

Invitation to the Annual General Meeting of Shareholders of Cembra Money Bank AG

Tuesday, 13 May 2014, at 14:00
(doors open at 13:15)

Kongresshaus Zurich,
Claridenstrasse 5, 8002 Zurich
Gartensaal, Entrance «K»



Agenda Items and Proposals of the Board of Directors

(English translation of the binding German original)

- 1. Approval of Annual Report 2013, consolidated and individual Financial Statements 2013**
Proposal: The Board of Directors proposes that the Annual Report 2013 and the consolidated and individual Financial Statements 2013 be approved.

- 2. Allocation of results and distribution out of reserves from capital contributions**

- 2.1 Allocation of results**

Proposal: Based on the following financials:

Allocation of profit as proposed to the Annual General Meeting		
Profit carried forward	CHF	829,742
Profit for the year	CHF	292,205,806
Reclassification from profit carried forward to other reserves	CHF	-800,000
Distributable profit	CHF	292,235,548
Allocations to other reserves	CHF	-292,000,000
Profit carried forward	CHF	235,548

The Board of Directors proposes to allocate the distributable profit of the Company of CHF 292,235,548 to other reserves (in part, CHF 292,000,000) and to carry forward (in part, CHF 235,548).

- 2.2 Distribution out of reserves from capital contributions**

Proposal: The Board of Directors proposes that a distribution to the shareholders out of reserves from capital contributions of CHF 2.85 per share, amounting to a total distribution of about CHF 85.5 million (depending on the number of shares issued as of the last trading day with entitlement to receive the payment, i.e. 14 May 2014) be approved.

Explanation: Instead of a dividend, the Board of Directors proposes a distribution to shareholders out of reserves from capital contributions of CHF 2.85 per share. Such distribution charged to the reserves from capital contributions would not be subject to 35% Swiss withholding tax.

Provided that the Board of Directors' proposal on a distribution out of reserves from capital contributions be approved, the distribution will be paid as from 20 May 2014 (ex-date: 15 May 2014).

- 3. Discharge of the members of the Board of Directors and the Management Board**

Proposal: The Board of Directors proposes that the discharge of the members of the Board of Directors and the Management Board for the financial year 2013 be approved.

4. Elections

4.1 Re-elections of members of the Board of Directors

Proposal: The Board of Directors proposes that Dr. Felix A. Weber, Christopher M. Chambers, Denis Hall, Richard Laxer and Dr. Peter Athanas be re-elected as members of the Board of Directors for a one-year term of office until the closure of the next Annual General Meeting.

4.1.1 Dr. Felix A. Weber

4.1.2 Christopher M. Chambers

4.1.3 Denis Hall

4.1.4 Richard Laxer

4.1.5 Dr. Peter Athanas

Explanation: In accordance with article 3 of the Swiss Ordinance against Excessive Compensation in Listed Stock Corporations (**OaEC**), the Annual General Meeting individually elects each member of the Board of Directors for a one-year term of office until the closure of the next Annual General Meeting.

You will find additional information on each member of the Board of Directors in the Corporate Governance section of the Annual Report 2013.

4.2 Election of a new member of the Board of Directors

Proposal: The Board of Directors proposes that Urs Daniel Baumann be elected as member of the Board of Directors for a one-year term of office until the closure of the next Annual General Meeting.

Explanation: In accordance with article 3 OaEC, the Annual General Meeting individually elects each member of the Board of Directors for a one-year term of office until the closure of the next Annual General Meeting.

Urs Daniel Baumann, Swiss national and resident, born in 1967

Since 2012, Urs Daniel Baumann has been Chief Executive Officer (CEO) of Bellevue Group. He has over 14 years of international management experience with leading global, regional and Swiss financial institutions, including CEO of Swisscard and Lindorff Group as well as Managing Director CEE at Barclaycard. Furthermore, he worked as consultant and manager with a top-rated global management consulting firm for more than five years. Urs Daniel Baumann holds a Master in Economics & Business Administration of the University of St. Gallen (HSG) as well as an MBA of the University of Chicago.

4.3 Election of the Chairperson of the Board of Directors

Proposal: The Board of Directors proposes that Dr. Felix A. Weber be elected as Chairperson of the Board of Directors for a one-year term of office until the closure of the next Annual General Meeting subject to his re-election to the Board of Directors pursuant to agenda item 4.1.

Explanation: In accordance with article 4 OaEC, the Annual General Meeting elects the Chairperson of the Board of Directors for a one-year term of office until the closure of the next Annual General Meeting. According to standards of good corporate governance and applicable regulations, the Chairperson of the Board of Directors should neither chair the Compensation and Nomination Committee nor be a member of the Audit Committee.

4.4 Election of the members of the Compensation and Nomination Committee

Proposal: The Board of Directors proposes that Christopher M. Chambers, Richard Laxer, and Dr. Felix A. Weber be elected as members of the Compensation and Nomination Committee for a one-year term of office until the closure of the next Annual General Meeting subject to their re-election to the Board of Directors pursuant to agenda item 4.1.

4.4.1 Christopher M. Chambers

4.4.2 Richard Laxer

4.4.3 Dr. Felix A. Weber

Explanation: According to article 7 OaEC, the Annual General Meeting individually elects each member of the Compensation Committee of the Board of Directors for a one-year term of office until the closure of the next Annual General Meeting.

4.5 Election of the independent proxy

Proposal: The Board of Directors proposes that Andreas G. Keller, Attorney-at-Law, Gehrenholzpark 2g, 8055 Zurich, Switzerland, be elected as independent proxy of the Company for a one-year term of office until the closure of the next Annual General Meeting.

Explanation: In accordance with article 8 OaEC, the Annual General Meeting elects the independent proxy for a one-year term of office until the closure of the next Annual General Meeting.

4.6 Re-election of the independent auditors

Proposal: The Board of Directors proposes that KPMG AG, Zurich, be re-elected as independent auditors of the Company for a one-year term of office.

5. Amendments to the Articles of Incorporation

Explanation: On 20 November 2013, the Swiss Federal Council adopted the final OaEC. The OaEC implements the provisions of the Swiss Federal Constitution resulting from the affirmative vote by the Swiss people on 3 March 2013 on the so-called “Minder Initiative”. The OaEC entered into force on 1 January 2014.

The Board of Directors has opted for an early implementation of the requirements of the OaEC and proposes to the shareholders that certain provisions of the Articles of Incorporation be amended and new provisions be introduced into the Articles of Incorporation.

The most important amendments and new provisions respectively are set forth below:

- The shareholders shall individually elect the members of the Board of Directors, the Chairperson of the Board of Directors and the members of the Compensation and Nomination Committee for a one-year term of office (see also agenda items 4.1 – 4.4 above);
- The shareholders shall elect the independent proxy for a one-year term of office (see also agenda item 4.5 above);
- The Articles of Incorporation shall contain provisions regarding the annual and binding vote of the shareholders on the compensation of the Board of Directors and the Management Board and regarding other compensation related matters;
- The Articles of Incorporation shall contain provisions regarding (i) the number of permitted activities of the Board of Directors and the Management Board, (ii) the term of employment agreements of members of the Management Board and (iii) the delegation of the management to natural persons.

A detailed overview of the current Articles of Incorporation and the proposed amendments thereto is set forth in Annex 1. The complete articles with all proposed amendments can also be found on the Company’s website:
www.cembra.ch/en/investor → AGM.

5.1 Amendments relating to the OaEC in general

Proposal: The Board of Directors proposes that the following provisions of the Articles of Incorporation (as set forth in Annex 1) be approved: Article 11 (Powers of the General Meeting), Article 16 (Voting Rights, Representation, Restrictions), Article 22 (Powers of the Board of Directors), Article 22a (Compensation and Nomination Committee), Article 25a (Permitted Additional Activities), Article 25b (Duration and Notice Period of Employment and Similar Agreements).

5.2 Amendments related to the compensation of the members of the Board of Directors and the Management Board

Proposal: The Board of Directors proposes that the following provisions of the Articles of Incorporation (as set forth in Annex 1) be approved: Article 11a (Resolutions on Compensation), Article 25c (Compensation Principles for the Board of Directors), Article 25d (Compensation Principles for the Management Board), Article 25e (Additional Compensation Amount for New Hires and Promotions), Article 25f (Out of Pocket Expenses), Article 25g (Loans, Credits and Pension Benefits not based on Occupational Pension Schemes), Article 25h (Executive Variable Compensation Plan).

5.3 Further amendments

Proposal: The Board of Directors proposes that the following provisions of the Articles of Incorporation (as set forth in Annex 1) be approved: Article 17 (Resolutions, Elections), Article 18 (Number of Directors).

5.4 Final vote on the amended Articles of Incorporation

Proposal: The Board of Directors proposes that the Articles of Incorporation amended as per Annex 1 be approved.

6. Approval of the compensation

6.1 Approval of total compensation of the Board of Directors

Proposal: The Board of Directors proposes that the maximum total compensation of CHF 900,000 for the members of the Board of Directors for the period until the closure of the next Annual General Meeting be approved.

Explanation: In accordance with article 18 OaEC, the Annual General Meeting shall annually approve the compensation of the Board of Directors. The indicated amount of the maximum total compensation for the members of the Board of Directors comprises all compensation in accordance with the new Articles 11a and 25c of the Articles of Incorporation (cf. agenda item 5.2 and Annex 1), including the employer's social security contributions. Shareholders are made aware that the board members Denis Hall and Richard Laxer representing General Electric Corporation are not compensated by the Company save for the reimbursement of their out of pocket expenses.

6.2 Approval of total compensation of the Management Board

6.2.1 Approval of total amount of fix compensation of the Management Board

Proposal: The Board of Directors proposes that the maximum total amount of fix compensation of CHF 3,000,000 of the members of the Management Board for the next financial year be approved.

Explanation: In accordance with article 18 OaEC, the Annual General Meeting shall annually approve the compensation of the Management Board. The indicated amount of the maximum total fix compensation for the members of the Management Board comprises the fix compensation and other benefits in accordance with the new Articles 11a and 25d lit. (a) and (b) of the Articles of Incorporation (cf. agenda item 5.2 and Annex 1) for the next financial year (2015) including the employer's social security and pension contributions.

6.2.2 Approval of total amount of performance based compensation of the Management Board

Proposal: The Board of Directors proposes that the maximum total amount of performance based compensation of CHF 2,100,000 (in cash and shares) of the members of the Management Board that can be paid and awarded, respectively, in the next financial year be approved.

Explanation: In accordance with article 18 OaEC, the Annual General Meeting shall annually approve the compensation of the Management Board. The indicated amount of the maximum total performance based compensation for the members of the Management Board comprises the variable compensation in accordance with the new Articles 11a, 25d lit. (c) and 25h of the Articles of Incorporation (cf. agenda item 5.2 and Annex 1) for the current financial year, which becomes payable in March 2015, including the employer's social security and potential pension contributions. The payout of the performance based compensation to the members of the Management Board ultimately depends on the achievement of targets in the financial year 2014 set by the Compensation and Nomination Committee as set out in Article 25h of the Articles of Incorporation.

Administrative details

Documents

The Annual Report 2013 and the reports of the independent auditors are available for inspection at the Company's headquarters (Bändliweg 20, 8048 Zurich, Switzerland). The Annual Report 2013 is also available on the Internet: www.cembra.ch/ar2013. These documents will also be sent to shareholders at their request.

Personal attendance

Enclosed with the invitation sent to shareholders is a registration form which can be used to order the admission card or to grant a proxy. Shareholders who wish to attend the Annual General Meeting in person or grant a proxy, including a proxy to the independent proxy, are kindly asked to complete the enclosed registration form and return it by post to the Company's share register in the enclosed envelope (Cembra Money Bank AG, c/o Devigus Shareholder Services, Birkenstrasse 47, 6343 Rotkreuz, Switzerland) as soon as possible, but at the latest by 5 May 2014.

Voting rights

Shareholders registered with voting rights in the share register as of 2 May 2014 will be authorised to participate and to vote at the Annual General Meeting. They will receive their admission card and voting material upon returning the enclosed registration form. From 3 May 2014 to 13 May 2014, no entries will be made in the share register which would create a right to vote at the Annual General Meeting. Shareholders who sell part of or all their shares before the Annual General Meeting are no longer entitled to vote to that extent. They are requested to return or to exchange their admission card and voting material.

Power of attorney and instructions

Shareholders who do not attend the Annual General Meeting in person may be represented by proxy by a third party or by the independent proxy pursuant to article 689c of the Swiss Code of Obligations and article 8 et seq. OaEC. Andreas G. Keller (Attorney-at-Law, Gehrenholzpark 2g, 8055 Zurich, Switzerland) has been appointed by the Board of Directors as independent proxy for the 2014 Annual General Meeting.

If the independent proxy does not receive written or electronic voting instructions for some or all of the proposals, he must abstain from voting. For further details on the granting of proxy and giving of instructions, please see the enclosed registration form.

Electronic instructions

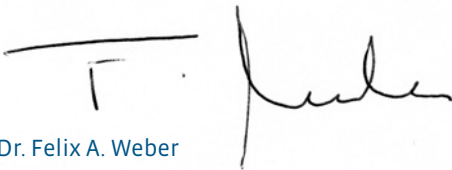
Shareholders may order their admission card or instruct the independent proxy electronically. Please tick this option in your registration form (e-voting) if you wish to use it. You will then receive the access data for the e-voting platform by post. You may issue and amend instructions electronically up until 9 May 2014.

Leaving the Annual General Meeting early

For a correct presence count, shareholders who leave the Annual General Meeting early are kindly requested to hand in their unused voting material on their way out.

Zurich, 15 April 2014

Yours sincerely
Cembra Money Bank AG

A handwritten signature in black ink, appearing to read 'F. Weber', is written over a faint, light-colored rectangular stamp or watermark.

Dr. Felix A. Weber
Chairman of the Board of Directors

Annex 1: Revised Articles of Incorporation

The Annual General Meeting will be held in German. The invitation is published in German and English. In the event of inconsistencies between the English and the German version, the German version prevails.

Contact details: Cembra Money Bank AG, Investor Relations, Bändliweg 20, 8048 Zurich;
Phone +41 (0)44 439 85 72; investor.relations@cembra.ch

Amendments to the Articles of Incorporation in line with the Ordinance against Excessive Compensation in Listed Stock Corporations (OaEC)

Existing Text

Name, Registered Office	<p>Article 1 Under the corporate name of Cembra Money Bank AG (Cembra Money Bank SA) (Cembra Money Bank Ltd.) (the Company) exists a corporation pursuant to these Articles of Incorporation and the provisions of the 26th title of the Swiss Code of Obligations (the CO) and of the Swiss Federal Act on Banks and Savings Banks. The registered office of the Company is in Zurich, Canton of Zurich. The duration of the Company is unlimited.</p>
Conditional Share Capital	<p>Article 6 paragraph 1, 1st sentence The share capital may be increased by an amount not to exceed CHF 900,000 through the issuance of up to 900,000 fully paid registered shares with a nominal value of CHF 1.00 each by the issuance of new shares to members of the Board of Directors, members of the Management Board and employees of the Company and group companies.</p>
Share Register, Transfer Restrictions, Nominees	<p>Article 8 paragraph 3, 3rd sentence Legal entities, partnerships, groups of joint owners and other groups in which individuals or legal entities are related to one another through capital ownership or voting rights or have a common management or are otherwise interrelated shall be regarded as being a single shareholder.</p>
Powers of the General Meeting	<p>Article 11 The General Meeting is the supreme body of the Company. It has the following inalienable and non-transferable powers:</p> <ol style="list-style-type: none"> 1. The adoption of and amendments to the Articles of Incorporation; 2. the approval of the management report and the consolidated financial statements; 3. the approval of the standalone annual financial statements and resolutions regarding the appropriation of the profits shown in the balance sheet, in particular the determination of dividends and profit sharing by directors; 4. the discharge of the members of the Board of Directors and the Management Board from liability; 5. the election and the dismissal of the chairperson of the Board of Directors, the members of the Board of Directors and the Auditor; 6. the election and the dismissal of the members of the Compensation and Nomination Committee of the Company;

Revised Text

Amendments are shown in bold type unless they comprise new provisions in the Articles of Incorporation.

Name, Registered Office	<p>Article 1 [Only editorial modification in German text (title) – English text unchanged]</p>
Conditional Share Capital	<p>Article 6 paragraph 1, 1st sentence [Only editorial modification in German text – English text unchanged]</p>
Share Register, Transfer Restrictions, Nominees	<p>Article 8 paragraph 3, 2nd half sentence [Only editorial modification in German text – English text unchanged]</p>
Powers of the General Meeting	<p>Article 11 The General Meeting is the supreme body of the Company. It has the following inalienable and non-transferable powers:</p> <ol style="list-style-type: none"> 1. The adoption of and amendments to the Articles of Incorporation; 2. the approval of the management report and the consolidated financial statements; 3. the approval of the standalone annual financial statements and resolutions regarding the appropriation of the profits shown in the balance sheet, in particular the determination of dividends and profit sharing by directors; 4. the discharge of the members of the Board of Directors and the Management Board from liability; 5. the election and the dismissal of the chairperson of the Board of Directors (the Chairperson), the members of the Board of Directors and the Auditor; 6. the election and the dismissal of the members of the Compensation and Nomination Committee of the Company (the Compensation and Nomination Committee);

Existing Text

7. resolutions on all other matters which, under the Articles of Incorporation or according to the law, are in the exclusive competence of the General Meeting or which have been submitted to the General Meeting for its decision by the Board of Directors.

[No provision]

Revised Text

7. **the election and the dismissal of the independent proxy of the Company (the Independent Proxy);**
8. **the approval of the aggregate maximum compensation of the Board of Directors and of the Management Board pursuant to Art. 11a; and**
9. resolutions on all other matters which, under the Articles of Incorporation or according to the law, are in the exclusive competence of the General Meeting or which have been submitted to the General Meeting for its decision by the Board of Directors.

Article 11a

- | | |
|-----------------------------|---|
| Resolutions on Compensation | <ol style="list-style-type: none"> 1 Each year the General Meeting approves separately the proposals of the Board of Directors on the aggregate maximum amounts of: <ol style="list-style-type: none"> (a) the compensation of the Board of Directors pursuant to Art. 25c for the term of office until the next ordinary General Meeting; (b) the compensation of the Management Board pursuant to Art. 25d that can be awarded and paid, respectively, in the subsequent business year following the General Meeting. 2 The aggregate maximum compensation amounts approved by the General Meeting are deemed inclusive of social security and pension contributions. 3 In case the General Meeting does not approve the proposed compensation amounts, the Board of Directors can submit new proposals at the same General Meeting. If no new proposals are submitted or if the new proposals are not approved, the Board of Directors can either convene an extraordinary General Meeting and propose new aggregate compensation amounts or the Board of Directors can propose new aggregate compensation amounts for retrospective approval to the next ordinary General Meeting. 4 The General Meeting shall hold a consultative vote on the Company's compensation report prepared by the Board of Directors (the Compensation Report). |
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Existing Text

Article 16

Voting Rights, 1 Each share is entitled to one vote in a General
Representation, 1 Meeting, provided that its holder or usufructuary
Restrictions has been duly registered in the share register
with voting rights in accordance with article 8 of
the Articles of Incorporation up to a specific
qualifying day (the “record date”) designated by
the Board of Directors. In the absence of such
designation, the record date shall be five calendar
days prior to the General Meeting. The Board of
Directors may, in the notice of a General Meeting
or in general regulations or directives, specify or
supplement the rules laid down in this paragraph.

2 Subject to paragraph 3, by means of a written
proxy, each shareholder may have his or her
shares represented at a General Meeting by a
third person (including the independent proxy),
who need not to be a shareholder.

3 A shareholder recorded in the share register as a
Nominee pursuant to article 8 paragraph 3 of the
Articles of Incorporation may have its shares
represented in a General Meeting only if the
Nominee provides the Company with the name,
address and shareholding of the person(s) for
whose account he holds 0.5 percent or more of
the outstanding share capital of the Company.

Article 17

Resolutions, 1 The General Meeting shall pass its resolutions and
Elections carry out elections by the absolute majority of the
votes cast. At any election for the Board of Direc-
tors in which there are two or more candidates
for one board seat, the election shall be carried
out by the relative majority of votes cast.

2 The approval of at least two-thirds of the votes
and the absolute majority of the par value of
shares, each as represented at a General Meeting,
shall be required for resolutions with respect to:

1. the modification of the purpose of the
Company;
2. the creation and the cancellation of shares
with privileged voting right;
3. the restriction of the transferability of regis-
tered shares and the withdrawal of such a
restriction;

Revised Text

Article 16

Voting Rights, 1 Each share is entitled to one vote in a General
Representation, 1 Meeting, provided that its holder or usufructuary
Restrictions has been duly registered in the share register
with voting rights in accordance with article 8 of
the Articles of Incorporation up to a specific
qualifying day (the “record date”) designated by
the Board of Directors. In the absence of such
designation, the record date shall be five calendar
days prior to the General Meeting. The Board of
Directors may, in the notice of a General Meeting
or in general regulations or directives, specify or
supplement the rules laid down in this paragraph.

2 Subject to paragraph 3, **each shareholder may
only be represented at a General Meeting by (i)
the Independent Proxy by means of a written or
electronic proxy or (ii) by a third party, who need
not to be a shareholder, by means of a written
proxy. The Board of Directors may, in the notice of
a General Meeting or in general regulations or
directives, specify or supplement the rules laid
down in this paragraph (including rules on elec-
tronic proxy and electronic instructions).**

3 A shareholder recorded in the share register as a
Nominee pursuant to article 8 paragraph 3 of the
Articles of Incorporation may have its shares
represented in a General Meeting only if the Nomi-
nee provides the Company with the name, address
and shareholding of the person(s) for whose ac-
count he holds 0.5 percent or more of the out-
standing share capital of the Company.

Article 17

Resolutions, 1 The General Meeting shall pass its resolutions and
Elections carry out elections **with the simple** majority of the
votes cast. **Abstentions from voting, empty or
invalid ballots shall be disregarded for purposes
of establishing the majority.** At any election for
the Board of Directors in which there are two or
more candidates for one board seat, the election
shall be carried out **with the simple** majority of
votes cast.

2 The approval of at least two-thirds of the votes
and the absolute majority of the par value of
shares, each as represented at a General Meeting,
shall be required for resolutions with respect to:

1. the modification of the purpose of the
Company;*
2. the creation and the cancellation of shares
with privileged voting right;
3. the restriction of the transferability of regis-
tered shares and the withdrawal of such a
restriction;

* Editorial modification in German text –
English text unchanged

Existing Text

4. an authorized or conditional increase in share capital;
5. an increase of capital out of equity against contributions in kind, or for the purpose of acquisition of assets and the granting of special benefits;
6. the limitation or withdrawal of pre-emptive rights;
7. the change of the registered office of the Company;
8. the dissolution of the Company.

Article 18

Number of Directors
The Board of Directors shall consist of at least three members, but not more than seven.

Article 22

- Powers of the Board of Directors
- 1 The Board of Directors may take decisions on all matters that are not by law, the Articles of Incorporation or regulations reserved to another corporate body.
 - 2 The Board of Directors shall have the following non-transferable and inalienable duties:
 1. the ultimate direction of the business of the Company and the issuance of the required directives;
 2. the determination of the organisation of the Company;
 3. the organisation of the accounting procedures, financial control and, to the extent required for the management of the company, the financial planning;
 4. the appointment and dismissal of the persons entrusted with the management and the representation;
 5. the ultimate supervision of the persons entrusted with the management, in particular with regard to compliance with the law, the Articles of Incorporation, regulations, and directives;
 6. the preparation of the annual management report and the preparation of the General Meeting and the implementation of its resolutions;

[No provision]
 7. the adoption of resolutions regarding the performance of additional contributions to shares of the Company not fully paid in and the respective amendments of the Articles of Incorporation;

Revised Text

4. an authorized or conditional increase in share capital;
5. an increase of capital out of equity against contributions in kind, or for the purpose of acquisition of assets and the granting of special benefits;
6. the limitation or withdrawal of pre-emptive rights*;
7. the change of the registered office of the Company;
8. the dissolution of the Company.

Article 18

Number of Directors
The Board of Directors shall consist of at least **five** members, but not more than seven.

Article 22

- Powers of the Board of Directors
- 1 The Board of Directors may take decisions on all matters that are not by law, the Articles of Incorporation or regulations reserved to another corporate body.
 - 2 The Board of Directors shall have the following non-transferable and inalienable duties:
 1. the ultimate direction of the business of the Company and the issuance of the required directives;
 2. the determination of the organisation of the Company;
 3. the organisation of the accounting procedures, financial control and, to the extent required for the management of the company, the financial planning;
 4. the appointment and dismissal of the persons entrusted with the management and the representation;
 5. the ultimate supervision of the persons entrusted with the management, in particular with regard to compliance with the law, the Articles of Incorporation, regulations, and directives;
 6. the preparation of the annual management report and the preparation of the General Meeting and the implementation of its resolutions*;
 7. **the issuance of the Compensation Report;**
 8. the adoption of resolutions regarding the performance of additional contributions to shares of the Company not fully paid in and the respective amendments of the Articles of Incorporation;

* Editorial modification in German text – English text unchanged

Existing Text

8. the adoption of resolutions regarding the increase of the share capital, to the extent within the authority of the Board of Directors (article 651 para. 4 CO), the ascertainment of capital increases, the establishment of the report regarding the capital increase and the respective amendment to the Articles of Incorporation;
 9. the verification of the professional qualifications of the Auditor;
 10. the non-transferable tasks and duties of the Board of Directors pursuant to the Swiss Merger Act;
 11. the notification of the court in the event of overindebtedness;
 12. all other powers and duties reserved to the Board of Directors by law or the Articles of Incorporation.
- [no provision]

- 3 Subject to the foregoing provisions and mandatory law, the Board of Directors may delegate all duties or powers, entirely or in part, to individual members of the Board of Directors, to Committees of the Board of Directors or to third persons in accordance with the Organisational Regulations.

[No provision]

Revised Text

9. the adoption of resolutions regarding the increase of the share capital, to the extent within the authority of the Board of Directors (article 651 para. 4 CO), the ascertainment of capital increases, the establishment of the report regarding the capital increase and the respective amendment to the Articles of Incorporation;
10. the verification of the professional qualifications of the Auditor;
11. the non-transferable tasks and duties of the Board of Directors pursuant to the Swiss Merger Act;
12. the notification of the court in the event of overindebtedness;
13. all other powers and duties reserved to the Board of Directors by law or the Articles of Incorporation.

- 3 **If the position of the Chairperson of the Board of Directors is vacant, the Board of Directors may appoint a new Chairperson for the remaining term of office from among the members of the Board of Directors. If the Compensation and Nomination Committee is not complete, the Board of Directors may fill the open positions for the remaining term of office with another member of the Board of Directors. If the Company has no Independent Proxy, the Board of Directors may appoint an Independent Proxy for the next General Meeting.**

- 4 Subject to the foregoing provisions and mandatory law, the Board of Directors may delegate all duties or powers, entirely or in part, to individual members of the Board of Directors, to Committees of the Board of Directors or to third **parties who need to be natural** persons in accordance with the Organisational Regulations.

Article 22a

- Compensation and Nomination Committee 1 The Compensation and Nomination Committee shall consist of at least two but not more than four members of the Board of Directors. The term of office ends at the conclusion of the next General Meeting. Re-election is possible.

Existing Text

Revised Text

- 2 The Compensation and Nomination Committee shall in principle have the following tasks and responsibilities in relation to the compensation of the Board of Directors and the Management Board:
 - (a) The function of the Compensation and Nomination Committee is to establish the compensation strategy for the Group, to approve the compensation and make recommendations to the Board of Directors with regard to certain compensation matters, in particular to review, on behalf of the Board of Directors and within the limits set by the General Meeting, the amount of compensation to be paid to the members of the Board of Directors and the members of the Management Board.
 - (b) The Compensation and Nomination Committee shall annually review and make a recommendation to the Board of Directors of the form and amount of the compensation of members of the Board of Directors and any additional compensation to be paid for service as Chairperson, for service on Board of Directors committees and for service as a chairperson of a committee.
 - (c) The Compensation and Nomination Committee shall annually (a) review and assess the corporate goals and objectives upon which the compensation of the Chief Executive Officer and the other members of the Management Board is based and (b) evaluate the performance of the Chief Executive Officer and the other members of the Management Board in light of these goals and objectives.
 - (d) After the evaluation of the Chief Executive Officer's performance, the Compensation and Nomination Committee shall make a recommendation to the Board of Directors of appropriate compensation levels for the Chief Executive Officer.
 - (e) The Compensation and Nomination Committee shall annually review and make a recommendation to the Board of Directors of appropriate compensation levels for other members of the Management Board, as to (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) any employment agreements and other arrangements or provisions and (e) any special or supplemental benefits. As part of such review, the Compensation and Nomination Committee shall take account of the levels and forms of compensation at comparable companies.

Existing Text

[No provision]

[No provision]

Revised Text

- 3 The Board of Directors shall set forth rules with respect to further tasks and responsibilities of the Compensation and Nomination Committee in the Organisational Regulations or in the Charter of the Compensation and Nomination Committee.

Section 4:

Remuneration and Related Provisions

Article 25a

- | | |
|---------------------------------------|---|
| Permitted
Additional
Activities | <ol style="list-style-type: none"> 1 The term activities as used in this Article 25a means membership in the superior management or oversight bodies of legal entities obliged to register themselves in the Commercial Register in Switzerland or a foreign equivalent thereof (the Activities). Several Activities in legal entities under common control or under the control of the same beneficial owner are deemed one Activity. 2 The members of the Board of Directors may have up to 15 Activities of which a maximum of 5 may be in listed companies. 3 The members of the Management Board may upon prior approval by the Board of Directors or the Compensation and Nomination Committee have up to 5 Activities of which a maximum of 1 may be in listed companies. 4 For the purposes of this Article 25a the following Activities do not fall under the above restrictions: <ol style="list-style-type: none"> (a) Activities in entities controlled by the Company; (b) Activities in entities controlling the Company; and (c) Activities in associations, charitable institutions as well as welfare and pension institutions. No member of the Board of Directors or the Management Board may have more than 10 such Activities. |
|---------------------------------------|---|

Article 25b

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| Duration and
Notice Period of
Employment and
Similar Agreements | <ol style="list-style-type: none"> 1 The agreements of the members of the Board of Directors have a fixed term until the conclusion of the next ordinary General Meeting. Early resignation or dismissal remains reserved. 2 The employment agreements of the members of the Management Board shall in principle be concluded for an indefinite period. The maximum notice period shall not exceed 12 months. If the Board of Directors or the Compensation and Nomination Committee comes to the conclusion that a fixed term is appropriate, the fixed term shall not exceed one year. Renewal is possible. |
|--|---|

Existing Text

Revised Text

<p>[No provision]</p>	<p>3 In the event of termination of the employment agreement, the Company may relieve the member of the Management Board from its duties during the notice period and/or can enter into a termination agreement.</p> <p>4 The Company may enter into non-competition agreements with members of the Management Board with a duration of up to two years. The annual compensation payable during the term of the non-competition agreement shall not exceed the annual base salary paid prior to the termination of the employment agreement.</p>
<p>[No provision]</p>	<p>Article 25c Compensation Principles for the Board of Directors The compensation of the members of the Board of Directors which is paid out subject to the approval by the General Meeting consists of a fix base fee paid in cash depending on the function in the Board of Directors, the number of committee activities and the functions in the committees.</p>
<p>[No provision]</p>	<p>Article 25d Compensation Principles for the Management Board The compensation of the members of the Management Board which is paid out subject to the approval by the General Meeting consists of:</p> <ul style="list-style-type: none"> (a) a fix base salary paid in cash; (b) further compensation elements such as housing allowances, school fees and the like as deemed appropriate by the Compensation and Nomination Committee; (c) a performance based compensation under the Executive Variable Compensation Plan pursuant to Article 25h partly paid in cash and partly in form of a grant of restricted share units to be settled in shares upon vesting.
<p>[No provision]</p>	<p>Article 25e Additional Compensation Amount for New Hires and Promotions 1 In the event that members of the Management Board are appointed after the General Meeting has approved the aggregate maximum compensation, the Company may award additional compensation to such new members. The additional aggregate compensation per year for all new members of the Management Board shall not exceed 30% of the last aggregate maximum compensation amount approved by the General Meeting.</p> <p>2 The Company may grant sign on bonuses in the form of cash and/or equity linked instruments under the Company's equity plans to new members of the Management Board as compensation for forfeited compensation elements at the previous employer.</p>

Existing Text

[No provision]

[No provision]

[No provision]

Revised Text

Out of Pocket Expenses	<p>Article 25f</p> <p>Out of pocket expenses not covered under the lump sum allowance established under the Company's expense manual shall be reimbursed against presentation of the respective receipt or voucher. The additional out of pocket expense reimbursement is not subject to approval by the General Meeting.</p>
Loans, Credits and Pension Benefits not based on Occupational Pension Schemes	<p>Article 25g</p> <p>1 The Company may grant loans, credits, including car lease arrangements, and pension benefits not based on occupational pension schemes to members of the Board of Directors and members of the Management Board in an amount which shall in total not exceed 50% of the last aggregate maximum compensation amount approved by the General Meeting.</p> <p>2 The payment of bridge or interim annuities by the Company to members of the Management Board is possible between early retirement and the statutory retirement age.</p> <p>3 The Company may in accordance with applicable law and the approval of the Board of Directors advance costs and attorney's fees to the members of the Board of Directors and members of the Management Board involved in legal, regulatory or other proceedings in connection with their services for the Company. Indemnification of members of the Board of Directors and members of the Management Board constitutes cost and expense reimbursement.</p>
Executive Variable Compensation Plan	<p>Article 25h</p> <p>1 The members of the Management Board participate upon discretionary invitation by the Board of Directors (each a Participant) in the Company's Executive Variable Compensation Plan (the EVCP) under which a certain percentage of the variable compensation is payable in cash and a certain percentage of the variable compensation is received in form of a grant of restricted share units (the RSU). The applicable percentages are determined annually by the Compensation and Nomination Committee.</p> <p>2 The Board of Directors on recommendation of the Compensation and Nomination Committee determines the target annual variable compensation under the EVCP for each Participant which corresponds to a percentage of the Participant's annual fix compensation. The target annual variable compensation shall not exceed 100% of a Participant's annual fix compensation.</p>

Existing Text

Revised Text

- 3 The maximum annual variable compensation of a Participant shall in any case not exceed 150% of his/her target annual variable compensation.
- 4 The amount of the annual variable compensation received by a Participant under the EVCP is determined by the Board of Directors on recommendation of the Compensation and Nomination Committee based on the Participant's performance, including achievement of goals and objectives set on an annual basis by the Compensation and Nomination Committee.
- 5 RSU received under the EVCP are subject to a staggered vesting schedule over three years during which one third of the RSU is unlocked each year and settled in shares of the Company provided that the EVCP has not been terminated early and that the employment relationship of the Participant has not been terminated by the Participant for any reason or by the Company for cause in which cases the RSU are forfeited.
- 6 The variable compensation for the Participants is conditional upon the annual funding pool for the EVCP being filled. The annual funding pool for the EVCP is determined by the Board of Directors on the basis of a quantitative and qualitative assessment of the Company taking into account, among others, the Company's performance and other discretionary factors that the Board of Directors decides to take into consideration (such as industry index and governance objectives).

If the motions proposed under item 5 of the agenda are accepted or partially accepted, the numbering of the headings/sections and the individual provisions in the Articles of Incorporation are to be amended accordingly. In all other cases, the current Articles of Incorporation continue to apply.

