

# Organizational Regulations

of

## SFS Group AG

with registered office in Heerbrugg (municipality of Widnau SG)

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### **1. BASIS AND SCOPE OF APPLICATION**

#### **1.1 Basis**

#### **1.2 Based on Art. 716 CO, Art. 716b CO and Art. 16 of the Articles of Association, the Board of Directors of SFS Group AG ("the Company") issues the present Organizational Regulations. Purpose**

These Organizational Regulations serve to provide a summary of the superior management structures of the SFS group together with all its subsidiaries (hereinafter the "**Group Companies**" or the "**Group**"). The Regulations determine the executive bodies of the Company, define their responsibilities and competences regarding the management of the Company and of the Group and regulate the functioning and cooperation of the various bodies in the Group management.

### **1.3 Scope of Application**

These Regulations determine the organization as well as the responsibilities and the authority of the executive bodies of the Company, namely:

- (a) the Board of Directors;
- (b) the Chairman of the Board of Directors;
- (c) the Vice chairman of the board of Directors;
- (d) Committees of the Board of Directors;
- (e) the Group Executive Board (GEB);
- (f) the CEO (President of the Group Executive Board);
- (g) Executive Bodies of the Subsidiaries; and
- (h) the CFO, CHRO and Head of Corporate Services.

## **2. BOARD OF DIRECTORS**

### **2.1 Constitution**

The Chairman of the Board of Directors is elected at the general meeting of the Company. The Board of Directors appoints the independent Vice chairman of the board of Directors as well as a secretary (a person keeping the minutes) who does not need to be a member of the Board of Directors.

### **2.2 Meetings, Calling of Meetings and Agenda**

2.2.1 A meeting of the Board of Directors shall be called by the Chairman whenever the business of the Company requires but at least six times per annum.

Each member of the Board of Directors (hereinafter a "**Board Member**") shall be entitled, giving reasons, to request the Chairman to call a meeting. If the Chairman does not comply with this request within 14 days, the Vice chairman shall be entitled to call the meeting.

2.2.2 The announcement of the meeting shall

- (a) be made at least ten business days in advance by written correspondence (letter, or e-mail);
- (b) include date, time and place and manner of holding the meeting in accordance with Art. 18 of the Articles of Association, as well as the agenda items; and
- (c) be accompanied by the main documents to be tabled at the meeting.

In case of urgency shorter notice periods are permitted. If all Board Members are present and agree, deviations from these formal requirements are permitted; in particular, decisions can be taken in respect of items that are not listed on the agenda for the meeting.

Furthermore, these formal requirements can be dispensed with if a meeting is only convened in order to record the implementation of a capital increase, including the adoption of the report on the capital increase, and to pass resolutions regarding the amendments of the Articles of Association entailed therewith.

- 2.2.3 The Chairman shall chair the meeting, in his absence the Vice-President, and in the absence of both of the aforementioned, a member to be elected by the Board of Directors from among its members.

At Board Meetings, each Board Member shall be entitled to submit proposals for discussion regarding both items on and off the agenda. This right may also be exercised by way of written correspondence.

- 2.2.4 The Chairman decides if and which persons outside the Board shall be entitled to attend meetings of the Board of Directors.

The following members of the GEB usually attend meetings of the Board of Directors in an advisory capacity:

- the CEO (President of the Group Executive Board);
- the CFO (Chief Operating Officer).

The other members of the GEB each participate at least one meeting at which the strategy or other specific issues regarding the business segment with which they are concerned are on the agenda.

The Board of Directors also regularly holds meetings without any additional participants.

## **2.3 Quorum, Passing of Resolutions and Minutes**

2.3.1 Subject to section 2.3.1 para. 2, the Board of Directors shall constitute a quorum if the majority of its members are present at the meeting (presence quorum) or participate by means of communication (telephone or video conferences or other electronic means). Meetings may also be held without a meeting place.

An attendance quorum shall not be required if the sole purpose of the meeting is to record the implementation of a capital increase, including the adoption of the report on the capital increase, and to pass resolutions regarding the amendments of the Articles of Association entailed therewith.

2.3.2 The Board of Directors shall pass its resolutions with the majority of the votes cast (simple majority). Abstentions count as votes uncast. In case of a tie of votes, the Chairman shall have the casting vote.

2.3.3 Board resolutions may also be passed by circular letter, e-mail or other electronic means, unless a member requests oral deliberation in a meeting, video or telephone conference or by other electronic means within five working days of receipt of the relevant request by e-mail or other electronic means. Resolutions passed by circular letter require the consent of the majority of the members.

2.3.4 Minutes shall be kept of the proceedings and resolutions, including resolutions passed by circulation and resolutions passed by telephone or video conference or by other electronic means, and shall be signed by the Chairman and the Secretary. The minutes shall be approved by the Board of Directors at its next meeting. In the case of resolutions passed by electronic means, no signature shall be required.

## **2.4 Responsibilities, Competences and Delegation**

2.4.1 The Board of Directors of the Company has a dual function in the management of the Group:

- On the one hand, it constitutes a body of the Company in accordance with the law. Its respective duties as well as the procedural rules and principles to which it is subject are embodied in the law, the Articles of Association of the Company as well as in these Organizational Regulations.
- On the other hand, it is the supreme executive body within the management structure of the Group. Its duties in this respect are also set forth in these Regulations. The Board of Directors has, to the extent legally permitted, an initiating, supervisory and superior decision-making function vis-à-vis the other Group Companies.

2.4.2 Principal functions of the Board of Directors; Delegation

The Board of Directors is entrusted with the non-transferable ultimate management of the Company as well as with the control of the GEB. It deals with all matters which are not delegated to another body of the Company either by law, its Articles of Association or these Regulations.

The Board of Directors shall regularly receive information about the course of business of the Company and of the Group and attends to the reports and requests submitted to it by the various committees of the Board of Directors and the GEB.

The Board of Directors is entitled to pass resolutions on all matters which are not delegated or reserved to the general meeting or another body of the Company either by law, the Articles of Association or these Regulations.

The Board of Directors delegates the management of the whole Group to the GEB in order to ensure a uniform management of the Group, provided that nothing different is envisaged by either the law, the Articles of Association or these Regulations.

#### 2.4.3 Duties and competences in respect of the Company

The Board of Directors has in particular the following duties and competences in respect of the Company:

- (a) To ultimately manage the Company and issue the necessary directives;
- (b) to determine the organization of the Company, in particular, to pass, supplement and amend these Organizational Regulations as well as to decide on the opening of new branches, the incorporation and sale of subsidiaries and the acquisition and disposal of participations in other companies;
- (c) to organize accounting, financial control, financial planning, risk control and assessment as well as internal audit;
- (d) to appoint and to terminate the appointment of all persons entrusted with the management and representation of the Company and to grant all forms of signing authorities;
- (e) to ultimately supervise the persons entrusted with the management of the Company, in particular, with respect to their compliance with the law, the Articles of Association, regulations and directives;
- (f) to prepare the annual report as well as the annual general meeting of the Company and to implement the latter's resolutions;
- (g) to file a petition for debt-restructuring moratorium and notify the court in the event of over-indebtedness;

- (h) to pass resolutions regarding the subsequent payment of capital with respect to non-fully-paid shares;
- (i) to pass resolutions regarding the increase of share capital to the extent that this is within the authority of the Board of Directors (Art. 651 para. 4 CO) as well as the adoption of the capital increase and the amendments to the Articles of Association entailed therewith;
- (j) to pass resolutions regarding agreements in respect of mergers, de-mergers, transformations or transfers of assets and liabilities in accordance with the Merger Act;
- (k) to decide on the exercise of voting rights in the annual general meeting of the major subsidiaries regarding the election of the boards of directors as well as the auditors;
- (l) to grant and take out loans and credit facilities for the financing of business activities, to decide on the assumption of obligations with regards to bills of exchange and to grant securities provided that these do not exceed CHF 100 million;
- (m) to decide on the acquisition, pledging and sale of land or real estate provided that their value does not exceed CHF 1 million;
- (n) to decide on the initiation of and refraining from legal proceedings and the entering into settlement agreements provided that the expected disputed amount does not exceed CHF 2 million;
- (o) to decide on the total amount of variable compensation payable to the members of the Board of Directors and of the GEB; and
- (p) to assess the performance of the Board of Directors and of each Board Member.

#### 2.4.4 Duties and competences in respect of the Group

In addition to the duties listed in 2.4.3 above, the Board of Directors of the Company has in particular the following duties and competences in respect of the management of the Group:

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

- (a) to determine the strategy (including sustainability strategy), business policy and long-term objectives of the Group in consultation with or on the request of the CEO and the GEB.

- (b) to approve the budgets and business plans for the Group proposed by the GEB as well as those of the individual segments and divisions;
- (c) to approve the mission statement and determine the individual business policies of the Group;
- (d) to decide on and approve all corporate actions in particular regarding the acquisition and disposal of substantial participations.

***Organization and Supervision of the Group Executive Board (GEB)***

- (e) to issue the Organizational Regulations;
- (f) to issue additional regulations, directives and guidelines to be prepared by the GEB;
- (g) to decide on and approve the basic financial, legal and organizational structure of the Group (*Aufbauorganisation*);
- (h) to review and act upon the reports of the internal auditor;
- (i) to review and act upon the periodical reports of the GEB;
- (j) to approve transactions between the Company and/or Subsidiaries and members of the Board of Directors or the GEB (*Organgeschäfte*);
- (k) to decide on important contracts outside of the ordinary course of business, the initiation of and refraining from legal proceedings and pending legal disputes, in each case, from an amount of CHF 2 million;
- (l) to determine the conditions and modalities for granting mandates for non-audit services to the external auditors.

***Accounting, Financial Control and Financial Planning***

- (m) to review and act upon reports regarding the course of business, the quarterly reports of the Group as well as events outside of the ordinary course of business;
- (n) to approve the budget and business plan prepared by the GEB, in each case, prior to year end; in particular, the profits, costs and investment budgets as well as the expected cash flow statement;
- (o) to approve requested budget overruns (investments, costs) of more than 5% of the approved annual budget;

(p) to supervise the financial balance (security, liquidity, profitability);

***Personnel***

(q) to appoint/terminate the appointment of the members of the GEB as well as other members of the senior management who report directly to the Board of Directors or the CEO; and

(r) to approve human resources policy.

**2.5 Right to Request Information and Reporting**

Each Board Member is entitled to request information on all matters concerning the Company as well as the Group Companies.

At each meeting, the members of the GEB which are present shall inform the Board of Directors about the current course of business and important business developments. The Board Members shall be informed immediately of extraordinary events by way of circular letter, if necessary, in advance by telephone or e-mail.

Each Board Member is also entitled to request information or access to company documents in the intervals between Board meetings. Such requests shall be addressed in writing to the Chairman of the Board of Directors.

To the extent necessary to fulfil his duties, each Board Member may request from the Chairman authorisation to review books and records. If the Chairman rejects the Board Member's request for information, for a hearing or for inspection, then the Board of Directors shall decide on such request.

**2.6 Compensation**

The type of compensation of the Board of Directors and of the Group Executive Board and the amount thereof are determined by the Articles of Association of the Company and the applicable legal provisions as well as the Compensation Policy.

**3. CHAIRMAN OF THE BOARD OF DIRECTORS**

The Chairman of the Board of Directors calls and chairs the meetings of the Board of Directors. Together with the person keeping the minutes, he signs the minutes of the deliberations and resolutions of the Board of Directors.

The Chairman of the Board of Directors presides over the annual general meeting.

The Chairman of the Board of Directors has the right to call upon third parties as advisors

in meetings of the Board of Directors.

#### **4. VICE CHAIRMAN OF THE BOARD OF DIRECTORS**

The Vice chairman is elected by the Board of Directors for a term of one year or until the conclusion of the next annual general meeting of the Company.

If the Chairman is indisposed, the Vice chairman shall take the chair at the meetings of the Board of Directors. In particular, the Vice chairman shall chair the meeting of the Board of Directors if the Chairman is required to abstain from the deliberation and decision-taking in case the following items are on the agenda:

- Assessment of the work of the Chairman;
- decision of the Board of Directors on the request to the general meeting for the re-election or not of the Chairman; and
- decision about the compensation of the Chairman.

#### **5. COMMITTEES OF THE BOARD OF DIRECTORS**

##### **5.1 General**

5.1.1 The Board of Directors shall be entitled to delegate the preparation and execution of its resolutions as well as the supervision over business activities to committees. The committees are authorised to conduct, or request to be conducted, investigations into all matters within their areas of responsibility. They may consult independent experts if necessary.

5.1.2 The committees of the Board of Directors shall consist of one chairman and at least one other member which, with the exception of members of the Nomination and Compensation Committee, shall be elected by the Board of Directors from among its members. The Audit Committee has a minimum of three members. The members of the Nomination and Compensation Committee are elected annually at the general meeting upon request of the Board of Directors. The committees constitute themselves.

The term of office of the committee members corresponds to their term of office as members of the Board of Directors and is one year or the period until the next annual general meeting.

5.1.3 The committees shall meet upon invitation of their chairman as often as the business of the Company requires, usually before an ordinary meeting of the Board of Directors takes place.

Committee meetings are called in accordance with Section 2.2.2.

In addition to the elected committee members, other representatives of the GEB as well as other individuals may attend committee meetings upon invitation of the committee chairman and after consultation with the Chairman of the Board of Directors and potentially the CEO.

- 5.1.4 The committees are quorate for the purposes of submitting proposals or passing resolutions if at least half of their members are either physically present at the meeting or participate using other means of communication.

Resolutions and proposals to the Board of Directors shall be passed with the majority of the votes cast. Abstentions count as votes uncast. In case of a tie of votes, the matter is to be submitted to the Board of Directors.

Resolutions and proposals to the Board of Directors may also be passed in writing, provided that no committee member requests oral deliberation.

- 5.1.5 A record shall be kept of all deliberations and resolutions which shall be approved on the occasion of the following meeting of the committee. Each member of the Board of Directors and the CEO shall receive a copy of the minutes.
- 5.1.6 In addition, the committees shall inform the Board of Directors about their activities at the next ordinary meeting of the Board of Directors or, in urgent cases, immediately.

## **5.2 Audit Committee**

- 5.2.1 The Audit Committee supports the Board of Directors in its ultimate supervisory function, in particular, regarding the completeness of the financial statements, compliance with the legal requirements, the aptitude of the external auditor as well as the performance of the internal and external auditor.

The Audit Committee assesses the appropriateness of the financial reporting, the internal control systems and the general control of business risks. It ensures continuous communication with both the external and internal auditor regarding the financial situation and course of business of the Group.

- 5.2.2 In particular, the Audit Committee has the following duties and competences:
- (a) to evaluate external auditors under consideration of the fulfilment of the necessary qualifications in accordance with the applicable legal requirements and to submit a proposal to the Board of Directors regarding the appointment of the external auditor at the general meeting;
  - (b) to assess the performance of the current external auditor and to approve, upon request by the CFO, the budget for auditing fees submitted by the external auditor;

- (c) to organize the internal audit and appoint the internal auditor; to direct tasks to it (potentially, upon request of the Board of Directors) and assess its performance;
- (d) to review audit plans of both the internal and the external auditor, discuss them with the people concerned and approve them;
- (e) to approve and monitor the issuance and execution of any non-audit related services of the external auditor;
- (f) to request information from the GEB and the external and internal auditors regarding major risks, contingent liabilities and other liabilities of the Group as well as to assess the measures taken by the Group to address them;
- (g) to review and discuss the annual and interim financial statements of the Company and the Group, including substantial positions off the balance sheet with the relevant members of the GEB;
- (h) to discuss the results of the annual audit with the external auditor and to discuss the reports of the internal auditor as well as to make any submissions or proposals to the Board of Directors;
- (i) to assess and to ensure the cooperation between the external and the internal auditor;
- (j) to conduct a summary assessment of the annual business expenses of the members of the GEB.

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

The principal duties and responsibilities are defined in the Articles of Association of the Company.

In particular, the NCC has the following duties:

- (a) to submit requests to the GEB regarding the compensation system of the Group;
- (b) to submit requests to the GEB regarding the setting of compensation-related targets for the GEB;
- (c) to submit requests to the GEB regarding the approval of the individual compensation for the Chairman of the Board of Directors, the other members of the Board of Directors as well as the individual maximum compensation for the CEO;

- (d) to submit requests to the GEB regarding the individual compensation (basic salary and variable compensation) for the other members of the GEB as well as their terms of employment and titles;
- (e) to submit requests to the GEB regarding amendments to the Articles of Association in respect of the compensation system for the compensation of members of the GEB;
- (f) to submit proposals to the Board of Directors regarding the appropriate size and balanced composition of the Board of Directors, the majority of which is to be independent, and to determine the criteria of such independence;
- (g) to develop and present criteria for the election or re-election to the Board of Directors or the appointment as a member of the GEB;
- (h) to assess potential members of the Board of Directors on the basis of the prescribed criteria and to submit an opinion to the Board of Directors regarding their nomination at the general meeting;
- (i) to evaluate requests by the CEO to the Board of Directors regarding the appointment or removal from office of members of the GEB and, if appropriate, to give its opinion to the Board of Directors;
- (j) to approve agreements and employment contracts with the Chairman of the Board of Directors, the CEO and the other members of the GEB;
- (k) to review succession and contingency planning on the level of the GEB; and
- (l) to approve the acceptance of external mandates by members of the Board of Directors and of the GEB in accordance with Art. 23 of the Articles of Association.

## **6. GROUP EXECUTIVE BOARD (GEB)**

### **6.1 Constitution**

The members of the GEB are appointed and removed by the Board of Directors upon request of the CEO and the NCC. The GEB comprises the CEO of the Group (president of the GEB), the CFO, the CHRO, the Head of Corporate Services and the heads of the various segments and divisions (see company structure in Annex 1).

The Board of Directors appoints the CEO.

The GEB appoints a secretary (keeper of the minutes) who does not need to be a member of the GEB.

## **6.2 Meetings, Calling of Meetings, Agenda**

The GEB shall be convened whenever the business of the Group requires but at least six times per annum.

Meetings shall be called by the CEO or – if the CEO is indisposed – by another member of the GEB (hereinafter a "**Member**").

Meetings shall be announced at least three days in advance. The agenda shall be included in the meeting announcement.

The CEO or – if the CEO is indisposed – another Member shall chair the meeting.

At the meeting of the GEB, each Member shall be entitled to submit proposals regarding the items on the agenda and to request a discussion in respect of items which are not on the agenda.

The CEO shall decide if individuals who are not members of the GEB are to participate at meetings of the GEB in an advisory capacity.

## **6.3 Quorum, Passing of Resolutions and Minutes**

The GEB shall be quorate if a majority of its members attends the meeting.

As a general rule, the GEB shall pass its resolutions by consensus. In case of disagreement in an important matter, the CEO shall consult the Chairman of the Board of Directors.

Resolutions may also be passed by means of circular resolutions, by letter, facsimile or e-mail.

All resolutions shall be recorded. The minutes shall be signed by the CEO and the person keeping the minutes.

Resolutions passed by means of circular resolutions or telephone conference shall be included in the next minutes.

## **6.4 Structure and Function**

The GEB has a dual function in the management of the Group:

- On the one hand, it is responsible for the day-to-day business of the Company - to the extent not reserved to the Board of Directors.
- On the other hand, it is responsible for the operational business of the whole Group as well as of each individual segment or division or the individual Group Companies, to the extent that the respective competences are, pursuant to these Regulations, not reserved to the Board of Directors of the Company or are, by law, reserved to the boards of directors of the subsidiaries.

## **6.5 Duties, Competences and Responsibilities**

The GEB, to whom the management of the Group is delegated (see Section 2.4.2, para. 4), shall, in particular, have the following non-transferable duties and competences:

- (a) operational management of the Company and the Group, the implementation of the business strategy, the implementation of these Organizational Regulations as well as the drawing up of the necessary additional regulations and directives for approval by the Board of Directors and the implementation of the approved regulations and directives;
- (b) preparation for discussion and approval by the Board of Directors of the principles of and motions for the strategy (including sustainability strategy) of the Group;
- (c) manage and supervise all on-going business and transactions of the Company and the subsidiaries within the framework of these Organizational Regulations except for decisions of fundamental importance which require prior approval by the Board of Directors of the Company;
- (d) preparation, implementation and supervision of the principles of the general business policy, the annual objectives, the budget as well as the general human resources and remuneration policies;
- (e) establishment of risk management guidelines;
- (f) establishment of efficient and structured procedures and an efficient internal control system in order to minimise or avoid all types of risk;
- (g) supervision of all employees operating in the market in respect of their compliance with internal guidelines;
- (h) preparation and implementation of the organizational chart;
- (i) preparation and implementation of the organizational guidelines;
- (j) preparation and implementation of the accounting, financial control and financial

planning;

- (k) preparation for discussion and approval by the Board of Directors of the budget and the business plans as well as motion to the Board of Directors of the Company in the event of budget overruns (costs, investments) in the course of a business year of more than 5 % of the annual budget;
- (l) preparation and presentation of the annual accounts, the quarterly balance sheets and the annual report to the boards of directors of the Company and the subsidiaries as well as periodical and legally required reporting to these boards regarding the course of business of the Group;
- (m) preparation and implementation of the general human resources policy as well as general employment matters and the number of employees and their position (*Stellenplan*);
- (n) determination of the remuneration of employees (excluding that of the GEB);
- (o) supervision of employees, in particular, with regard to compliance with the law, the Articles of Association, regulations and directives;
- (p) resolution regarding important contracts outside of the ordinary course of business. Decision-making regarding the initiation of legal proceedings and pending legal disputes, in each case, up to an amount or amount in dispute, as applicable, of approximately CHF 2 million;
- (q) reporting to the Board of Directors immediately by telephone and in writing in case of the occurrence of increased risks in on-going transactions as well as in the case of extraordinary events; and
- (r) informing the Chairman of the Board of Directors of the Company as well as the chairman of the boards of Directors of the subsidiaries in the event of capital loss and overindebtedness (Art. 725 CO) or in the event of other threats to one of the Group Companies.

The GEB shall be authorised to take decisions in respect of all matters which are not reserved or delegated to the Board of Directors or another body of the Company either by law, the Articles of Association or these Regulations.

## **6.6 Onwards Delegation**

The duties assigned to the GEB shall only be delegated onwards to natural persons with the approval of the Board of Directors. This shall not apply to the delegation of preparation and execution.

## **7. CEO (PRESIDENT OF THE GROUP EXECUTIVE BOARD)**

### **7.1 Appointment**

The CEO shall be appointed and removed by the Board of Directors.

### **7.2 Duties and Competences**

The CEO heads the GEB and calls and chairs the meetings of the GEB. He signs, together with the secretary, the minutes of the deliberations and resolutions of the GEB.

The CEO shall, in particular, have the following non-transferable duties and competences:

- (a) Preparation of motions regarding the strategy of the Group in cooperation with the GEB and for the attention of the Board of Directors;
- (b) nomination, promotion and termination of the appointment of employees in the top management of the Group Companies as "Managing Director" and "Director" as well as the determination of their conditions of employment and their respective functions;
- (c) appointment and termination of the appointment of all persons entrusted with the business and representation of the Company and regulation of the signatory powers up to one level below the GEB;
- (d) operational management of the Group and president of the Group Executive Board. He is the direct supervisor of the CFO and other members of the Group Executive Board. The CEO distributes tasks within the Group Executive Board, issues instructions of both a general and specific nature, controls their execution and ensures the close coordination between the work of the Group Executive Board and that of the Board of Directors;
- (e) to the extent that the Board of Directors does not issue any guidelines and directives regarding the exercise of the membership rights of the Company in respect of the other domestic and foreign Group Companies (and their participations), this falls within the responsibility of the CEO;
- (f) the CEO prepares the motions for the Board of Directors in respect of the matters to be discussed and decided by the Board of Directors and does so with the support of the CFO and the other members of the Group Executive Board;
- (g) if necessary, he informs the Chairman of the Board of Directors and the individual Board Members immediately about extraordinary events; and
- (h) the CEO represents the Company in public. In this respect, he consults with the

Chairman of the Board of Directors.

In all other respects, the CEO shall have the duties and competences set forth in the Articles of Association and in these Regulations.

## **8. EXECUTIVE BODIES OF THE SUBSIDIARIES**

The responsibilities of the bodies of the subsidiaries are limited to the non-transferrable legal duties which shall be exercised, to the extent legally permissible, in the overall interests of the Group.

The supervisory bodies (board of directors, supervisory board etc.) of the subsidiaries shall be staffed with members of the operational management of the Group. As far as possible and useful as well as legally permissible, the principle of separation of the supervisory and executing functions shall thereby be observed.

The supervisory bodies of the subsidiaries shall be as small as legally permissible and operationally useful.

The management of the subsidiaries is usually allocated to that division for which the subsidiary predominately operates.

The GEB shall be responsible for issuing the required general directives and guidelines for the management of the subsidiaries.

## **9. CFO (CHIEF FINANCIAL OFFICER), CHRO (CHIEF HUMAN RESOURCES OFFICER) AND HEAD OF CORPORATE SERVICES**

### **9.1 Basis**

Corporate IT & Finance, Corporate HR and Corporate Services create sustainable corporate value for shareholders, employees and other stakeholders by working in partnership with the management of the segments, regions, divisions and subsidiaries. They bundle tasks and relieve the segments and divisions through active collaboration. They achieve synergies and an optimal cost-benefit balance for the Group. Corporate IT & Finance, Corporate HR and Corporate Services are characterised by efficiency, reliability and simplicity.

### **9.2 Functions and Duties**

Corporate IT and Finance, Corporate HR and Corporate Services are responsible for the following duties and functions:

### 9.2.1 Corporate IT and Finance

- (a) Corporate Treasury;
- (b) Corporate Controlling (internal audit, group reporting, group consolidation);
- (c) Compliance and Legal
- (d) Taxes
- (e) Corporate Information Technology;
- (f) Coordination of the risk management and insurance for the Group;
- (g) Insuring compliance with all stock exchange regulations in collaboration with Corporate Services;
- (h) Leading and exercising of the Shared Service Centre function for financial and accounting services for Switzerland and abroad (financial accounting, management accounting, debtors, creditors).

In addition to his other duties as member of the Group Executive Board, the CFO is, in particular, responsible for the creation of transparency in respect of the financial development, events, prospects and risks of the Group. He ensures efficient planning and supervision of the business activities of the Group through a transparent information system and is tasked to ensure that any deviations from targets are identified early on, that the Group Executive Board and the Board of Directors are informed in time and that correcting measures are being taken.

He proposes measures to improve performance and procedures and ensures compliance with legal requirements, professional standards (best practice), Group policies as well as the instructions of the Board of Directors. In doing so, he has a direct responsibility towards and reports directly to the Board of Directors and the internal and external auditors while concurrently informing the CEO. He supports the Board of Directors with the aim of ensuring timely and foresighted decisions of a high quality as well as an efficient control and risk management system proportionate to the size of the Group.

### 9.2.2 Corporate HR Management

- (a) Ensure proper remuneration of employees and define remuneration levels, wages and remuneration components;
- (b) Cooperation with authorities, committees and public authorities regarding the employment of staff;

- (c) Employer representation in labour court proceedings;
- (d) Advertise vacancies, select and train new employees;
- (e) Assessing, identifying and developing talent and succession solutions as well as training and development opportunities;
- (f) Leading and managing the HR Shared Services Centres in and outside Switzerland;
- (g) Personnel and budget controlling; project management.

### 9.2.3 Corporate Services

- (a) Communication (Corporate Communications, PR, Marketing communications);
- (b) Corporate Development;
- (c) Project Management;
- (d) Investor Relations;
- (e) Annual reporting including sustainability report in cooperation with CFO and other teams and stakeholders.

The Head of Corporate Services is responsible for the ad hoc publicity of facts relevant to the stock exchange price and the other notifications required by the Stock Exchange Act and the Listing Rules within the framework of the defined processes.

## 9.3 Organization

The CFO, the CHRO and the Head of Corporate Services are members of the GEB.

## 9.4 Competences

The heads of the individual service functions of the Group have an executive management role. They exercise influence and share responsibility in ensuring that the guidelines and directives that fall within their area of competence are complied with.

## 10. OTHER PROVISIONS

### 10.1 Signatory Powers

### 10.1.1 Board of Directors

All members of the Board of Directors of the Company shall have joint signatory power and shall sign by two signatories. Additional signatory powers for the Company shall be granted by the Board of Directors.

Signatory powers for the subsidiaries shall be granted by the relevant board of directors. However, signatory powers shall always be exercised jointly by two signatories.

### 10.1.2 Group Executive Board (GEB)

All members of the GEB shall have joint signatory power and shall sign by two signatories and the respective holders shall be registered in the company register.

## 10.2 Confidentiality, Return of Documents

The members of the Board of Directors and the members of the GEB as well as all other bodies and employees of the Group shall be obliged to keep confidential towards third parties all transactions and other business activities or facts about the Company, its subsidiaries, other Group Companies and its parent company and its shareholders of which they obtain knowledge during the exercise of their professional activities. This duty of confidentiality shall survive the termination of employment of the above-named persons with the Company.

Upon termination of their employment with the Company, they shall return all files and documents of the Company.

## 10.3 Conflict of Interest

The members of the Board of Directors and the GEB and any other executive body shall manage their personal and business/financial affairs in such a way as to avoid conflicts with the interests of the Company or the Group. They shall not enter into any investment or other transactions or accept any benefits that may compromise their independent safeguarding of the interests of the Company. If there is a possibility of a conflict of interest, the person concerned must immediately inform the Chairman of the Board of Directors (or in the case of a conflict of interest of the Chairman of the Board of Directors, the Vice-Chairman) in writing and fully disclose the underlying facts. The President or Vice-President shall make an initial assessment and inform the full Board of Directors, to which he shall propose appropriate measures if necessary. In urgent cases, the President or Vice-President may take the necessary measures himself and then inform the full Board of Directors accordingly. The Board of Directors shall hear the member concerned and take the measures necessary to safeguard the interests of the Company and the Group. The disclosure of the conflict of interest, its assessment and the measures taken (or the waiver of measures) are documented in writing Term of Office/Age Limit

#### **10.4 Business Year**

The business year of the Company starts on 1 January and ends on 31 December.

### **11. FINAL PROVISIONS**

#### **11.1 Entry into Force**

These Organizational Regulations shall enter into force after the adoption by the Board of Directors as per 1 July 2023.

#### **11.2 Revisions and Amendments**

As a general rule, these Organizational Regulations shall be reviewed and, if necessary, amended every two years at the first meeting of the Board of Directors following the annual general meeting.

#### **11.3 Binding Nature of the Original Text**

If discrepancies should arise between the Organisational Regulations in German and those drawn up in English, the original German text shall prevail.

Heerbrugg, 23 June 2023

Appendix 1:  
Organizational Structure of the SFS Group (as per 1 January 2023)

