-Executive Director on Dublin City Council Culture Connects Company Ltd.



## Corporate Governance Report (continued)

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### 4.2 Other activities and functions

Except for the above-mentioned assignments, members of Group Executive Management are currently not involved in other management or supervisory bodies. They are not active in managing or consulting functions with interest groups, nor do they hold public or political office. No member of the Group Executive Management holds management contracts for any company outside the ARYZTA Group.

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### 4.3 Number of activities permitted outside the Group

Pursuant to Article 25 of the Articles of Association, the members of the Executive Management, subject to the approval by the Chair of the Board, may currently hold no more than the following number of additional mandates in the supreme executive bodies of companies and organisations outside of the Company:

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

For further details, refer to Article 25 of the Articles of Association, which is available on the ARYZTA website at [www.aryzta.com/about-aryzta/corporate-governance](http://www.aryzta.com/about-aryzta/corporate-governance).

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### 4.4 Management contracts

There are no management contracts with third parties at ARYZTA Group.

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## 5 Compensation, shareholdings and loans

Please refer to the Compensation Report on pages 56 to 72 for disclosures pertaining to compensation, as well as the content and method of determining the compensation and share-ownership programmes. Also, see Articles 20 and 21 of the Articles of Association (available on the ARYZTA website <http://www.aryzta.com/about-aryzta/corporate-governance>), which govern the responsibilities of the Remuneration Committee and Group Remuneration principles.

### Non-executive Directors' and Executive Management's share interests

As at 31 July 2021 and 1 August 2020, the Directors and Company Secretary had no interests, other than those shown below, in the ordinary shares in, or loan stock of, the Company or other Group undertakings.

## Corporate Governance Report (continued)

Beneficial interests at 31 July 2021 and 1 August 2020 were as follows:

Shares in ARYZTA at CHF 0.02 each	No. of ordinary shares 2021	No. of restricted shares (issued FY2020) 2021	No. of restricted shares (issued FY2021) 2021	Total 2021	Total 2020
<b>Directors</b>					
<b>Current directors</b>					
Urs Jordi <sup>1</sup>	107,000	–	159,526	<b>266,526</b>	–
Luisa Delgado <sup>2</sup>	–	38,281	72,700	<b>110,981</b>	38,281
Gordon Hardie <sup>3</sup>	–	–	51,364	<b>51,364</b>	–
Heiner Kamps	15,692,707	–	47,413	<b>15,740,120</b>	–
Jörg Riboni <sup>3</sup>	750,000	–	55,809	<b>805,809</b>	–
Hélène Weber-Dubi <sup>3</sup>	–	–	59,267	<b>59,267</b>	–
Alejandro Legarda Zaragüeta <sup>4</sup>	132,000	38,281	47,413	<b>217,694</b>	170,281
<b>Former directors</b>					
Gary McGann <sup>5</sup>	–	–	–	–	406,929
Mike Andres <sup>6</sup>	–	–	–	–	84,274
Greg Flack <sup>6</sup>	–	–	–	–	84,274
Dan Flinter <sup>5</sup>	–	–	–	–	98,398
Annette Flynn <sup>5</sup>	–	–	–	–	93,680
Jim Leighton <sup>6, 8</sup>	–	–	–	–	84,274
Tim Lodge <sup>6</sup>	–	–	–	–	72,885
Rolf Watter <sup>5</sup>	–	–	–	–	613,540
Andrew Morgan <sup>7</sup>	–	–	–	–	34,604
Armin Bieri <sup>9</sup>	–	–	–	–	–
<b>Executive Management</b>					
<b>Current executives</b>					
Claudio Gekker	–	–	–	–	–
Rhona Shakespeare (nee O'Brien)	–	–	–	–	–
Chris Plüss	176,000	–	–	<b>176,000</b>	76,863
<b>Former executives</b>					
Kevin Toland	–	–	–	–	572,240
John Heffernan	–	–	–	–	14,014
Anthony Murphy	–	–	–	–	–
Frederic Pflanz	–	–	–	–	100,000
Gregory Sklikas	–	–	–	–	–
Tyson Yu	–	–	–	–	–
Robert O'Boyle	–	–	–	–	111,397
<b>Total</b>	<b>16,857,707</b>	<b>76,562</b>	<b>493,492</b>	<b>17,427,761</b>	<b>2,655,934</b>

1 U. Jordi became a member and Chair of the ARYZTA Board on 16 September 2020 and was appointed by the ARYZTA Board as interim CEO on 19 November 2020.

2 L. Delgado became a member of the Board on 14 November 2019 (2019 AGM) and was appointed Senior Independent Director in November 2020.

3 G. Hardie, J. Riboni and H. Weber-Dubi were elected to the Board effective 15 December 2020 (2020 AGM).

4 A. Legarda Zaragüeta was elected to the Board effective 14 November 2019 (2019 AGM).

5 G. McGann, D. Flinter, A. Flynn and R. Watter retired from the Board with effect from the conclusion of the EGM on 16 September 2020.

6 M. Andres, G. Flack, J. Leighton and T. Lodge retired without seeking re-election at the ARYZTA 2020 AGM on 15 December 2020.

7 A. Morgan retired without seeking re-election on 14 November 2019 (2019 AGM).

8 The Beneficial holding of J. Leighton includes 40,011 of Restricted Stock Units.

9 A. Bieri stepped down from the Board 6 November 2020.

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## Corporate Governance Report (continued)

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No loans or advances were made by the ARYZTA Group to members of the Board or to the Executive Management during the financial year, or were outstanding at 31 July 2021 (2020: Nil).

Further details regarding the benefits under the ARYZTA LTIP are set out in the Compensation Report on pages 66 to 68 of this Annual Report.

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### 6 Shareholders' participation

#### 6.1 Voting rights

Each ARYZTA share registered as a share conferring a voting right entitles the holder to one vote at a General Meeting. Only holders who are registered as shareholders with voting rights are entitled to exercise voting rights or the rights associated with them. The consent of the Company is required for registration in the share register as a shareholder with voting rights and such consent may be declined in the circumstances specified in Article 7 c), d) and e) of the Articles of Association (available on the ARYZTA website [www.aryzta.com/about-aryzta/corporate-governance](http://www.aryzta.com/about-aryzta/corporate-governance)) as described in more detail in section 2.6.3 above.

Under Article 7 f) of the Articles of Association, the Company may approve exceptions to these restrictions in exceptional cases.

Proxies are entitled to attend General Meetings and exercise all rights of the represented shareholders at such meetings. Provisions regarding the appointment of proxies and the issuing of instructions to the independent proxy are contained in Article 13 of the Articles of Association. Available on the ARYZTA website <https://www.aryzta.com/about-aryzta/corporate-governance/>.

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#### 6.2 Statutory quorums

Pursuant to Article 15 of the Articles of Association, <https://www.aryzta.com/about-aryzta/corporate-governance/>, resolutions at the General Meeting calling for a quorum of at least two-thirds of the votes represented are required for:

- The cases listed in art. 704 para. 1 CO and in art. 18 and 64 Merger Act;
  - The easement or abolition of the restriction of the transferability of registered shares;
  - The conversion of bearer shares into registered shares; and
  - Any change to the provisions of article 15 of the Articles of Association.
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#### 6.3 Convocation of General Meeting of the shareholders

General Meetings are convened by the Board and, if need be, by the Auditors. In addition, the Board must convene a General Meeting within two months if shareholders who jointly represent at least 10% of the share capital of the Company request in writing that a meeting be called and give details of the items to be discussed and the motions. Notice of the General Meeting is given by publication in the Swiss Official Gazette of Commerce and on the Group's homepage ([www.aryzta.com](http://www.aryzta.com)) at least 20 days before the date of the meeting. The notice must state, inter alia, the day, time and place of the Meeting and the agenda.

## Corporate Governance Report (continued)

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### 6.4 Agenda

The Board compiles the agenda for the General Meetings. One or more registered shareholders with voting rights who jointly represent at least 3% of the share capital of the Company registered in the Commercial Register may request items to be included in the agenda. Such requests must be in writing, specifying the items and the proposals, and be submitted to the Chair at least 45 days before the date of the General Meeting.

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### 6.5 Entry in the share register

The relevant date to determine the shareholders' right to participate in the General Meeting, on the basis of the registrations appearing in the share register, is set by the Board in the invitation to the General Meeting.

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## 7 Change of control and defence measures

### 7.1 Obligation to make an offer

ARYZTA does not have a provision on opting out or opting up in its Articles of Association. Thus, the provisions regarding the legally prescribed threshold of 33 1/3% of the voting rights for making a public takeover offer set out in Article 135 of the FMIA are applicable.

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### 7.2 Change of control clauses

Benefits under the ARYZTA LTIP vest upon a change of control unless the Board resolves otherwise. If the time at which a change of control has occurred cannot be ascertained precisely, the Board shall determine the time at which the change of control shall be deemed to have occurred. Otherwise, the agreements and plans benefiting the members of the Board or of the Executive Management team are unaffected by a change of control. Further details regarding the benefits under the ARYZTA LTIP are set out in the Compensation Report on pages 66 to 68 of this Annual Report.

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## 8 Auditors

### 8.1 Duration of the mandate and term of office of the lead auditor

Following the conclusion of a formal tender process in 2019 overseen by the Audit Committee, and on recommendation by the Board, Ernst & Young AG, Zurich, was elected by shareholders at the 2019 AGM as the external statutory auditor and Group auditor for the 2020 financial year. Martin Gröli was the lead auditor for the 2020 financial period. The lead auditor is required to rotate every seven years in accordance with Swiss law. The decision of the Board to recommend a change of external statutory auditor for the 2020 financial period was made following a comprehensive external tender process and in light of European corporate governance best practice recommending that a change of external audit firm occur at least every ten years. While the restrictions on engaging external statutory auditors for a period in excess of ten years under EU Regulation 537/2014, which apply to EU-incorporated public interest entities, do not directly apply to ARYZTA as a Swiss-incorporated company, the Board determined that it was appropriate to adopt this approach on a voluntary basis given the Company's secondary listing on Euronext Dublin and emerging corporate governance best practice in this area. The secondary listing on Euronext Dublin was subsequently cancelled on 1 March 2021.

## Corporate Governance Report (continued)

Prior to the 2020 financial period, PricewaterhouseCoopers AG, Zurich was elected as statutory auditor and Group auditor beginning in December 2009 and had been elected for a term of one year each year thereafter until the commencement of the 2020 financial period. Sandra Boehm Uglow was the lead auditor for the financial periods 2019, 2018 and 2017. Patrick Balkanyi was lead auditor from PricewaterhouseCoopers AG's appointment from 2009 to 2016.

### 8.2 Audit fees

The total audit and audit-related fees charged by the Group auditors in financial period 2021 amounted to €2.6m (2020: €2.5m).

### 8.3 Additional fees

The Group's policy is to manage its relationship with the external auditor to ensure their independence is maintained. In order to achieve this, the Board has determined limits on the type and scale of non-audit work that can be provided by the external auditor.

Contracts with the external auditor for other non-audit work are deemed to be pre-approved by the Audit Committee, up to an aggregate limit of 75% of the audit fee on average over a three year period. This is subject to the requirement that all contracts for specific pieces of non-audit work with fees exceeding €250,000 be awarded on the basis of competitive tendering. Where the awarding of a contract for non-audit work to the external auditor is to be made that is likely to increase total fees for non-audit work above this aggregate limit, the Group CFO consults the Chair of the Audit Committee in advance of such a contract being awarded. Fees for additional services rendered by the external auditors to the ARYZTA Group in financial period 2021 totalled €0.2m (2020: €0.1m).

#### Auditor's remuneration

	FY 2021 €m	FY 2020 €m
– Auditor's remuneration for audit and audit-related services	2.6	2.5
– Auditor's remuneration for tax compliance and related services	0.2	0.1
– Auditor's remuneration for tax consulting services	-	-
– Auditor's remuneration for advisory services	-	-
	<b>2.8</b>	<b>2.6</b>
– Total other fees / Audit and audit-related services	9%	4%
– Tax consulting or advisory services / Audit and audit-related services	0%	0%

### 8.4 Information pertaining to the external audit

EY AG has presented to the Audit Committee a detailed report on the results of the 2021 Group consolidated and Company financial statement audits, the findings on significant financial accounting and reporting issues, as well as the findings on the Group's internal control system ('ICS'). In the financial period 2021, both EY AG and the Group Head of Internal Audit participated in all regularly scheduled Audit Committee meetings. The Group CFO attended and participated in all Audit Committee meetings during their respective appointments. Other members of the Group Executive Management attended

## Corporate Governance Report (continued)

the meetings as invited. During the period, the Audit Committee and the Chair of the Audit Committee met with EY AG without management present and vice versa. On an annual basis, the Board reviews the selection of the external auditors, in order to propose their appointment to the Annual General Meeting of ARYZTA. The Audit Committee assesses the effectiveness of the work of the auditors in accordance with Swiss law. The lead auditor rotates every seven years in accordance with Swiss law. During meetings of the Audit Committee, audit and non-audit-related fees to be charged by EY AG during the period, are reviewed to mitigate the risk of any potential impairment to EY AG's independence. EY AG monitors its independence throughout the period and confirms its independence to the Audit Committee annually.

### 9 Investor Communications Policy

#### Guiding principles

ARYZTA is committed to pursuing an open and consistent communication policy with shareholders, potential investors and other interested parties. ARYZTA gives equal treatment to all its shareholders. Any price-sensitive information is published in a timely fashion and the information is provided in a format that is as complete, simple, transparent and consistent as possible. All announcements, reports and webcasts are available on the ARYZTA website: <https://www.aryzta.com/investor-centre/announcements-and-presentations/>. An automatic alerting service is also provided through the website.

ARYZTA's Investor Relations programme for institutional investors is carried out in line with the quarterly announcement cycle. These investor communications focus either on recently announced financial results, recent corporate activity or the longer-term strategy of the Group. They do not serve the purpose of disclosing new information that might encourage an investment decision. During open periods, ARYZTA holds ad hoc dialogue with individual shareholders and the Chair meets with major investors as requested.

#### Investor relations contact details

##### Paul Meade

Head of Communications

##### ARYZTA AG

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#### Quarterly announcement cycle

Announcement	News Release	Report	Conference Call	Webcast
First-quarter revenue update	x			
Half-Year results	x	x	x	x
Third-quarter revenue update	x			
Full-year results	x	x	x	x
Annual Report	x	x		

## Corporate Governance Report (continued)

### Key dates to October 2022

Annual General Meeting 2021	17 November 2021
First-quarter revenue update	29 November 2021
Announcement of half-year results 2022	14 March 2022
Third-quarter trading update	30 May 2022
Full-year results & 2022 Annual Report	3 October 2022

### 10 Trading Quiet periods

Dealing in securities of ARYZTA AG is regulated by the laws of Switzerland, including in particular the provisions of the FMIA and The Listing Rules of the SIX Stock Exchange. In line with best practice, ARYZTA prohibits dealings in Securities of the Company by Company directors, senior executives and persons connected during periods when they may be in possession of non-public, price sensitive information.

For the upcoming fiscal year, trading quiet period dates are:

- The period from 31 October 2021 up to the release of ARYZTA's Q1 2022 Revenue Update or 30 calendar days prior to the release of the Q1 Revenue Update (if greater).
- The period from 31 January 2022 up to the release of ARYZTA's 2022 Half Year Results for that financial year or 30 calendar days prior to the release of the Half Year Results (if greater).
- The period from 30 April 2022 up to the release of ARYZTA's Q3 Revenue Update (or 30 calendar days prior to the release of the Q3 Trading Update (if greater)).
- The period from 31 July 2022 up to the release of ARYZTA's 2022 Annual Results for the prior financial year (or 30 calendar days prior to the release of the FY 2022 Annual Results (if greater)).