

# ARTICLES OF ASSOCIATION OF VAT GROUP AG (VAT GROUP LTD) (VAT GROUP SA)

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The German version of the articles of association is the governing version.

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# I. General Provisions

## Article 1: Corporate Name, Registered Office

Under the corporate name

**VAT Group AG**

**(VAT Group Ltd)**

**(VAT Group SA)**

a Company exists pursuant to Articles 620 et seq. of the Swiss Code of Obligations (CO) having its registered office in Sennwald. The duration of the Company is unlimited.

## Article 2: Purpose

The purpose of the Company is to acquire, hold and manage investments in domestic and foreign companies, in particular of controlling investments in industrial and trading companies, the management and sustainable development of these investment companies within a group of companies as well as the provision of financial and organizational means for the management of a group of companies.

The Company may acquire, mortgage, utilize and sell real estate properties and intellectual property rights in Switzerland and abroad as well as incorporate and finance subsidiaries and branches.

The Company may engage in all kinds of commercial and financial transactions that are beneficial for the realization of its purpose, in particular provide and take out loans, issue bonds, provide suretyships and guarantees, provide collateral as well as make investments in all marketable investment classes.

In pursuing its corporate purpose, the Company seeks to create sustainable value.

## II. Capital

### Article 3: Share Capital

The share capital of the Company amounts to CHF 3,000,000 and is divided into 30,000,000 registered shares with a nominal value of CHF 0.10 (10 centimes) each. The share capital is fully paid up.

### Article 3a: Conditional Capital

The share capital of the Company may be increased by up to CHF 150,000 by issuing up to 1,500,000 fully paid-up registered shares with a nominal value of CHF 0.10 each, upon the exercise of option rights or in connection with similar rights regarding shares (including restricted stock units [RSU]) granted to officers and employees at all levels of the Company and its group companies according to respective regulations and resolutions of the Board of Directors. The preemptive rights and the advance subscription rights of the shareholders are excluded. The acquisition of registered shares based on this Article 3a and every subsequent transfer of these registered shares shall be subject to the transfer restrictions pursuant to Article 5.

The conditions for the allocation and exercise of the option rights and other rights regarding shares from this Article 3a are determined by the Board of Directors. The shares may be issued at a price below the market price.

### Article 3b: Capital Band

The Company has a capital band between CHF 2,850,000 (lower limit) and CHF 3,300,000 (upper limit). The Board of Directors is authorized within the capital band to increase or reduce the share capital once or several times and in any amounts until May 16, 2026 or until the capital band expires earlier, or to acquire or sell shares directly or indirectly. The capital increase or reduction may be effected by issuing up to 3,000,000 fully paid registered shares with a par value of CHF 0.10 each or by cancelling up to 1,500,000 registered shares with a par value of CHF 0.10 each or by increasing or reducing the par value of the existing registered shares within the capital band.

In case of an issuance of shares, the subscription and acquisition of the new shares as well as any subsequent transfer of the shares shall be subject to the restrictions of Article 5 of these Articles of Association.

In the event of an increase of the share capital within the scope of the capital band, the Board of Directors shall determine, to the extent necessary, the issue price, the type of contributions (including cash contributions, contributions in kind, offsetting and conversion of reserves or of a profit carried forward into share capital), the time of issue, the conditions for the exercise of subscription rights and the commencement of dividend entitlement. The Board of Directors may issue new shares by means of a firm underwriting by a bank, a banking syndicate or another third party and a subsequent offer to the existing shareholders or to third parties (provided that the subscription rights of the existing shareholders have been cancelled or not validly exercised). The Board of Directors is authorized to permit, restrict or exclude trading in subscription rights. The Board of Directors may allow subscription rights that have not been validly exercised to lapse, or it may place them or shares for which subscription rights have been granted, but not validly exercised, at market conditions or otherwise use them in the interest of the Company.

In the event of an issue of shares, the Board of Directors is authorized to cancel or limit the subscription rights of existing shareholders and to allocate them to third parties, the Company or one of its Group companies:

1. for the procurement of equity capital in a fast and flexible manner which would not be possible or would only be possible with difficulty or on substantially worse terms without the exclusion of the subscription rights of the existing shareholders; or
2. for the acquisition of companies, parts of companies or participations, the acquisition of products, intangible assets or licenses by or investment projects of the Company or one of its Group companies or for the financing or refinancing of such transactions through a share placement.

After a change in par value, new shares are to be issued within the scope of the capital band with the same par value as the existing registered shares.

If the share capital increases as a result of an increase from conditional capital pursuant to Article 3a of these Articles of Association, the upper and lower limits of the capital band shall increase in proportion to the amount of the increase in share capital.

In the event of a reduction of the share capital within the scope of the capital band, the Board of Directors shall determine, to the extent necessary, the use of the amount of the reduction.

## Article 4: Form of Shares

The Company issues its registered shares only as uncertified securities (Wertrechte) and registers them as book-entry securities (in terms of the Book-Entry Securities Act). Shareholders have no right to request conversion of the form in which registered shares are issued into another form. In particular, shareholders are not entitled to have their membership securitized in a security. Each shareholder may at any time require from the Company the delivery of an attestation certifying his current shareholding.

The uncertified securities (Wertrechte), their number and division and the shareholders are registered in a register for uncertified securities. This register for uncertified securities is not public.

Uncertified securities (Wertrechte) may only be transferred by way of assignment provided that they are not registered as book-entry securities. In order to be valid, the assignment must be reported to the Company, which may refuse the entry of the assignee in the share register in accordance with Article 5.

The transfer of book-entry securities and the granting of security rights on book-entry securities have to be compliant with the Book-Entry Securities Act. The transfer of book-entry securities or the granting of security rights on book-entry securities by way of assignment is excluded. The transfer restrictions according to Article 5 are not affected by these new regulations.

## Article 5: Share Register, Transfer Restrictions

The identity of the owners/usufructuaries of registered shares shall be entered in the share register stating first/last name (for legal entities the company name), domicile, address and citizenship (for legal entities the legal domicile). If the contact details change, the shareholder shall inform the Company accordingly. Notices from the Company shall be deemed to have been validly given if they are sent to the contact details of the shareholder or authorized delivery agent entered in the share register.

Persons acquiring registered shares shall on application be entered in the share register without limitation as shareholders with voting rights, provided they expressly declare themselves to have acquired the said shares in their own name and for their own account, that there is no agreement on the redemption or return of corresponding shares, that they bear the economic risk associated with the shares and that they comply with the disclosure requirement stipulated by the Federal Act on Financial Market Infrastructure (FinMIA) of June 19, 2015. Entry in the share register of registered shares as shareholder with voting rights is subject to the approval of the Company. Entry of registered shares with voting rights may be refused based on the grounds set out in Article 5 para. 3, 4 and 5. If the Company does not refuse to register the acquirer as shareholder with voting rights within 20 calendar days upon receipt of the application, the acquirer is deemed to be a shareholder with voting rights. Non-recognized acquirers shall be entered in the share register as shareholders without voting rights. The corresponding shares shall be considered as not represented in the General Meeting of Shareholders.

Persons not expressly making the declaration referred to in paragraph 2 of this Article (hereafter referred to as nominees) shall be entered in the share register with voting rights without further inquiry up to a maximum of 3% of the share capital outstanding at that time. Above this limit, registered shares held by nominees shall be 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 makes known the names, addresses and shareholdings of the persons for whose account he is holding 0.5% or more of the share capital outstanding at that time and provided that the disclosure requirement stipulated by the Federal Act on Financial Market Infrastructure (FinMIA) of June 19, 2015 is complied with. The Board of Directors has the right to conclude agreements with nominees concerning their disclosure requirements.

Subject to Art. 652b Abs. 3 CO, the abovementioned limit of registration also applies to the subscription for or acquisition of registered shares by exercising preemptive, option or convertible rights arising from shares or any other securities issued by the Company or third parties.

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 (especially syndicates) which act in concert with the intent to circumvent the entry restriction are considered as one shareholder or nominee.

The Company may in special cases approve exceptions to the above restrictions (Article 5 para. 3, 4 and 5). After due consultation with the persons concerned, the Company is further authorized to delete entries in the share register as 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 5 para. 3. The concerned person has to be immediately informed about the deletion.

Until an acquirer becomes a shareholder with voting rights for the shares in accordance with Article 5, she/he may neither exercise the voting rights connected with the shares nor other rights associated with the voting rights.

## III. Organization

### A. General Meeting

## Article 6: Authorities

The General Meeting is the supreme corporate body of the Company. It has the following non-transferable powers:

1. to adopt and amend the Articles of Association;
2. to elect and recall the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Nomination and Compensation Committee, the Auditors and the Independent Proxy;
3. to approve the management report and the consolidated accounts;
4. to approve the annual accounts as well as to pass resolutions regarding the allocation of profits as shown on the balance sheet, in particular to determine the dividends;
5. to determine an interim dividend and to approve the interim financial statements required for this purpose;
6. to pass resolutions on the repayment of the statutory capital reserve;
7. to approve the aggregate amounts of the maximum compensation of the members of the Board of Directors and the executive management pursuant to Articles 12, 25 and 26;
8. consultative vote on the compensation report if variable compensation is voted on prospectively;
9. to grant discharge to the members of the Board of Directors and the persons entrusted with the management;
10. to delist the Company's equity securities;
11. to approve the report on non-financial matters pursuant to Article 964c of the Swiss Code of Obligations;
12. to pass resolutions regarding issues which are reserved to the General Meeting by law or by the Articles of Association or which are presented to it by the Board of Directors.

## Article 7: Meetings

The ordinary General Meeting shall be held annually within six months after the close of the business year. The Board of Directors determines the time and location of the General Meeting.

Extraordinary General Meetings shall be called as often as necessary, in particular, in all cases required by law.

Extraordinary General Meetings shall be convened by the Board of Directors within 60 days if shareholders representing at least 5% of the share capital or votes request such meeting in writing, setting forth the items to be discussed and the proposals to be decided upon and, in the case of elections, stating the names of the proposed candidates.

## Article 8: Notice

General Meetings shall be convened by the Board of Directors and, if need be, by the Auditors. The liquidators shall also be entitled to convene a General Meeting.

Notice of the General Meeting shall be given at least 20 calendar days before the date of the meeting by notice pursuant to Art. 31 of the Articles of Association.

The invitation shall state:

1. the date, beginning, nature and place of the meeting;
2. the items on the agenda;
3. the motions of the Board of Directors together with a brief statement of the reasons;
4. the motions of the shareholders, if any, together with a brief statement of the reasons;
5. the name and address of the independent proxy.

The annual business report, the auditors' report, the compensation report and the report on non-financial matters pursuant to Art. 964c of the Swiss Code of Obligations shall be made available no later than 20 calendar days before the ordinary General Meeting. The Board of Directors shall determine the venue of the General Meeting.

The Board of Directors may determine that the General Meeting of Shareholders shall be held simultaneously at different locations, provided that the votes of the participants are transmitted directly in picture and sound to all meeting locations, and/or that shareholders who are not present at the meeting location or locations of the General Meeting of Shareholders may exercise their rights by electronic means.

Alternatively, the Board of Directors may provide for the General Meeting to be held by electronic means without a meeting location.

## Article 9: Agenda

The Board of Directors shall state the items on the agenda.

Registered shareholders with voting rights individually or jointly holding at least 0.5% of the share capital or the votes of the Company may request the Board of Directors to include an item on the agenda or to include a proposal on an item on the agenda in the notice convening the General Meeting. Such a request must be submitted to the Chairman of the Board of Directors at least 45 calendar days before the date of the General Meeting and shall be in writing, specifying the item and the proposals.

No resolution shall be passed on items proposed only at the General Meeting and which have no bearing on any of the proposed items of the agenda, apart from those exceptions permitted by law.

## Article 10: Chair, Minutes

The General Meeting shall be chaired by the Chairman of the Board of Directors, or, in his absence, by another member of the Board of Directors selected by the Board of Directors, or by another chairman elected for that day by the General Meeting (“**Chairman**”).

The Chairman designates a secretary for the minutes as well as the scrutineer(s) who do not need to be shareholders.

The Board of Directors is responsible for the keeping of the minutes, which are to be signed by the Chairman and by the Secretary. The resolutions and election results, stating the exact proportions of votes, shall be made available electronically within 15 days of the General Meeting; any shareholder may request that the complete minutes be made available to him within 30 days after the General Meeting.



## Article 11: Resolutions

Subject to the provisions of Article 5, each share entitles to one vote.

Each shareholder may be represented by the Independent Proxy or any other person who needs not be a shareholder. The Board of Directors determines the requirements regarding proxies and voting instructions.

The General Meeting shall pass its resolutions and carry out its elections with the majority of the votes represented, to the extent that neither the law nor the Articles of Association provide otherwise.

The members of the Board of Directors and the members of the Nomination and Compensation Committee are elected individually.

The Chairman shall have no casting vote.

The Chairman shall determine the voting procedure. If the voting is not done electronically, voting shall be by ballot provided that at least 50 of the shareholders present so demand by a show of hands.

The Chairman may at any time have a vote or election repeated in the same or another form if, in his opinion, there is any doubt about the result of the vote. In this case, the preceding vote or election shall be deemed not to have taken place.

## Article 12: Votes on Compensation

Each year, the General Meeting votes separately and bindingly on the proposals by the Board of Directors regarding the aggregate amounts of:

1. the maximum compensation of the Board of Directors according to Article 25 for the term of office until the next ordinary General Meeting;
2. the short-term variable compensation of the executive management based on results and targets achieved in the preceding business year, which shall be paid after approval;
3. the maximum fixed compensation of the executive management to be paid in the subsequent business year;
4. the maximum long-term variable compensation of the executive management for the subsequent business year.

The Board of Directors may submit for approval by the General Meeting deviating or additional proposals relating to the same or different time periods.

If the General Meeting does not approve the proposed amount of the proposed fixed or proposed variable compensation, as the case may be, the Board of Directors may either convene a new, extraordinary General Meeting and make new proposals for approval or may submit the new proposals regarding compensation for retrospective approval at the next ordinary General Meeting.

The aggregate compensation amounts are deemed inclusive of all social security and pension contributions of the members of the Board of Directors respectively the executive management and the Company (contributions by employee and employer).

The Company or companies controlled by it may pay or grant compensation prior to approval by the General Meeting, subject to subsequent approval.

The compensation approved by the General Meeting may be paid or granted by the Company or by companies being directly or indirectly controlled by the Company.

## Article 13: Qualified Majority for Important Resolutions

A resolution of the General Meeting passed by at least two thirds of the represented share votes and the absolute majority of the represented shares par value is required for:

1. the cases listed in Article 704 para. 1 CO and in Article 18 and Article 64 of the Federal Act on Merger, Demerger, Transformation and Transfer of Assets (Merger Act) dated October 3, 2003;
2. the easement or abolition of the restriction of the transferability of the registered shares;
3. any change to this Article 13.

## Article 14: Independent Proxy

The General Meeting elects an independent proxy. Natural persons as well as legal entities and partnerships are eligible for election.

The term of office of the Independent Proxy ends at the next ordinary General Meeting. Re-election is possible. The duties of the Independent Proxy are governed by the relevant statutory provisions.

### **B. Board of Directors**

## Article 15: Election, Term of Office, Constitution

The Board of Directors shall consist of a minimum of three members. The term of the members of the Board of Directors as well as of the Chairman shall correspond to the legally permitted maximum term of one year and shall end at the end of the next ordinary General Meeting. Re-election is possible as long as at the time of election or re-election, the relevant member has not completed the age of 72.

The Board of Directors may appoint a secretary who does not need to be a shareholder or a member of the Board of Directors.

## Article 16: Ultimate Direction, Delegation

The Board of Directors is entrusted with the ultimate direction of the Company as well as the supervision of the management. It represents the Company towards third parties and attends to all matters which are not delegated to or reserved for another corporate body of the Company by law, the Articles of Association or the regulations.

The Board of Directors may delegate the management and the representation of the Company wholly or in part to one or several natural persons or members of the Board of Directors. The Board of Directors shall enact the organizational regulations or issue a resolution and arrange for the respective contractual relationships.

## Article 17: Duties

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

1. to ultimately direct the Company and issue the necessary directives;
2. to determine the organization;
3. to organize the accounting, the internal control system (ICS), the financial control and the financial planning as well as to perform a risk assessment;
4. to appoint and recall the persons entrusted with the management and representation of the Company and to grant signatory power;
5. to ultimately supervise the persons entrusted with the management, in particular with respect to compliance with the law, the Articles of Association, regulations and directives;
6. to prepare the business report, the compensation report and the report on non-financial matters pursuant to Art. 964c CO;
7. to prepare the General Meeting and to execute its resolutions;
8. to file a petition for probate and inform the court in the event of over-indebtedness;
9. to pass resolutions regarding the subsequent payment of capital with respect to non-fully paid-in shares and regarding the amendments to the Articles of Association entailed thereby;
10. to pass resolutions on changes to the share capital, insofar as this is within the competence of the Board of Directors, confirm changes in share capital, prepare the corresponding reports and amend the Articles of Association;
11. to examine compliance with the legal requirements regarding the appointment, election and the professional qualifications of the Auditors;
12. to execute the agreements pursuant to Articles 12, 36 and 70 of the Merger Act.

If the office of the Chairman of the Board of Directors is vacant, the Nomination and Compensation Committee is not complete or the Company does not have an Independent Proxy, the Board of Directors shall appoint a substitute for the time period until the conclusion of the next ordinary General Meeting that must be – with the exception of the Independent Proxy – a member of the Board of Directors.

## Article 18: Organization, Minutes

The organization of the meetings, the presence quorum and the passing of resolutions of the Board of Directors shall be in compliance with the organizational regulations.

The Chairman shall have the casting vote. Resolutions may also be passed in writing or in electronic form, unless a member requests oral deliberation.

Minutes shall be kept of the deliberations and resolutions of the Board of Directors. The minutes shall be signed by the Chairman and the Keeper of the Minutes of the Board of Directors.

## Article 19: Nomination and Compensation Committee

The General Meeting elects at least three members of the Board of Directors as members of the Nomination and Compensation Committee. The term of office of the members of the Nomination and Compensation Committee shall be one year and shall end at the next ordinary General Meeting. Re-election is possible.

The Nomination and Compensation Committee has the following duties regarding compensation matters:

1. proposals to the full Board of Directors regarding the compensation scheme of the VAT Group pursuant to the principles of Articles 25 and 26;
2. proposals to the full Board of Directors regarding the determination of compensation-related targets for the executive management;
3. proposals to the full Board of Directors regarding the approval of the individual compensation of the Chairman of the Board of Directors, the other members of the Board of Directors as well as the maximum individual aggregate compensation of the CEO;
4. proposals to the full Board of Directors regarding the individual compensation (fixed and variable compensation) of the members of the executive management as well as their further terms of employment and titles;
5. proposals to the full Board of Directors regarding amendments to the Articles of Association with respect to the compensation scheme for members of the executive management;
6. proposals to the full Board of Directors regarding mandates pursuant to Article 23 and further additional occupation of the members of the executive management;
7. further duties and responsibilities as provided for in the Articles of Association.

The Board of Directors will provide for possible further duties and responsibilities of the Nomination and Compensation Committee in the organizational regulations.

### C. Auditors

## Article 20: Duty of Audit, Election, Appointment and Duties of Auditors

The General Meeting shall elect the Auditors pursuant to the provisions of this Article. The Auditors must be registered in the Commercial Register.

The Auditors shall perform a regular audit of the Company's annual financial statements.

The Board of Directors shall monitor compliance with these provisions and nominate for election by the General Meeting such Auditors which meet the respective requirements, in particular, regarding qualification and independence pursuant to the provisions of the CO (Articles 727 et seq.) and the Swiss Audit Supervision Act of December 16, 2005 in the relevant applicable version.

The Auditors' term of office shall be one year. It shall end with the approval of the last annual financial accounts. Re-election and revocation (for good cause) are possible.

The Auditors' rights and obligations are those foreseen in Articles 728 et seq. CO.

## IV. Annual Financial Statements and Distribution of Profits

### Article 21: Annual Accounts and Consolidated Financial Statements

The Company prepares its annual report including Annual Accounts (statutory financial statements) and consolidated financial statements in accordance with applicable law. The Board of Directors shall determine the start and the end of the Company's business year.

### Article 22: Distribution of Profits

Subject to the statutory provisions regarding the distribution of profits, in particular Articles 671 et seq. CO, the profits as shown on the balance sheet may be allocated by the General Meeting at its discretion.

In addition to the reserves prescribed by law, the General Meeting may create further reserves within the framework of the legal requirements.

The dividend may only be determined after the legally required allocations to the reserves have been made. All dividends unclaimed within a period of five years after their due date shall be forfeited to the Company.

## V. Compensation and Related Provisions

### Article 23: Permitted Additional Activities

The members of the Board of Directors may have the following other functions in the superior management or administrative bodies of legal units obliged to register themselves in a Swiss commercial register or a foreign equivalent thereof and which are not controlled by the Company, do not control the Company or do not constitute pension funds insuring employees of the VAT Group:

1. up to six mandates as member of the board of directors or any other superior management or administrative body of publicly traded companies pursuant to Article 727 para. 1 number 1 CO; and, in addition,
2. up to ten mandates as member of the board of directors or any other superior management or administrative body of companies pursuant to Article 727 para. 1 number 2 CO; and, in addition,
3. up to 20 mandates as member of the board of directors or any other superior management or administrative body of legal entities that do not meet the abovementioned criteria; and, in addition,
4. up to ten mandates in associations, charity foundations and employee assistance foundations.

With the approval of the Nomination and Compensation Committee, the members of the executive management may have the following other functions in the superior management or administrative bodies of legal entities obliged to register themselves in a Swiss commercial register or a foreign equivalent thereof and which are not controlled by the Company, do not control the Company or do not constitute pension funds insuring employees of the VAT Group:

1. up to three mandates as member of the board of directors or any other superior management or administrative body of publicly traded companies pursuant to Article 727 para. 1 number 1 CO; and, in addition
2. up to five mandates as member of the board of directors or any other superior management or administrative body of companies pursuant to Article 727 para. 1 number 2 CO; and, in addition
3. up to five mandates as member of the board of directors or any other superior management or administrative body of other legal entities that do not meet the abovementioned criteria.

Mandates in comparable functions at other companies with an economic purpose are deemed to be mandates. With respect to the additional activities of both the members of the Board of Directors and the executive management, mandates in companies that are under uniform control or the same beneficial ownership are deemed one mandate.

## Article 24: Agreements Related to Compensation for Members of the Board of Directors and the Executive Management

The mandate agreements of the members of the Board of Directors have a fixed term until the conclusion of the next ordinary General Meeting. Early termination or removals remain reserved.

The employment agreements of the members of the executive management shall in principle be concluded for an indefinite period. If the Board of Directors considers a fixed term appropriate, such fixed term shall not exceed one year. With respect to employment agreements entered into for an indefinite period, the maximum notice period must not exceed 12 months.

## Article 25: Principles Relating to the Compensation of the Members of the Board of Directors

The members of the Board of Directors shall receive a fixed basic fee and fixed fees for memberships in committees of the Board of Directors as well as a lump sum compensation for expenses that is determined by the full Board of Directors based on the proposal of the Nomination and Compensation Committee and subject to and within the limits of the aggregate amounts approved by the General Meeting. The compensation is awarded partly in cash and partly in form of shares in the Company, which are restricted during a period of several years.

## Article 26: Principles of Compensation Relating to the Members of the Executive Management

Subject to the approval by the General Meeting, the compensation of the members of the executive management consists of a fixed compensation and of variable compensation components, which comprise short-term and long-term compensation elements. The fixed compensation consists of the base salary and can also contain other compensation elements and benefits.

The short-term variable compensation is paid in cash and depends on the level of achievement of specific predefined targets for a one-year performance period. The performance targets may include individual targets, targets of the Company or the group companies and targets in relation to the market, other companies or comparable benchmarks, taking into account position and level of responsibility of the respective member of the executive management. Upon proposal by the Nomination and Compensation Committee, the Board of Directors is responsible for the selection and weighting of performance targets.

The level of the short-term variable compensation is determined by the Board of Directors upon proposal by the Nomination and Compensation Committee for each member of the executive management as a percentage of the fixed compensation. The performance targets are determined annually for each member of the executive management at the beginning of the one-year performance period by the Board of Directors upon proposal by the Nomination and Compensation Committee.

The long-term variable compensation shall be awarded in shares in the Company or rights to receive shares. The board of directors shall determine the terms and conditions of the long-term variable compensation in one or more plans or regulations.

The long-term compensation plan is designed to offer members of the executive management an incentive to further develop their contribution towards the future success of the Company and the creation of shareholder value.

The grant of shares or rights to receive shares and/or its vesting shall depend on the achievement of certain conditions spread over one or several financial years (such as continued employment and/or achievement of certain annual or multi-year performance targets of the Company or the group companies and targets in relation to the market, other companies or comparable benchmarks). The value of the shares and/or rights to receive shares is determined by the Board of Directors and may refer to the average stock price during a specified time period prior to the grant. The Board of Directors shall, upon proposal by the Nomination and Compensation Committee, determine the performance targets and their relative weight and shall assess the achievement of the performance targets at the end of the performance period. The achievement of the performance targets is generally based on a performance period of several years. The long-term variable compensation payouts shall be subject to caps that may be expressed as predetermined multipliers of the respective target levels.

The respective plans or regulations shall determine in particular the time of allocation/grant, the fair valuation, the applicable blocking, vesting or exercise periods (including their acceleration, reduction or removal in the event of predetermined events such as a change of control or the termination of an employment agreement), the maximum award limit of shares or rights to receive shares, any claw back mechanism and discount on grant of shares or rights to receive shares.

The Company may procure the required shares through purchases in the market or by using its conditional share capital.

The allocation of equity securities or other rights with equity securities as underlying that members of the Board of Directors and members of the executive management receive in their function as shareholders of the Company (e.g. subscription rights within a capital increase or option rights within a capital reduction) shall not be regarded compensation and are not subject to this provision.

No additional compensation shall be awarded for activities in companies that are directly or indirectly controlled by the Company. Article 12 para. 4 remains reserved.

Compensation may be paid or granted by the Company or companies controlled by it.

## Article 27: Expenses

Expenses that are not covered by the lump sum compensation for expenses pursuant to the expense regulations of the Company are reimbursed against presentation of the relevant receipts. This additional compensation for expenses actually incurred does not need to be approved by the General Meeting.



## Article 28: Loans, Credits, Pension Benefits other than from Occupational Pension Funds, Securities

The Company shall not grant loans, credits, pension benefits other than from occupational pension funds or securities to the members of the Board of Directors or the executive management. Advance payments of fees for lawyers, court fees and similar costs relating to the defence against corporate liability claims up to a maximum amount of CHF 1,000,000 are not subject to this provision.

In principle, there will be no payments to pension funds or similar institutions for the members of the Board of Directors. In exceptional cases, such payments may be made upon request of the Nomination and Compensation Committee and subject to the approval by the General Meeting if the members in question do not have other insurable income from subordinate employment.

## Article 29: Additional Amount of Compensation for New Members of the Executive Management

If newly appointed members of the executive management take office after the General Meeting has approved the aggregate maximum amounts of compensation of the members of the executive management for the subsequent business year, such newly appointed members may receive for the period until the next ordinary General Meeting an aggregate compensation in each case of up to 50% of the last aggregate maximum amounts of compensation for the executive management approved by the General Meeting.

This additional compensation amount may only be paid if the aggregate maximum amounts of compensation for the executive management that have been approved by the General Meeting until the next General Meeting are not sufficient to compensate the newly appointed members. The General Meeting may not vote on this additional amount.

Within this additional amount of compensation, the Company can pay a bonus to compensate a newly joining member of the executive management for incurred disadvantages in connection with the change of employment. If the additional amount is not sufficient enough to compensate for the disadvantages to pay the bonus, the part of the bonus surpassing the additional amount has to be approved by the next ordinary General Meeting.

## VI. Liquidation

### Article 30: Dissolution and Liquidation

The General Meeting may at any time resolve the dissolution and liquidation of the Company in accordance with the provisions of the law and of the Articles of Association.

The liquidation shall be carried out by the Board of Directors to the extent that the General Meeting has not entrusted the same to other persons.

The dissolution and liquidation of the Company shall take place in accordance with Articles 736 et seq. CO. The liquidators are authorized to dispose of the assets (including real estate) by way of private contract.

After all debts have been satisfied, the net proceeds shall be distributed among the shareholders in proportion to the amounts paid in.

## VII. Information

### Article 31: Notices and Announcements

The publication instrument of the Company is the Swiss Official Gazette of Commerce. The Board of Directors may designate further means of publication.

Notices by the Company to the shareholders may, at the discretion of the Board of Directors, be validly made by publication in the Swiss Official Gazette of Commerce or in a form which allows proof by text.

## VIII. Contributions in Kind

### Article 32: Contributions in Kind

At the occasion of the capital increase I of March 29, 2016, the company receives according to the capital contribution agreement I dated March 29, 2016 claims (“**Claims**”) in the total amount of CHF 373,234,903.58 against VAT Holding S.à r.l., a société à responsabilité limitée, having its registered office at 12F, rue Guillaume Kroll, L-1882 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 184071, from in total 14 contributors in kind. In return, the contributors in kind in total receive 9,103,284 new registered shares in the Company with a nominal value of CHF 0.10 each. In detail, the following contributions of Claims are being made by the following contributors in kind with the following values and the following prices in return for the following number of new registered shares (contribution in kind I):

Contributor in kind	Claims in the amount of (CHF)	with a value and for the price of (CHF)	Number of new shares
Capvis Equity III L.P. represented by its general partner Capvis General Partner III Ltd	65,604,130.96	65,604,100	1,600,100
Capvis III Limmat L.P. represented by its general partner Capvis General Partner III Ltd	737,124.99	737,098	17,978
Capvis Equity IV L.P. represented by its general partner Capvis General Partner IV Ltd	51,581,256.34	51,581,239	1,258,079
Partners Group Client Access 8, L.P. Inc.	172,322,854.10	172,322,836	4,202,996
Partners Group Barrier Reef, L.P.	21,626,415.30	21,626,393	527,473
Partners Group Private Equity (Master Fund), LLC	15,689,724.12	15,689,716	382,676
JULILIAS SA	14,461,885.17	14,461,848	352,728
Katharina Schertler Secli	14,461,885.17	14,461,848	352,728
Felicitas Hausner	14,461,885.17	14,461,848	352,728
DOMINO INVEST AG	859,329.01	859,319	20,959
Karl Schlegel	238,702.48	238,702	5,822
Aitor Galdos	594,340.87	594,336	14,496
Benjamin Geklim Loh	594,340.87	594,336	14,496
Partners Group Direct Investments 2012 (EUR), L.P. Inc.	1,029.04	1,025	25
<b>Total</b>	<b>373,234,903.58</b>	<b>373,234,644</b>	<b>9,103,284</b>

At the occasion of the capital increase II of March 29, 2016, the company receives according to the capital contribution agreement II dated March 29, 2016, in the aggregate 918,000 class A shares, 1,632,000 class B shares and 300,000 class C shares, with a nominal value of CHF 0.01 each (together “**Lux I Shares**”), in VAT Holding S.à r.l., a société à responsabilité limitée, having its registered office at 12F, rue Guillaume Kroll, L-1882 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 184071, from in total nine contributors in kind. In return, the contributors in kind in total receive 18,901,883 new registered shares in the Company with a nominal value of CHF 0.10 each. In detail, the following contributions of Lux I Shares are being made by the following contributors in kind with the following values and the following prices in return for the following number of new registered shares (contribution in kind II):

Contributor in kind	Lux I Shares	with a value and for the price of (CHF)	Number of new shares
Capvis Equity III L.P. represented by its general partner Capvis General Partner III Ltd	453,900 Class A Shares	13,234,808.26	3,010,374
Capvis III Limmat L.P. represented by its general partner Capvis General Partner III Ltd	5,100 Class A Shares	148,708.23	33,825
Capvis Equity IV L.P. represented by its general partner Capvis General Partner IV Ltd	459,000 Class A Shares	13,383,512.09	3,044,198
Partners Group Client Access 8, L.P. Inc.	1,341,501 Class B Shares	39,115,452.25	8,897,155
Partners Group Barrier Reef, L.P.	168,357 Class B Shares	4,908,949.90	1,116,584
Partners Group Private Equity (Master Fund), LLC	122,142 Class B Shares	3,561,413.73	810,075
JULILIAS SA	100,000 Class C Shares	2,915,798.00	663,224
Katharina Schertler Secli	100,000 Class C Shares	2,915,798.00	663,224
Felicitas Hausner	100,000 Class C Shares	2,915,798.00	663,224
<b>Total</b>		<b>83,100,238.46</b>	<b>18,901,883</b>

At the occasion of the capital increase III of March 29, 2016, the company receives according to the capital contribution agreement III dated March 29, 2016, in the aggregate two class A shares and 2,999,998 class B shares, with a nominal value of CHF 0.01 each (together “**ManCo Shares**”), in VAT Management S.à r.l., a société à responsabilité limitée, having its registered office at 12F, rue Guillaume Kroll, L-1882 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 184071, from in total 26 contributors in kind. In return, the contributors in kind in total receive 994,833 new registered shares in the Company with a nominal value of CHF 0.10 each. In detail, the following contributions of ManCo Shares are being made by the following contributors in kind with the following values and the following prices in return for the following number of new registered shares (contribution in kind III):

Contributor in kind	ManCo Shares	with a value and for the price of (CHF)	Number of new shares
Capvis Equity IV L.P. represented by its general partner Capvis General Partner IV Ltd	1 Class A Share and 104,223 Class B Shares	151,943.90	34,561
Partners Group Direct Investments 2012 (EUR), L.P. Inc.	1 Class A Share and 185,284 Class B Shares	270,123.60	61,442
DOMINO INVEST AG	187,536 Class B Shares	273,407.70	62,189
Karl Schlegel	67,335 Class B Shares	98,167.22	22,329
Aitor Galdos	288,167 Class B Shares	420,119.99	95,560
Benjamin Geklim Loh	288,167 Class B Shares	420,119.99	95,560
Heinz Kundert	342,936 Class B Shares	499,967.41	113,722
Stefan Pleier	102,881 Class B Shares	149,987.59	34,116
Egon Hämmerle	102,881 Class B Shares	149,987.59	34,116
Rene Pahud	205,761 Class B Shares	299,979.57	68,233
Jürgen Zoller	13,717 Class B Shares	19,999.23	4,549
Urs Gantner	41,152 Class B Shares	59,993.28	13,646
Thomas L. Murphy III	17,147 Class B Shares	24,997.94	5,686
Bernd Kirchhöfer	68,587 Class B Shares	99,991.73	22,744
Michael Zickar	54,870 Class B Shares	79,992.50	18,195
Walter Griesinger	68,587 Class B Shares	99,991.73	22,744
Anton Neumeir	13,717 Class B Shares	19,999.23	4,549
Kurt Sonderegger	20,576 Class B Shares	29,996.64	6,823
Andreas Scheibe	102,881 Class B Shares	149,991.98	34,117
Daniel Meyer	41,152 Class B Shares	59,993.28	13,646
Gebhard Lutz	13,717 Class B Shares	19,999.23	4,549
Ronald Pschenitschnigg	13,717 Class B Shares	19,999.23	4,549
Oliver Boslau	37,723 Class B Shares	54,994.57	12,509
Andreas Leutenegger	342,936 Class B Shares	499,967.41	113,722
Kurt J. Trippacher	205,761 Class B Shares	299,979.57	68,233
Markus Jäger	68,587 Class B Shares	99,991.73	22,744
<b>Total</b>		<b>4,373,683.84</b>	<b>994,833</b>

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