

# ORGANI- ZATIONAL REGULATIONS OF THE VAT GROUP LTD

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# 1. Basis and Scope of Application

## 1.1. Basis

Based on Art. 716 of the Swiss Code of Obligations (CO), Art. 716b CO, Art. 732 et seq. CO and Art. 16 of the Articles of Association, the Board of Directors of the VAT Group Ltd (“Company”) adopts the following organizational regulations (“Organizational Regulations”).

## 1.2. Scope of Application

The Organizational Regulations describe in summarized form the top management structure of the VAT Group with all its associated companies (“Group companies”). Supplementary rules at the level of the subsidiaries are reserved, provided that they do not contradict these Organizational Regulations or are essential for the applicable jurisdiction (foreign companies).

## 1.3. Objective

The Organizational Regulations identify the management committees, describe their tasks and powers in managing the Company and the Group, and regulate the working processes as well as the collaboration between the different governing and executive bodies responsible for the management of the Group.

# 2. Corporate Bodies

The governing and executive bodies of the Company are:

- (a) Board of Directors;
- (b) Chairman of the Board of Directors and Vice-Chairman of the Board of Directors;
- (c) Board Committees;
- (d) Group Executive Committee;
- (e) CEO (Chief Executive Officer);
- (f) COO;
- (g) CFO;
- (h) EVP Semiconductor Solutions Group (EVP SSG)

# 3. Board of Directors

## 3.1. Election and Term of Office

The Board of Directors shall consist of at least three members. The term of office of the members of the Board of Directors and of the Chairman shall correspond to the maximum term of office of one year permitted by law and shall expire at the close of the next ordinary General Meeting. Re-election is permitted provided that the member concerned has not yet reached the age of 72 at the time of election or re-election and has not been a member of the Board of Directors for more than twelve years.

### 3.2. Constitution

The Chairman of the Board of Directors is elected by the Annual General Meeting, and the Vice-Chairman is appointed by the Board of Directors.

The Board of Directors can appoint a secretary who does not need to be a member of the Board of Directors. The Committees may appoint their own secretaries. If the secretary is absent, the Board of Directors appoints a person, who does not have to be a member of the Board of Directors, to keep the minutes for the meeting in question.

### 3.3. Tasks, Powers and Delegation

#### 3.3.1. The Board of Directors of the Company has a dual function in managing the Group

- On the one hand, it is a corporate body as defined by the law. Its obligations and the procedural principles that apply to the Board are set out in the law, the Articles of Association of the Company and the Organizational Regulations.
- And on the other hand, it is the most senior management body of the Group. Its obligations in this regard are set out in the Organizational Regulations. To the extent permitted by law, it has initiative, supervisory and superordinate decision-making functions vis-à-vis the other Group companies.

#### 3.3.2. Basic tasks of the Board of Directors

The Board of Directors has the non-delegable responsibility for the overall management of the company as well as the control and supervision of the Group Executive Committee. It deals with all issues and is authorized to take decisions on all matters that have not been conferred upon another governing body of the Company by law, the Articles of Association or the Organizational Regulations.

It receives regular reports on the performance of the Company and the Group and discusses the reports and proposals submitted to it by the Board Committees and the Group Executive Committee.

#### 3.3.3. Delegation

The Board of Directors delegates the management of the Company and the entire Group to the Group Executive Committee under the management of the CEO. This includes the uniform management of the Company and the Group, unless determined otherwise by the law, the Articles of Association or these Organizational Regulations.

The Board of Directors may also delegate the preparation and execution of its decisions or the supervision of specific tasks to one or more of its members, the Committees, the CEO or the Group Executive Committee. The Board of Directors ensures that its members receive proper reports on these matters.

#### 3.3.4. Tasks and powers in matters relating to the Company

The Board of Directors has the following specific tasks and powers in relation to the Company:

- (a) Supervising the management of the Company, including adopting the strategy, for the Company and the Group and issuing the necessary directives.
- (b) Determining the organizational structure, in particular adopting, supplementing and amending these Organizational Regulations and passing resolutions concerning the opening of new branch offices, the establishment and sale of subsidiaries and the acquisition and sale of investments in other companies.
- (c) Structuring the accounting system, financial control and financial planning, monitoring and assessing the risks and the internal auditors.
- (d) Structuring the risk management and risk assessment system.
- (e) Appointing and dismissing the Group Executive Committee and other persons entrusted with the management of business operations and representation duties as well as assigning their signatory powers.
- (f) Supervising the persons entrusted with the management of business operations, in particular with regard to compliance with the law, the Articles of Association, and all regulations and directives.
- (g) Discussing the reports by the Group Executive Committee and the external auditors.
- (h) Drawing up the Annual Report.
- (i) Drawing up the Report on Non-financial Matters pursuant to Art. 964c CO.

- (j) Preparing the Annual General Meeting and implementing its resolutions.
- (k) Drawing up the Compensation Report pursuant to Art. 13 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO) as proposed by the NCC.
- (l) Passing resolutions about subsequent contributions on shares that have not been fully paid up and the resulting amendments to the Articles of Association.
- (m) Checking the independence of the audit company and the qualifications of the auditors.
- (n) Passing resolutions on share capital changes, provided that this power has been delegated to the Board of Directors, and implementing share capital changes and the resulting amendments to the Articles of Association.
- (o) Passing resolutions on contracts concerning mergers, splits, changes of corporate form and asset transfers pursuant to the Mergers Act and the non-transferable and irrevocable tasks and powers of the Board of Directors pursuant to other laws.
- (p) Submitting a petition for a debt-restructuring moratorium and inform the court in the event of over-indebtedness.
- (q) Passing resolutions concerning the exercise of the right to vote when electing Board members and auditors at the General Annual Meetings of the important subsidiaries.
- (r) Granting and raising loans and credits to finance business activities, incurring liabilities on bills and pledging collateral, provided that these exceed CHF 25 million..
- (s) Buying, encumbering and selling land or property, provided that the value exceeds CHF 2 million.
- (t) Passing resolutions on instigating and discontinuing legal proceedings and concluding settlements, provided that the estimated amount in dispute is more than CHF 0.5 million.
- (u) Determining the total amount payable as remuneration to the members of the Board of Directors and the Group Executive Committee and submitting the compensation report to the Annual General Meeting in accordance with Art. 12 of the Articles of Association.
- (v) Assessing the performance of the Board of Directors and each of its members..

### **3.3.5. Tasks and powers in matters relating to the Group**

With regard to the management of the Group, the Board of Directors of the Company has the following specific powers and duties in addition to the tasks listed in section 3.2.4:

#### **Strategy and Business Policy**

- (a) Determining the strategy and business policy of the Group and passing resolutions on taking up new and discontinuing existing business activities, always after listening to the proposals of the CEO and/or the Group Executive Committee.
- (b) Approving the budget and business plans for the Group and for the individual segments and divisions as proposed by the Group Executive Committee.
- (c) Approving the corporate philosophy and determining the individual business principles and philosophy of the Group.
- (d) Deciding on and approving all corporate actions, and in particular the acquisition and sale of material investments.

#### **Organization and Supervision of the Group Executive Committee**

- (e) Issuing the Organizational Regulations.
- (f) Issuing other regulations, directives and guidelines prepared by the Group Executive Committee.
- (g) Deciding on and approving the financial, legal and organizational structure of the Group.
- (h) Discussing the reports by the internal auditors.
- (i) Discussing the periodic reports by the Group Executive Committee.
- (j) Approving transactions of members of the corporate bodies.
- (k) Passing resolutions on important contracts that do not concern day-to-day operations, on the instigation of legal proceedings and on pending legal disputes, all from an amount in excess of CHF 0.5 million.

### Accounting, Financial Control and Financial Planning

- (l) Accepting reports on the business performance, the Group's quarterly financial statements and extraordinary business transactions.
- (m) Approving the budget and planning documents that have to be prepared by the Group Executive Committee before the end of every year; in particular the income, cost and investment budget and the statement of expected cash flows.
- (n) Approving requested budget overruns (investments, costs) of more than 10% of the approved annual budget.
- (o) Monitoring the financial equilibrium (security, liquidity, profitability).
- (p) Accepting quarterly reports and, if necessary, adopting resolutions on
  - projects with more than CHF 10 million investment volume
  - new projects of more than CHF 5 million that are not covered by the Investment Budget
  - M&A projects

### Personnel Matters

- (q) Appointing and dismissing the members of the Group Executive Committee.
- (r) Approving the personnel policy.

## 3.4. Meetings, Convocation and Agenda

### 3.4.1. The Board of Directors meets on invitation of the Chairman as often as business requires, but at least four times a year.

Every member of the Board of Directors and the CEO can request the Chairman to call a meeting by stating the reasons. If the Chairman does not call this meeting within 10 working days, the Vice-Chairman is authorized to call the meeting.

### 3.4.2. The invitation to the meeting

- (a) is made in writing (including by e-mail) at least 10 working days in advance;
- (b) indicates the day, time and venue as well as the items on the agenda;
- (c) is followed by the relevant documents for the meeting at least 7 calendar days before the meeting.

If the matter is urgent, shorter deadlines are acceptable; the Chairman – or as the case may be the Vice-Chairman – can decide whether a matter is urgent. Deviations from these formal requirements are permitted if all the members are present and agree; the meeting may in particular also pass resolutions on matters that are not included in the agenda for the meeting.

A meeting can be convened without complying with the formal requirements if the only purpose of the meeting is to confirm the execution of a share capital changes, pass a resolution on the report on the share capital changes and formulate the subsequent amendments to the Articles of Association.

### 3.4.3. The meeting is chaired by the Chairman, or in his absence by the Vice-Chairman or another director who is appointed by the Board of Directors.

At meetings of the Board of Directors, all the members have the right to open a discussion on proposals concerning items on the agenda as well as topics that have not been included in the agenda. This right can also be exercised by way of correspondence.

### 3.4.4. The Chairman of the Board of Directors decides whether and which non-members may participate in Board meetings.

As a rule, the members of the Group Executive Committee attend meetings of the Board of Directors in an advisory capacity.

The members of the Group Management Board usually attend at least one meeting for which the agenda includes the strategy or other specific topics relevant to their segment.

The Board of Directors also meets regularly without any other participants.

### **3.5. Quorum, Resolutions and Minutes**

#### **3.5.1.**

The Board of Directors shall constitute a quorum if the majority of its members are present at the meeting (quorum); individual members are permitted with the consent of the Chairman to participate in the meeting via electronic communication means (telephone, video conference, etc.).

The quorum does not have to be observed if the only purpose of the meeting is to confirm the execution of a share capital changes, pass a resolution on the report on the share capital changes and formulate the subsequent amendments to the Articles of Association.

#### **3.5.2.**

The Board of Directors passes its resolutions with a majority of the votes cast (simple majority). Abstentions do not count as votes. If votes are tied, the director chairing the meeting has the casting vote.

#### **3.5.3.**

Resolutions can also be adopted by circular letter (letter, fax, PDF file, e-mail), provided that no member requests by phone or in writing (including e-mail) within five working days of receiving the proposal in question that the matter be discussed at a meeting. Resolutions adopted by circular letter require the approval of the majority of all members (although not all members are required to vote). Circular resolutions, which need be submitted to the Commercial Register, require the signature of all members of the Board of Directors.

#### **3.5.4.**

If all members participate, urgent resolutions can also be passed at a meeting conducted through electronic communication means, provided that no member requests that the matter be discussed at a meeting. The Chairman is authorized to decide that a matter is urgent. Resolutions passed at a meeting conducted through electronic communication means require the approval of a majority of all members.

#### **3.5.5.**

All resolutions, summaries of the discussions and statements by directors submitted for the minutes must be included in the minutes of the meeting. The minutes must be signed by the Chairman and the secretary and must be approved by the Board of Directors.

Resolutions passed by circular letter and at a meeting conducted through electronic communication means must be recorded in the minutes of the next meeting.

### **3.6. Information and Reports**

All members of the Board of Directors may request information on all matters concerning the Company and the Group companies.

At every meeting of the Board of Directors, the attending members of the Group Executive Committee must report on the current course of business and all material business transactions. Members of the Board of Directors must be informed immediately of extraordinary events by circular letter, if needed with advance notice by telephone, e-mail or fax.

Members of the Board of Directors can also request information or ask to inspect the business documents at any time outside of meetings. Such requests must be addressed in writing to the Chairman of the Board of Directors.

If required to perform a task, every member of the Board of Directors can request access to the books and files from the Chairman. If the Chairman refuses a request for information, consultation or inspection, the Board of Directors must decide on the matter.

### **3.7. Compensation**

The type and amount of compensation paid to the Board of Directors and the Group Executive Committee are governed by the Company's Articles of Association and the applicable statutory provisions.

## 4. Chairman of the Board of Directors

The Annual General Meeting elects the Chairman of the Board of Directors from among the directors. If the position of chairman is vacant, the Board of Directors appoints a chairman.

The Chairman of the Board of Directors is responsible for the formal and organizational management of the Board of Directors and has the following specific powers and duties:

- (a) Convening and chairing the meetings of the Board of Directors, deciding on whether third parties should attend the Board meetings in an advisory capacity, and signing the minutes summarizing the discussions and resolutions of the Board of Directors together with the secretary.
- (b) Preparing the Annual General Meetings.
- (c) Representing the Board of Directors vis-à-vis the public, government authorities and shareholders, whereby the representation of the Group in public should as a rule be discussed with the CEO in advance.
- (d) Organizing and monitoring the provision of timely and sufficient information to the Board of Directors. Monitoring the implementation of the measures adopted by the Board of Directors.
- (e) In extraordinary and very urgent cases, the Chairman is also authorized and obliged to instruct the instigation of immediate measures in areas that fall within the remit of the Board of Directors. The Board of Directors must be informed as soon as possible and be suitably involved in the decision-making process..

## 5. Board Committees

### 5.1. General

#### 5.1.1.

The Board of Directors may delegate the preparation and implementation of its resolutions and the monitoring of business operations to Committees. The Committees are authorized to investigate all matters within their remit or to delegate such investigations to others. If necessary they may engage independent experts.

#### 5.1.2.

The Board Committees consist of a chairman and at least one additional member who, except for the members of the Nomination and Compensation Committee, are elected by the Board of Directors from among its members. The Audit Committee and the Nomination and Compensation Committee each consists of at least three members. The members of the Nomination and Compensation Committee are elected by the Annual General Meeting as per the proposal of the Board of Directors every year. The Committees constitute themselves.

The term of office of the Committee members corresponds to their term of office as a member of the Board of Directors and runs for one year i.e. until the next Annual General Meeting.

#### 5.1.3.

The Committees meet upon invitation of their Chairman as often as business requires, but usually before the regular Board meetings.

Meetings are convened in accordance with section 3.3.2.

In addition to the elected Committee members, other members of the Group Executive Committee and other persons may attend the meetings on invitation of the Chairman of the Committee and in agreement with the Chairman of the Board of Directors and possibly also the CEO.



#### **5.1.4.**

The Committees may pass resolutions or prepare proposals if at least half of their members are present in person (but always at least two members) or participate in the meeting through electronic communication means.

Resolutions must be passed and proposals to the Board of Directors have to be submitted with the majority of the votes cast. Abstentions do not count as votes. If votes are tied, the matter must be submitted to the Board of Directors.

Resolutions and proposals to the Board of Directors may also be made by circular letter, unless one of the members requests that the matter be discussed verbally.

#### **5.1.5.**

Minutes are kept of the discussions and resolutions of the Committee that must be signed by the Chairman and the secretary. Copies of the minutes are sent to all the members of the Board of Directors and the CEO.

#### **5.1.6.**

The Committees also report on their activities to the Board of Directors at the next regular Board meeting, or immediately if the matter is urgent.

### **5.2. Audit Committee**

#### **5.2.1.**

The Audit Committee supports the Board of Directors in its supervisory function, namely with regard to the completeness of the financial statements, compliance with the statutory provisions, the qualifications of the external auditors, and the performance of the internal auditors and the external audit company.

The Audit Committee assesses the appropriateness of the financial reporting, the internal control system and the general monitoring of business risks. It ensures ongoing communication with the external and internal auditors regarding the financial situation and business performance of the Group.

#### **5.2.2.**

The Audit Committee has the following tasks and powers in particular:

- (a) Evaluating the external auditors and ensuring their qualification in accordance with the applicable statutory provisions and submitting a proposal to the Board of Directors for the election of the auditors at the Annual General Meeting.
- (b) Assessing the work of the current auditors and approving on request of the CFO the budgeted fee for the auditing activities of the external auditors.
- (c) Structuring and nomination of the internal audit unit; issuing instructions to the internal auditors (upon request of the Board of Directors as the case may be) and assessing their work.
- (d) Checking, discussing with the affected parties and approving the audit plans of the internal and external auditors.
- (e) Approving any non-audit services by the external auditors.
- (f) Inquiring the Group Executive Committee and the internal and external auditors on the Group's significant risks, contingent liabilities and other liabilities and assessing the measures to manage these risks and liabilities that were implemented by the Group.
- (g) Reviewing and discussing the interim and annual financial statements of the Company and the Group, including material off-balance sheet items with the relevant members of the Group Executive Committee.
- (h) Discussing the results of the annual audit with the external auditors, discussing the reports of the internal auditors and issuing proposals or recommendations to the Board of Directors.
- (i) Assessing and facilitating collaboration between the internal and external auditors.
- (j) Summarily assessing the annual business expenses incurred by the members of the Group Executive Committee.

### 5.3. Nomination and Compensation Committee (NCC)

The basic tasks and responsibilities are set out in the Company's Articles of Association.

The NCC has the following tasks and powers in particular:

- (a) Submitting proposals to the full Board of Directors regarding the Group's compensation system.
- (b) Submitting proposals to the full Board of Directors regarding the determination of the compensation-relevant objectives for the Group Executive Committee.
- (c) Submitting proposals to the full Board of Directors regarding the approval of the individual compensation for the Chairman of the Board of Directors and the other members of the Board of Directors as well as the individual maximum total compensation for the CEO.
- (d) Submitting proposals to the full Board of Directors regarding the individual compensation (fixed salary and variable payments) for the other members of the Group Executive Committee as well as their other employment conditions and titles.
- (e) Submitting proposals to the full Board of Directors regarding amendments to the Articles of Association concerning the compensation system applying to payments to the members of the Group Executive Committee.
- (f) Submitting proposals to the Board of Directors regarding the appropriate size and balanced composition of the Board of Directors, whose majority of members should be independent, and adopting the criteria for this independence.
- (g) Developing and formulating criteria for the election/re-election of members to the Board of Directors and the nomination of members to the Group Executive Committee.
- (h) Assessing potential members of the Board of Directors on the basis of fixed criteria and submitting an opinion to the Board of Directors regarding their nomination for the attention of the Annual General Meeting.
- (i) Assessing proposals from the CEO to the Board of Directors regarding nominations and dismissals of other members of the Group Executive Committee and, as the case may be, submitting an opinion in this regard to the Board of Directors.
- (j) Approving agreements and employment contracts with the Chairman of the Board of Directors, the CEO and the other members of the Group Executive Committee.
- (k) Reviewing the succession and emergency plans for the Group Executive Committee.
- (l) Approving the acceptance of external mandates by members of the Board of Directors and the Group Executive Committee in accordance with Art. 23 of the Articles of Association

### 5.4. Technology Committee (TC)

The Technology Committee (TC) is a technical committee appointed by the Board of Directors. Its main task is to assist the Board of Directors in fulfilling its oversight responsibilities. In particular, it provides support with regard to the selection of adequate technology and product options and the far-reaching effects of these decisions.

The TC's tasks include:

- (a) evaluating and investigating potential technology plans and alternatives necessary to implement VAT's business strategy, required technical resources, technology roadmaps, product roadmaps and VAT technology performance targets; and
- (b) advising the Board of Directors on this matter.

### 5.5. Sustainability Committee (SC)

The Sustainability Committee (SC) is an expert committee appointed by the Board of Directors. Its purpose is to support the Board on the development of a sustainable growth and social responsibility strategy and the Board's supervisory duty towards all VAT stakeholders, namely employees, customers, suppliers and the communities VAT operates in. Sustainability is defined as the summary term for all environmental, social and governance (ESG) aspects of VAT's business activities.

The SC's tasks include:

- (a) review the annual Sustainability Report
- (b) review, comment and provide guidance on the company's plans and actions regarding sustainability topics including, but not limited to:
  - climate change and related matters, including nature and biodiversity
  - responsible sourcing in the company's key materials and components
- (c) ensure the company carries out human rights' due diligence and reports
- (d) review the company's diversity and inclusion strategy and execution
- (e) monitor the company's performance against selected external sustainability indexes and internal metrics
- (f) periodically discuss (together with the AC) how other material non-financial issues affect financial performance and how the company's long-term strategy relates to its ability to create shared value
- (g) periodically review the company's significant stakeholders and their material interests and review emerging trends in sustainability. assessment of and study of sustainability

## 6. Group Executive Committee

### 6.1. Constitution

The members of the Group Executive Committee (“Member(s)”) are appointed and dismissed by the Board of Directors on request of the CEO and the NCC. The Group Executive Committee consists of the CEO of the Group, the COO and the CFO and the EVP SSG.

The Board of Directors appoints the CEO.

The Group Executive Committee appoints a secretary who does not have to be a member of the Group Executive Committee.

### 6.2. Meetings, Convocation and Agenda

The Group Executive Committee meets as often as business requires, but at least once a month.

Meetings are convened by the CEO or, if he is unable to do so, by another member of the Group Executive Committee.

Meetings are called at least three working days in advance. The agenda must be included in the invitation to the meeting.

Meetings are chaired by the CEO or, if he is unable to do so, by another Member.

At meetings of the Group Executive Committee, all the Members have the right to submit proposals to the items on the agenda and to open a discussion on topics that have not been included in the agenda.

The CEO decides if persons who do not belong to the Group Executive Committee should participate in an advisory capacity in meetings of the Group Executive Committee.

### 6.3. Quorum, Resolutions and Minutes

The Group Executive Committee constitutes a quorum when the majority of its Members take part in the meeting.

To the extent possible, the Group Executive Committee endeavors to find amicable solutions to all topics put to the vote. Resolutions are based on the opinion of the full Group Executive Committee and the decision of the CEO.

Resolutions can also be passed in writing by circular letter (including by e-mail).

All proposals and resolutions must be recorded in minutes. The minutes must be signed by the CEO and the secretary.

Resolutions passed by circular letter and at a meeting conducted through electronic communication means must be recorded in the minutes of the next meeting.

### 6.4. Structure and Function

The Group Executive Committee of the Company has a dual function in managing the business unit:

- Except where this falls in the remit of the Board of Directors, it is on the one hand responsible for managing the business of the Company.
- And on the other hand, it is responsible for the operational management of the business of the entire Group as well as the individual segments and divisions and the individual Group companies, unless these powers have been assigned to the Board of Directors of the Company under these Regulations or to the Boards of Directors of the subsidiaries by law.

### 6.5. Tasks, Powers and Duties

The Group Executive Committee to whom the management of the business has been delegated has the following non-transferable tasks and powers in particular:

- (a) Managing the operations of the Company and the Group, implementing the business strategy, implementing these Organizational Regulations, preparing the regulations described therein for the attention of the Board of Directors and implementing the approved regulations.
- (b) Preparing the underlying documents and proposals for the discussion and adoption of the Group's strategy by the Board of Directors.
- (c) Executing and supervising the ongoing business transactions of the Group and its subsidiaries as defined in these Organizational Regulations; this does not include decisions with a material impact for which the prior consent of the Company's Board of Directors must be obtained.
- (d) Formulating and monitoring the general principles of business strategy, the corporate objectives, the annual targets and budget, and the general personnel and salary policy.
- (e) Determining the guidelines for risk monitoring.
- (f) Establishing an efficient and well-structured process organization and an efficient internal control system designed to limit and avoid all types of risk.
- (g) Monitoring the employees working in the market with regard to their compliance with the internal guidelines.
- (h) Preparing and implementing the organizational chart.
- (i) Preparing and implementing the organizational guidelines.
- (j) Preparing and implementing the accounting system, financial control and financial planning.
- (k) Preparing the budget and business plans for discussion and approval by the Board of Directors and submitting proposals concerning budget overruns (costs, investments) of more than 10% of the annual budget during a financial year to the Board of Directors of the Company.
- (l) Preparing and submitting the annual financial statements, the quarterly financial statements and the annual report to the Boards of Directors of the Company and the subsidiaries and submitting to them the periodic reports on the Group's business performance prescribed by law.
- (m) Preparing and implementing the general personnel policy as well as general matters concerning the employees and the staff appointment scheme.
- (n) Determining the salaries of the employees (excluding those of the Group Executive Committee).
- (o) Supervising the employees, in particular with regard to compliance with the law, the Articles of Association and all regulations and directives.
- (p) Passing resolutions on important contracts that do not concern day-to-day operations. Passing resolutions on the instigation of legal proceedings and on pending legal disputes, all up to an anticipated amount (or amount in dispute) of CHF 0.5 million.
- (q) Informing the Board of Directors immediately by telephone and in writing if current transactions become subject to higher risks and if extraordinary events occur.
- (r) Informing the Chairman of the Board of Directors of the Company as well as its subsidiaries of the loss of capital and overindebtedness (Art. 725 CO) or other risks to a company of the Group.

The Group Executive Committee may pass resolutions on all matters that are not reserved for or were not transferred to the Board of Directors or another governing body of the Company by the law, the Articles of Association or these Organizational Regulations.

## 7. CEO (Chief Executive Officer)

### 7.1. Election

The CEO is appointed and dismissed by the Board of Directors.

### 7.2. Tasks and Powers

The CEO is the head of the Group Executive Committee, calls the meetings of the Group Executive Committee and chairs these meetings. Together with the secretary, he signs the minutes of the discussions and resolutions of the Group Executive Committee.

The CEO has the following non-transferable tasks and powers in particular:

- (a) Managing the operations of the Group and chairing the Group Executive Committee. Within the Group Executive Committee, the CEO is responsible for assigning tasks, issuing general or special directives (authority to give directions), monitoring their fulfilment and guaranteeing the close coordination of the tasks of the Group Executive Committee with those of the Board of Directors.
- (b) Preparing all the information and documents needed by the Board of Directors.
- (c) Preparing proposals to the Board of Directors and the Committees regarding matters that have to be discussed and decided by the Board of Directors with the support of the Group Executive Committee.
- (d) Implementing the resolutions passed by the Board of Directors.
- (e) When necessary, immediately informing the Chairman of the Board of Directors and the individual members of the Board of Directors about extraordinary events.
- (f) Preparing proposals concerning the Group's strategy in collaboration with the Group Executive Committee for the attention of the Board of Directors.
- (g) Appointing and dismissing all persons entrusted with managing the business operations and representing the Company and assigning their signatory powers up to one level below the Group Executive Committee.
- (h) Supervising the implementation of the corporate strategy and ensuring the achievement of the budget and corporate objectives adopted by the Board of Directors.
- (i) Exercising the Company's membership rights in Group companies in Switzerland and abroad (and the companies in which they hold shares), unless the Board of Directors issued specific guidelines and gave specific directions.
- (j) Issuing guidelines that ensure the purposeful flow of information within the Group and monitoring compliance with these guidelines.
- (k) Corporate HR management.
- (l) Representing the Group to the public (subject to section 4(c)); issuing guidelines in this regard and monitoring compliance with these guidelines.

In all other respects the CEO has the tasks and powers formulated in the Articles of Association and these Organizational Regulations.

## 8. COO (Chief Operating Officer)

### 8.1. Election

The COO is appointed and dismissed by the Board of Directors.

### 8.2. Tasks and Powers

The COO is a member of the Group Executive Committee.

The COO discusses the progress made in implementing the strategy and the current business performance with the Group Executive Committee.

As agreed with the CEO, the COO has the following tasks and powers in particular:

- Developing the strategy together with the CEO and the Group Executive Committee.
- Developing the business plans and budgets together with the CEO and the Group Executive Committee.
- Establishing the organizational structure and appointing the department heads in his area of responsibility.
- Responsible for the operational tasks and responsibilities of the following divisions: Global Production, Global Procurement, Global Supply Chain Management, Comvat and Corporate Quality.
- Implementing the approved measures.

The COO is responsible Group-wide for determining, coordinating and implementing common standards and processes for:

- Quality, environment and safety
- The use of technologies, including the transfer of know-how and multiplication of best practices
- Investment concepts and the selection of suppliers for machines, equipment and raw materials as well as sub-contractors
- Location and capacity decisions that affect several segments.

## 9. CFO (Chief Financial Officer)

### 9.1. Election

The CFO is appointed and dismissed by the Board of Directors.

### 9.2. Tasks and Powers

The CFO is a member of the Group Executive Committee.

The CFO discusses the progress made in implementing the strategy and the current business performance with the CEO and the Group Executive Committee.

The CFO has the following tasks and powers in particular:

- Developing the strategy together with the CEO and the Group Executive Committee.
- Developing the business plans and budgets together with the CEO and the Group Executive Committee.
- Establishing the organizational structure and appointing the department heads in their area of responsibility.
- Implementing the approved measures.

The CFO is responsible Group-wide for determining, coordinating and implementing common standards and processes for:

- (a) Corporate financing and treasury
- (b) Corporate controlling (Group consolidation and reporting, internal control system (ICS))
- (c) Communications (corporate communications, investor relations and public relations), in important cases in close consultation with the CEO and the Board of Directors
- (d) Compliance, tax and legal matters (corporate law)
- (e) Corporate information technology
- (f) Coordinating risk management and insurance matters Group-wide
- (g) Coordinating the external auditors in accordance with the directives of the Board of Directors
- (h) Coordinating the internal auditors in accordance with the directives of the Board of Directors
- (i) Ensuring compliance with all stock exchange regulations
- (j) Shared service center for finance and accounting for Switzerland (FIAC, OCR, accounts receivable, accounts payable)
- (k) Project management

In addition to his other tasks as a member of the Group Executive Committee, the CFO is in particular responsible for ensuring transparency with regard to financial developments, events, forecasts and risks. The CFO ensures the efficient planning and monitoring of business operations on the basis of a transparent information system and makes sure that deviations from objectives are recognized at an early stage, the Group Executive Committee and Board of Directors are informed in a timely manner and corrective measures are instigated.

The CFO proposes measures for improving the performance and processes and ensures that the statutory provisions, professional standards (best practice), Group regulations and instructions of the Board of Directors are observed. The CFO has a direct responsibility and obligation to report to the Board of Directors and the internal and external auditors, while at the same time informing the CEO. The CFO supports the Board of Directors with the objective to facilitate timely and forward-looking decisions of high quality and an effective control system and risk management system adapted to the size of the Group.

The CFO is responsible for the ad hoc publication of facts relevant to the share price and for compliance with all other obligations under the Stock Exchange Act and the Financial Market Infrastructure Act (including their implementing ordinances) as well as the regulations of the SIX Swiss Exchange. The regulations issued by the Board of Directors govern the details.

The heads of the individual service functions of the Group have specialist management responsibility. They exert their influence and share the responsibility to ensure that guidelines and directives are observed in their functional remit.



## 10. Executive Vice President Semiconductor Solutions Group (EVP SSG)

### 10.1. Election

The EVP SSG is appointed and dismissed by the Board of Directors.

### 10.2. Tasks and Powers

The EVP is a member of the Group Executive Committee.

The EVP SSG, discusses the progress made in implementing the strategy and the current business performance with the CEO and the Group Executive Committee.

As agreed with the CEO, the EVP SSG has the following tasks and powers in particular:

- Developing the strategy together with the CEO and the Group Executive Committee.
- Developing the business plans and budgets together with the CEO and the Group Executive Committee.
- Establishing the organizational structure and appointing the department heads in their area of responsibility.
- Implementing the approved measures.

The EVP SSG is responsible for determining, coordinating and implementing common standards and processes for:

- (a) Development and execution of a comprehensive R&D strategy to fulfil VAT's strategic plan.
- (b) Development of new products and technologies to fulfil VAT's business objectives,
- (c) Product Pricing, Product Cost and Product Margins
- (d) Product standardization
- (e) Investment concepts and business plans for new product developments, joint-development programs and acquisitions

## 11. Governing and Executive Bodies of Subsidiaries

The powers of the governing and executive bodies of the subsidiaries are limited to their non-transferable statutory obligations, which they have to exercise in the best interests of the Group to the extent permitted by law.

The supervisory bodies (Board of Directors, Supervisory Board, etc.) of the subsidiaries consist of members of the operational management (e.g. CEO, COO, CFO, EVP SSG) of the Group. The principle of the separation of the supervisory and executive functions must be observed to the extent that is possible, sensible and permitted by law.

The supervisory bodies of the subsidiaries should be kept as small as possible under the law, but should still be of a sensible size in operational terms.

The Group Executive Committee is responsible for issuing the general directives and guidelines that are needed to manage the subsidiaries.

## 12. Further provisions

### 12.1. Signatory Power

#### 12.1.1. Board of Directors

All members of the Company's Board of Directors have collective signatory powers by two. The Board of Directors assigns all other signatory powers for the Company.

Signatory powers for the subsidiaries must be granted by their Boards of Directors, but only collective signatory powers by two is permitted.

#### 12.1.2. Group Executive Committee

All members of the Group Executive Committee shall have collective signatory powers by two and be registered with this signatory power in the Commercial Register.

### 12.2. Confidentiality, Return of Documents

The members of the Board of Directors, the members of the Group Executive Committee and all other bodies and employees of the Group are obliged to maintain confidentiality vis-à-vis third parties about all transactions and other business activities or matters concerning the Company, its subsidiaries, sister and parent companies and their shareholders that come to their attention in the exercise of their professional activities. The obligation to maintain confidentiality continues to apply even after these persons have left the Company.

All business documents must be returned when they leave the Company.

### 12.3. Recusal Obligation

Members of all executive bodies are obliged to abstain from the proceedings when matters are discussed that have a bearing on their personal interests or the interests of a natural person or legal entity closely associated with them.

The affected member of the Board of Directors or the Group Executive Committee must inform the Chairman of the Board of Directors or the CEO if a conflict of interests occurs. Affected members may not be involved in the process of taking a decision about such a matter. Affected members may not take part in the discussion of such a matter, but the Chairman of the body concerned may ask them for a statement.

Executive bodies avoid all issues that are or may seem to be contrary to the interests of the Company.

### 12.4. Term of Office/Age Limit

The age limit for members of the Board of Directors is governed by section 3.1.

### 12.5. Financial Year

The Company's financial year begins on January 1 and ends on December 31.

# Contact

This Organizational Rule is available in German.

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