



## Organizational Regulations of the Board of Directors, its Committees and of the Executive Committee

### Table of Contents

	<b>Introduction.....</b>	<b>2</b>
<b>1</b>	<b>General Provisions .....</b>	<b>2</b>
1.1	Duty of Care and Loyalty .....	2
1.2	Conflicts of Interest.....	2
1.3	Confidentiality .....	3
1.4	No Insider Trading .....	4
1.5	Time and attention.....	4
1.6	Board Members: Non-Company Board representation .....	4
1.7	Board Members.....	4
1.8	Executive Committee: Non-Company Board representation .....	4
1.9	No representation of Members.....	4
1.10	Quorum, Majority requirements .....	5
1.11	Meetings .....	7
1.12	Performance of Board functions .....	7
1.13	Secretary/Minutes:.....	7
1.14	Participation of Non-Members .....	8
<b>2</b>	<b>Certain matters agreed in connection with the business combination of Koninklijke DSM N.V. and Firmenich International SA.....</b>	<b>8</b>
2.1	Headquarters .....	8
2.2	Tax Residency .....	8
2.3	Listing.....	8
2.4	Dividend Policy/Dividend Payment.....	8
2.5	Initial ExCo .....	9
2.6	Compensation Matters .....	9
<b>3</b>	<b>Board .....</b>	<b>9</b>
3.1	Mission .....	9
3.2	Composition and Term.....	9
3.3	Responsibilities of the Board .....	10
3.4	Business Supervision and Monitoring .....	12
3.5	Right to Request Information .....	12
3.6	Chairperson of the Board.....	12
3.7	Vice-Chairperson of the Board.....	13
3.8	Remuneration .....	14
3.9	Preparation of the Annual General Meeting (AGM) .....	15
3.10	Committees .....	15
3.11	Evaluation of the Board .....	16



<b>4 Management</b> .....	<b>16</b>
4.1 Delegation of Management.....	16
4.2 CEO .....	16
4.3 Executive Committee .....	17

## Introduction

Based on art. 20 of the articles of association of dsm-firmenich AG (the "**AoA**"), the board of directors of dsm-firmenich AG promulgates the following regulations (the "**Regulations**").

These Regulations govern the internal organization as well as the duties, powers and responsibilities of the following bodies and persons of dsm-firmenich AG (the "**Company**") and all its subsidiaries (the "**Group**"):

- The board of directors of the Company (the "**Board**")
- The committees of the Board (the "**Board Committees**")
- Chairperson of the Board (the "**Chairperson**")
- Vice-chairperson of the Board (the "**Vice-Chairperson**")
- Chief executive officer (the "**CEO**")
- The executive committee (the "**Executive Committee**" or "**ExCo**")

All references to functions in these Regulations shall apply equally to male and female persons.

## 1 General Provisions

### 1.1 Duty of Care and Loyalty

Each member of the Board (each a "**Board Member**"), the CEO and members of the ExCo (each an "**ExCo Member**") are under the duty to safeguard and further the interests of the Company and its stakeholders.

### 1.2 Conflicts of Interest

Conflicts of interest are matters which affect, or might reasonably be seen to affect, the interests of that member or of a person close to that member and may therefore impair, or be seen to impair, the ability of a Board Member (whether acting in the Board or for a Board Committee), the CEO or any ExCo Member to take decisions in the best interest of the Company.

If an individual believes that he/she has such a conflict of interest or if there is a potential for such a conflict to occur, he/she must discuss the matter with the Chairperson (or for ExCo Members with the CEO in consultation with the Chairperson), who then shall propose to the Board a solution appropriate to the intensity of the conflict of interest, e.g. with respect to (a) disclosure of the conflict to all members of the Board, respectively the ExCo, (b) participation in the deliberation only, (c) participation also in the resolution taking, with or without a necessity to have a majority of non-conflicted members agreeing or (d) a



need for a total recusal on a certain topic or decision item. The Board decides on the appropriate measures to be taken upon a respective proposal by the Chairperson.

In case the Board decides in accordance with section d) of the preceding paragraph, that total recusal is required on a certain topic or decision item, any Board Member or ExCo Member who has a conflict of interest or interests contrary to the interests of the Company or who has to represent such interests on behalf of third parties shall, to the extent possible and legally permissible, not receive confidential information about this business or matter, and the member concerned shall make his or her best efforts to ensure that he/she does not receive such information, nor may such member attend meetings where such business or matters are discussed and/or resolved. Finally, to the extent not conflicting with any Board Member's or ExCo Member's duty of care and duty of loyalty, such member shall not have access to the minutes of such meeting or agenda item or to any relevant material or information.

If the conflict is expected to persist and to have a significant impact on the ongoing ability of that individual to perform his/her functions for the Company in an independent way, the individual should offer his or her resignation.

For the purposes of this section, a Nominated Director (as defined in section 1.10.3) is not deemed to have a conflict solely because of the nomination by Firmenich Shareholders (as defined in art. 4 para. 4 of the AoA) if he/she participates in (and decides on) matters listed in section 1.10.3.

### **1.3 Confidentiality**

Each Board Member, the Board Committees members, the CEO and the ExCo Members shall at all times keep strictly confidential all non-public information relating to the Group which such individual has learned during the exercise of his/her duties.

For the avoidance of doubt, if a Nominated Director (as defined in section 1.10.3) informs the members of the shareholder group he is representing (or those shareholders nominating him) about the business of the Company and its development, such information is not restricted by this section for as long as this will not be in breach of applicable laws including the rules and restrictions relating to disclosure of price-sensitive information and for as long as this information relates to statutory or contractual rights of these shareholders (or decisions as per section 1.10.3) and such disclosure is not contradicting interests of the Company worth being protected. In specific and exceptional cases, the Board may decide to prohibit disclosure of certain information to shareholders.

This confidentiality duty shall continue after the member's term of office has expired or been terminated for a period of five years. Upon request from the Chairperson or the Vice-Chairperson made in connection with the expiry or termination of the member's term of office, such member shall return or demonstrate he/she has destroyed all non-public information in his/her possession or under his/her control (whether in electronic form or otherwise).



#### **1.4 No Insider Trading**

Each Board Member, the Board Committees members, the CEO and the ExCo Members must be sensitive to and avoid insider trading and/or other illegal activities in securities of the Company or in companies in which he/she has, by virtue of his/her position, relevant information not yet made public.

#### **1.5 Time and attention**

- 1.5.1 Each Board Member shall devote the necessary time and attention to the matters of the Board and strive to attend all Board meetings.
- 1.5.2 Each Board Member has an obligation to be familiar with the Group's business, the key ExCo Members and the environment in which he/she operates. In this respect, he/she is encouraged to seek essential information from Board Members or the ExCo to allow him/her to fulfill his/her functions as further set forth in section 3.5.

#### **1.6 Board Members: Non-Company Board representation**

Art. 22 of the AoA stipulates how many external mandates can be held by a Board Member.

A Board Member must first seek the clearance from the Chairperson, prior to accepting a mandate as per art. 22 of the AoA and shall advise the Chairperson of any material changes to such mandates within a reasonable time after they occur. At the Board meeting immediately after a new appointment or material change to a mandate as per art. 22 of the AoA, the Board Member shall disclose the material change to the full Board.

#### **1.7 Board Members**

When a candidate is elected to the Board by the shareholders meeting, all operational and/or consultancy roles that individual has with the Company will be terminated. Unless justified for other reasons, such individual will not be regarded as having been terminated as a "bad leaver" for any purpose. Nothing in this section will prevent the Board in exceptional circumstances from entrusting one of its members with specific assignments as a consultant for the Group.

#### **1.8 Executive Committee: Non-Company Board representation**

Art. 22 of the AoA stipulates how many external mandates can be held by the CEO and ExCo Members.

The CEO and ExCo Members (whose candidacy must be supported by the CEO) must seek the clearance from the Board, prior to accepting a mandate as per art. 22 of the AoA and shall advise the Board of any material changes to such mandates within a reasonable time after they occur.

#### **1.9 No representation of Members**

A Board Member or member of the Board Committees who is not able to participate in a meeting may not be represented by another member of that Board/that Board Committee, or any other person.



## 1.10 Quorum, Majority requirements

- 1.10.1 Unless stated otherwise in these Regulations, the law or the AoA, the presence in person or by telephone or video conference of a majority of the members is required for any meeting of the Board and each Board Committee. If the Chairperson is not able to participate in a meeting, the Vice-Chairperson shall be the Chairperson for such meeting. If both the Chairperson and the Vice-Chairperson are not able to participate in a meeting, the other Board Members shall nominate a chairperson for the purposes of that meeting.
- 1.10.2 Unless stated otherwise in these Regulations, resolutions of the Board and the Board Committees require the affirmative majority of the votes cast. Abstentions do not count as votes cast. The Chairperson shall have the casting vote. If there is a tie on any issue in a Board Committee, the matter shall be referred to the full Board for decision. To be a valid vote, the only voting options available are to vote in favor of the resolution, against it or to abstain from voting.
- 1.10.3 As long as three Board Members representing Firmenich Shareholders (as defined in art. 4 para. 4 of the AoA) nominated in accordance with art. 18 of the AoA (the "**Nominated Directors**") are in office and without prejudice to the AGM's rights, the affirmative vote of at least two of the Nominated Directors – and in case there are two Nominated Directors in office, the affirmative vote of one Nominated Director – is required for a resolution on:
- changes to these Regulations;
  - a proposal to the AGM to change the Company name;
  - removal of and/or replacement/appointment of the ExCo Members responsible for Perfumery, Beauty and Ingredients within the first 5 (five) years from the date the Company is listed;
  - a change of the Company's headquarters according to section 2.1;
  - a change to the Company's tax residency according to section 2.2 or on any matter that affects such tax residency;
  - a capital increase based on art. 3a, art. 3b and/or art. 3c of the AoA (i.e. conditional and/or authorized capital (capital band)) in the amount of more than 5% of the Company's issued share capital compared to the Company's share capital after both contributions by the Koninklijke DSM N.V. and Firmenich International SA shareholders have been fully completed (i.e. by more than 13,283,819 shares), and, to the extent that the Board has already issued capital in a previous capital increase based on art. 3a, art. 3b and/or art. 3c of the AoA or reserved such capital, any capital increase based on art. 3a, art. 3b and/or art. 3c of the AoA which would, together with such previous capital increase based on conditional and/or authorized capital (capital band) or reserved capital, exceed 5% of the Company's issued share capital compared to



the Company's shares capital after both contributions by the Koninklijke DSM N.V. and Firmenich International SA shareholders have been fully completed;

- an additional listing of the Company's shares on a stock exchange according to section 2.3;
- a change of the Company's current listing according to section 2.3; and
- a change to or deviation from the Company's dividend policy according to section 2.4.

1.10.4 The adoption of resolutions on items not on the agenda requires the affirmative vote of at least two thirds of the Board Members/the Board Committee members, including the affirmative vote of at least one Nominated Director.

1.10.5 Resolutions may be passed in writing (including by electronic means). A proposal for a circular resolution must be communicated to all members, giving a deadline for responding, and is only deemed to have passed if:

- more than two-thirds of all Board Members cast a vote or give written notice that they abstain; and
- an absolute majority of all Board Members casting a vote approve the proposed resolution and in case of the matters in sections 1.10.3, a Nominated Director (if required) votes in the affirmative; and
- no Board Member requests a Board meeting in relation to the subject matter of the proposed resolution within two full business days of receiving notice of the proposal (except in case of urgency, in which case such period may be reduced as appropriate).

This section 1.10.5 also applies to resolutions passed by the Board Committees.



## **1.11 Meetings**

- 1.11.1 Meetings are normally held at the Company's offices in Kaiseraugst, Switzerland, with the majority of the Board Members physically attending. Meetings may incidentally take place outside Switzerland or virtually. In compliance with the above principles, the location of the meetings will be determined by the chairperson of the respective body.
- 1.11.2 Subject to section 1.11.1, members shall be given the opportunity to attend the meeting by telephone, videoconference or electronic communication, provided that all participants can hear each other simultaneously.
- 1.11.3 The Chairperson and the CEO (as applicable) shall attend all non-virtual meetings in person and shall only attend the meeting through electronic means of communication under exceptional circumstances.
- 1.11.4 The Board meets at least six times a year: at least once per quarter, on the occasion of the annual general meeting (the "**AGM**"), and once a year for an extended seminar. After consultation with the CEO, the Chairperson may decide to convene additional meetings. Each Board Member has the right to request convocation of a Board meeting. The request has to be addressed to the Chairperson accompanied by the reasons for such meeting. It is then up to the Chairperson to convene a meeting of the Board as soon as practicable.
- 1.11.5 The Chairperson decides, in consultation with the CEO, the agenda and date of the Board meetings.
- 1.11.6 Notices for the Board meetings are done in writing (including by electronic means) at least 7 days in advance, except in case of emergency. They are transmitted by the Board secretary to the Board Members with the agenda. The Chairperson, assisted by the Board secretary, communicates, to the extent possible 7 days in advance, the materials on the points in the agenda. Each Board Member has the right to request an agenda item to be put on the agenda, such right to be exercised within 2 days after receipt of such notice.

## **1.12 Performance of Board functions**

The Board Members shall, as far as possible, perform their function as Board Members in Switzerland.

## **1.13 Secretary/Minutes:**

The Board and the Board Committees shall each appoint a secretary, who need not be a member of the body. The secretary of each body shall keep the minutes of the meetings, which shall contain all resolutions adopted at the meeting and shall be signed by the chairperson and the secretary of that body. Minutes of each Board Committee meeting and other Board Committee materials shall be made available to all Board Members.



#### **1.14 Participation of Non-Members**

Persons who are not Board Members or members of the Board Committees may participate in meetings of such bodies if their expertise is required and if they have been invited by the chairperson of the body. Such persons shall not vote on any resolutions.

## **2 Certain matters agreed in connection with the business combination of Koninklijke DSM N.V. and Firmenich International SA**

### **2.1 Headquarters**

The Company is domiciled in Switzerland with registered seat of the principal in Kaiseraugst and has a dual headquarter structure, with a headquarter in Kaiseraugst and a headquarter in Maastricht (the Netherlands). The Taste Texture & Health business is based in Delft (the Netherlands). The Perfumery & Beauty business is based in Geneva and the Health, Nutrition & Care businesses and Animal Nutrition & Health businesses are based in Kaiseraugst. The Firmenich International SA Research & Development is based in Geneva, and the Global Biotech R&D is based in Delft (the Netherlands).

### **2.2 Tax Residency**

The Company shall be solely tax resident in Switzerland. The Board, the CEO and the ExCo shall ensure that there is sufficient substance in Switzerland, including for example that AGMs and ExCo meetings and significant management and control is undertaken in Switzerland, including domicile of key ExCo Members and support functions.

### **2.3 Listing**

The shares of the Company are listed on the Euronext Amsterdam exchange.

### **2.4 Dividend Policy/Dividend Payment**

The Board's proposal to the shareholders for dividends will be made within the following parameters:

Generally, the Company shall pay out 40–60% of its total net income to shareholders as dividends.

Other than for the dividend 2023, which will be paid out of capital contribution reserves only, the following applies: In case the dividend yield is below or equal to 2%, 50% of the dividend shall be paid out of the Company's normal reserves or retained earnings and 50% shall be paid out of the Company's capital contribution reserves. Any dividends paid out in excess of a 2% dividend yield shall be paid out of capital contribution reserves only (i.e. when yield is 2.1, then 1.0/1.1 split between retained earnings/ capital contribution reserves). The dividend yield shall be calculated as a percentage based on the closing share price as per 31 December of the previous year.





## 2.5 Initial ExCo

Immediately following the business combination of Koninklijke DSM N.V. and Firmenich International SA, the ExCo shall be composed of the members as set out in section 10.10 of the business combination agreement between the Firmenich International SA shareholders, Koninklijke DSM N.V. and Firmenich International SA dated 30 May 2022 (the "Initial ExCo").

## 2.6 Compensation Matters

In addition to the rules laid down in art. 27 of the AoA the following shall apply with respect to short-term and long-term variable compensation for ExCO Members:

- Depending on the performance levels achieved the actual short-term variable compensation for ExCo Members may range from zero to 200% of the determined target level, which shall be expressed as a percentage of annual base salary.
- Depending on the performance levels achieved the actual long-term variable compensation for ExCo Members may range from zero to 200% of the determined target level. The Board of Directors determines the target level, performance metrics, their weight and assesses their achievement.

# 3 Board

## 3.1 Mission

The Board's principal mission is the oversight of the Company ensuring the good performance of the Group, defining the strategy, overseeing risk control, compliance with the law and overseeing the management and maintenance of the core values of the Company. For this purpose, the Board appoints the CEO and all ExCo Members upon proposal by the Governance and Nomination Committee (the "GNC") and makes strategic decisions that allow the CEO and the ExCo to manage the Group's activities and it monitors the execution of the strategy.

## 3.2 Composition and Term

Save for extraordinary circumstances, the Board is composed of between nine (9) and twelve (12) non-executive Board Members in accordance with art. 19 of the AoA. A majority of the members must be non-executives and must be an Independent Director. An "Independent Director" means :

- a) The member has never been a member of the Executive Committee, or was a member of the Executive Committee more than three years ago; and
- b) The member has never served as lead auditor of the Group's external auditor or served as the lead auditor more than two years ago; and



c) The member does not have significant business relationships with the Group.

A Nominated Director or a director who has been a Nominated Director is not regarded as an Independent Director.

The CEO is not a Board Member but is generally invited by the Chairperson to all Board meetings and will attend on all topics, except those where their performance or remuneration is discussed.

The Board proposes the appointment of new Board Members within the limits set by the AoA (which inter alia foresee nomination rights for up to three Nominated Directors), internationally recognized principles of good corporate governance and any other applicable rules.

Generally, it proposes persons whose profile and know-how will ensure the Group operates well, is diversified and that the Board has independence of judgment.

A Board Member's mandate shall be for a term of one year, but for a maximum term of ten (10) years. Unless terminated earlier, the mandate shall automatically terminate on the date of the AGM called to approve the accounts for the financial year in which such Board Member has attained the age of 70.

### **3.3 Responsibilities of the Board**

The Board is the highest executive oversight body of the Company. It shall resolve on all business matters which are not reserved to the shareholders by law or by the AoA.

In addition to the inalienable duties of the Board laid down in art. 716a of the Swiss Code of Obligations ("CO") and art. 20 of the AoA, the Board retains authority over the following: Oversight of the Company and the Business (as defined in section 3.4 below): including approving and giving necessary guidance and support regarding the following:



- 3.3.1.1 The objectives and strategies of the Group, as well as its appropriate organizational model to achieve the set objectives;
- 3.3.1.2 Review of the Group's risk management system and of the most significant risks and how these are managed;
- 3.3.1.3 The opening, closing down, acquisition or sale of legal entities or other restructuring measures of fundamental significance to the Business;
- 3.3.1.4 Approval of capital increases, capital decreases and debt equity swaps as well as the issuance of bonds/convertible bonds of the Company or a Group company;
- 3.3.1.5 Approval of material amendments to the articles of association of a material Group company;
- 3.3.1.6 Approval of the acquisition, encumbrance, licensing or sale of intellectual property (trademarks, patents, etc.) of the Company or a Group company that could have a material impact on the continuity of business because it covers or relates to more than 5% of the Company's annual sales revenue;
- 3.3.1.7 The regular review of the Group's culture;
- 3.3.1.8 The scope of Business of the Group, as well as any merger or acquisition or sale of assets exceeding EUR 50 mio.;
- 3.3.1.9 The Group's governance following the standards of Swiss companies listed on the Euronext Amsterdam exchange;
- 3.3.1.10 Remuneration plans for the Group, subject to the powers of the AGM;
- 3.3.1.11 Approval of the conclusion, amendment and cancellation of employment contracts (including benefits in kind, non-cash benefits, agreements regarding pensions, insurance) of the Company or a Group company, if an ExCo Member is affected;
- 3.3.1.12 Approval of the issue of options, phantom stock programs and performance-related bonuses within the Group, which have not been agreed upon in the employment contract and which are of substantial scope;
- 3.3.1.13 The structuring of the accounting system, financial controls and financial planning to the extent necessary for the management of the Company;
- 3.3.1.14 The budget, the setting of financial targets, the definition of the Group's capital structure and the annual investment budget;
- 3.3.1.15 Every operational or other investment decision exceeding EUR 50 mio.;



- 3.3.1.16 The appointment of the CEO, and each ExCo Member, upon proposal of the GNC;
- 3.3.1.17 The annual assessment of the CEO and the ExCo's performance;
- 3.3.1.18 Establishing and monitoring the Company's core values; and
- 3.3.1.19 The approval of the Company's strategy and goals in sustainability matters; approval of the annual sustainability report (including proposing the sustainability report to the AGM for approval on a non-binding/binding basis), and approval of the appointment of the external auditor of the sustainability report.

### **3.4 Business Supervision and Monitoring**

The Company is a holding company which directly or indirectly owns a global group of subsidiaries that conduct its business operations (the "**Business**"). The Board shall supervise and monitor the Group's activities to ensure proper functioning of the Business in the best interests of the Company, its stakeholders and shareholders, and to comply with the various requirements imposed by relevant laws and regulatory authorities.

### **3.5 Right to Request Information**

The Board Members have full and unrestricted access to the ExCo and employees of the Company and the affiliated companies in the execution of their duties. Generally, Board Members will inform the Chairperson and the CEO in case they contact employees. This includes the right to request information and inspection pursuant to art. 715a CO. The Chairperson may enact additional regulations or issue decisions on a case by case basis in order to regulate information flow from ExCo Members to Board Members.

### **3.6 Chairperson of the Board**

The Chairperson is appointed by the AGM and shall normally be an Independent Director. In addition to the powers laid down by law and the AoA, the Chairperson has the following responsibilities:



- 3.6.1 Organize the affairs of the Board and ensure the Company moves forward with its strategies and activities;
- 3.6.2 Ensure that the Board fulfills the functions to which it is assigned;
- 3.6.3 Review with the CEO the major strategic projects before submission to the Board;
- 3.6.4 Without delay, communicate to the Board any information that may have a significant impact on the Group's strategy as well as relevant updates and other information;
- 3.6.5 Maintain contact with Board Members and – in coordination with the CEO – shareholders;
- 3.6.6 Where appropriate or requested, support the CEO in participating in and giving input to public relations activities and contacts with the authorities;
- 3.6.7 Be available to the ExCo upon request of the CEO;
- 3.6.8 Review actual and potential conflicts of interest a Board Member may have and propose to the Board how the conflict should be handled;
- 3.6.9 Be informed of any potential or actual conflict of an ExCo Member;
- 3.6.10 Maintain regular and frequent contact with the CEO as well as with other ExCo Members;
- 3.6.11 Liaise with the Vice-Chairperson and keep him apprised of key issues, decisions and concerns of the organization so that he/she would be in a position to step in should the Chairperson be unavailable;
- 3.6.12 At the invitation of any of the CEO or if otherwise in the interests of the Company, attend ExCo meetings; and
- 3.6.13 In the event of extraordinary events of high urgency, order immediate measures, also within the area of competence of the Board. The Board must be informed as soon as possible and be involved in the decision-making process in an appropriate manner.

### **3.7 Vice-Chairperson of the Board**

As long as at least two Nominated Directors are on the Board, the position of the Vice-Chairperson is filled by one of the Nominated Directors (except in case the Chairperson is exceptionally a Nominated Director, in which case the Vice-Chairperson shall be an Independent Director).

In the event of incapacity, in a conflict of interest situation requiring recusal on a certain topic or decision item as decided by the Board, absence or death of the Chairperson, the Chairperson shall be substituted by the Vice-Chairperson, who shall assume the competencies and bears the responsibilities of the Chairperson until the latter's return or replacement by decision of the AGM.



The Vice-Chairperson has the following powers and responsibilities:

Be available to support and discuss issues, concerns and key decisions with the Chairperson, the ExCo and the CEO.

### **3.8 Remuneration**

In accordance with art. 29 of the AoA, based on the recommendation of the Compensation Committee (the "CC"), the Board proposes to the AGM the aggregate compensation of the Board Members (maximum), including the Chairperson as well as the aggregate remuneration of the ExCo Members (maximum).



### **3.9 Preparation of the Annual General Meeting (AGM)**

- 3.9.1 The Board shall review and approve the annual report, the dividend proposals and the other proposed resolutions to be submitted for approval to the AGM.
- 3.9.2 The Board calls the AGM in accordance with the AoA and these Regulations.

### **3.10 Committees**

- 3.10.1 In accordance with art. 20 of the AoA, the Board may establish one or more Board Committees to assist the Board in preparing certain decisions in the areas of its competence. For each Board Committee (unless the Board Committee only serves on an ad hoc basis), the Board lays down, in a charter, the Board Committee's composition and responsibilities.
- 3.10.2 The Board Committees review the matters submitted to them, conduct research and analysis when deemed necessary, and submit their recommendations to the Board, unless the Board Committee charter delegates certain decisions to the Board Committees. In such a case, the chairperson of the Board Committee will inform the Board about decisions taken.
- 3.10.3 Subject to the powers that are retained by the AGM in art. 10 of the AoA and subject to sections 3.10.4 and 3.10.6 below, the Board appoints on recommendation from the GNC, the members of each Board Committee (save for the members of the CC, who are appointed at the AGM for a term of one year ending with the conclusion of the next AGM), and approves the appointment of the chairperson of each Board Committee.
- 3.10.4 As long as at least two (2) Nominated Directors are on the Board, the GNC is chaired by a Nominated Director and each standing Board Committee shall have one (but not more than one) Nominated Director amongst its members.
- 3.10.5 Board Committee members are appointed for the duration of their term of office.
- 3.10.6 The following standing Board Committees have been formed:
  - 3.10.6.1 Audit and Risk Committee, chaired by an Independent Director;
  - 3.10.6.2 Sustainability Committee, chaired by a Nominated Director or an Independent Director;
  - 3.10.6.3 CC, chaired by the Chairperson of the Board or an Independent Director; and
  - 3.10.6.4 GNC, chaired by a Nominated Director (except in case the Chairperson is exceptionally a Nominated Director, in which case the chair of the Governance and Nomination Committee shall be an Independent Director).



### **3.11 Evaluation of the Board**

The Board:

- 3.11.1 Annually reviews its priorities and its contribution to the Group's good performance; and
- 3.11.2 On a 3 year cycle, performs a complete review of its performance.

## **4 Management**

### **4.1 Delegation of Management**

The Board delegates the management of the Company and the Group to the ExCo Members and to the CEO within and subject to the powers of the Board reserved by law (in particular art. 716a CO), the AoA and these Regulations. Management responsibilities not explicitly referred to in these Regulations and not explicitly delegated to any key function holder are within the responsibilities of the entire ExCo.

The Board authorizes the CEO and each ExCo Member to represent the Company jointly by two (except for commitments of low importance). Low importance shall mean commitments with a value less than EUR 100,000 and/or with a low risk (such as confidentiality agreements or low value day-to-day purchases). The details are set forth in the separate authority table enacted by the Board from time to time. Provided that the joint signatory principle is retained, the Board gives the CEO and ExCo the authority to delegate its signatory powers to the other members of the senior management of the Group in a manner appropriate for the proper management of the Businesses, whilst always complying with the joint signature principles, save for commitments of low importance.

### **4.2 The CEO**

The CEO is responsible for overseeing the operational management of the Group. The CEO organizes the ExCo and set the responsibilities of each of the ExCo Members. The CEO propose to the Board the appointment of each of the ExCo Members after having discussed the candidacy with the Chairperson, the chairperson of the GNC and the GNC. The CEO annually assess the performance of the ExCo Members and share these assessments with the Chairperson and the chairperson of the GNC.





### 4.3 Executive Committee

As part of the delegated management of the Group to the ExCo in accordance with section 4.1, the ExCo's responsibilities include:

#### 4.3.1 Organizational:

- 4.3.1.1 Ensuring the unity and cohesion of the Group;
- 4.3.1.2 Managing the Company resources, whether human, material, intellectual or financial;
- 4.3.1.3 Informing the Chairperson of any event having a significant impact on the Group's strategy;
- 4.3.1.4 Participating (via a person named by the ExCo) in the board of directors of joint ventures and the major affiliates when local conditions require it.

#### 4.3.2 Strategies/Results:

- 4.3.2.1 Presenting to the Board for approval the Group's strategy and the Group's significant/strategic policies<sup>1</sup>;
- 4.3.2.2 Driving the development of business and achieving the strategic plans and annual budgets of the Group;
- 4.3.2.3 Once every quarter, presenting to the Board the consolidated results with a report on the Business.

#### 4.3.3 Expenditures and Investments:

- 4.3.3.1 Submitting to the Board for approval the annual budget of expenditures and investments;
- 4.3.3.2 Submitting to the Board for approval any investment exceeding EUR 50 mio.

#### 4.3.4 Communication:

- 4.3.4.1 Communicating appropriately to the Board Members relevant updates and other information;
- 4.3.4.2 Organizing proper information sharing inside and outside of the Company, including through quarterly letters, regular employee information sessions, regular webcasts and quarterly and annual shareholder reports;
- 4.3.4.3 Fostering contacts with customers as well as with the authorities.

#### 4.3.5 Human Resources:

---

<sup>1</sup> Such policies are determined by the CEO in consultation with the Chair of the Governance and Nomination Committee



- 4.3.5.1 Proposing to the Board an appropriate organizational model to achieve the Group's objectives set by the Board;
  - 4.3.5.2 Proposing to the CC personnel policies (employees and others), remuneration plans (variable and long-term) and salary and bonuses for the ExCo and executives of the Group.
  - 4.3.6 Compliance/Sustainability:
    - 4.3.6.1 Ensuring compliance with the law and the Code of Ethics (once established) in all areas and reporting periodically to the Board. This will include ensuring that operational measures have been put in place to prevent corruption and undue advantage (as defined by the Swiss Penal Code, as amended from time to time) and putting in place a whistleblowing policy.
    - 4.3.6.2 Pursuing leadership in sustainability matters and implementing the sustainability strategy and goals as agreed by the Board.
- Further, the ExCo supports the CEO in each of his/her responsibilities, including:
- 4.3.7 Ensuring the Code of Ethics (once established) and the law are complied with throughout the Group;
  - 4.3.8 Preparing strategies and strategic plans for Board/Board Committee review;
  - 4.3.9 Implementing matters approved by the Board /Board Committees;
  - 4.3.10 Preparing and submitting quarterly and annual reports and keeping the Board informed of significant matters;
  - 4.3.11 Ensuring efficient operations and optimizing results;
  - 4.3.12 Ensuring appropriate internal and external communications;
  - 4.3.13 Ensuring resources are used efficiently; and
  - 4.3.14 Preparing and promulgating general policies (including financial, investments, compliance with laws, diversity, communication, safety and environmental protection, and management information systems) to manage and control the Business; and supervising compliance with these policies.