Repurchase of DSM-Firmenich’s shares

The CO limits the Company's ability to repurchase and hold own shares (treasury shares). The Company and its subsidiaries may repurchase shares only to the extent that (i) the Company has freely distributable reserves in the amount of the purchase price; and (ii) the aggregate par value of all shares held by the Company does not exceed 10% of the share capital. Pursuant to Swiss law, where shares are acquired in connection with a transfer restriction set out in the Articles of Association or an action for dissolution (Auflösungsklage), the foregoing upper limit is 20%. If in such case the Company owns shares that exceed the threshold of 10% of the share capital, then the excess shares must be sold or cancelled by means of a capital reduction within two years. Under the CO, treasury shares may not be cancelled without the approval of a capital reduction by the General Meeting.

Shares held by the Company or its subsidiaries are not entitled to vote at the General Meeting but are entitled to the economic benefits applicable to the shares generally, including dividends and pre-emptive subscription rights in the case of share capital increases.
In addition, selective share repurchases are only permitted under certain circumstances. Within these limitations, as is customary for Swiss corporations, the Company may, subject to applicable law, purchase and sell own shares from time to time in order to meet imbalances of supply and demand, to provide liquidity and to balance variances in the market price of shares.